



# HOW TO INCREASE THE LOYALTY & ENGAGEMENT OF YOUR EMPLOYEES



# CONTENT



# INTRODUCTION

Most loyalty marketers focus on rewarding customer or business partner behaviour. Yet, there is another important side to the loyalty coin and that is recognising the performance of employees. There is a so-called profit chain that links employee motivation and behaviour with customer loyalty.

Many companies are battling employee turnover, less than optimal productivity levels and the absence of a sense of ownership among employees. The global pandemic has caused a huge shift in workforce culture, with remote working becoming the norm; staff placed on furlough are coming to terms with returning to the workplace after, in some cases, over a year.

Keeping your workforce engaged and loyal to your business has become yet more critical to business success, and even survival.

At Motivforce we not only help clients to deploy business partner-driven strategies in order to improve their performance, agility and profitability. We are also working with a growing number of clients to measure the impact of their employees on the bottom line and to design employee reward and recognition programs that are catalysts for business growth.

In this latest e-book, we share our insights and tactics for increasing the loyalty and engagement of your people.

# WHY YOUR BUSINESS SHOULD IMPLEMENT AN EMPLOYEE RECOGNITION PROGRAM

With so many different people working together, it can often be challenging to lead a business. However, if you want to retain your talent and boost productivity, you should look beyond just monetary rewards. Research has shown that businesses that recognise the achievements of their employees tend to have more productive and engaged employees.

Here are a few reasons why businesses of all sizes are implementing reward and recognition programs around the world that go beyond monetary rewards.

**68%**  
OF EMPLOYEES  
HAVEN'T RECEIVED ANY  
FORM OF RECOGNITION  
FOR GOOD WORK IN  
THE LAST YEAR

GALLUP

## **BOOST IN PRODUCTIVITY**

Whether you decide to reward high-performing employees with a monetary rewards or provide access to a rewards catalogue, it demonstrates to your employees that you appreciate their hard work. This motivates the employees to repeat their behaviour as they want more recognition. That, in turn, increases productivity.

## **ENSURE EMPLOYEE LOYALTY**

If your company wants to retain talented and productive employees, you should incorporate an employee rewards program. Celebrating the achievements of employees can go a long way in employee retention and loyalty. When employees know that their work is appreciated and recognised, they will not feel the need to leave the company.



## ENSURE EMPLOYEE ENGAGEMENT

Business to employee (B2E) rewards make employees happier and also help them to stay engaged. When employees know that there is an incentive program that will reward them for meeting their KPIs and goals, they will work harder as they want to get the rewards that await them. This simple yet effective method to keep employees engaged offers astounding results.

## FOSTER A HAPPIER WORKPLACE

When employees are happy, the workplace is happy. As a business owner or department head, you shouldn't just appreciate big achievements; you should also recognise and reward small things. Employee recognition instils a sense of pride in the employees. They feel proud to work in a company that appreciates and recognises their efforts, and this helps to make the workplace happier and more contented – a workplace that employees love to come to each day and give their best.

## ENCOURAGE FRIENDLY COMPETITION

Rewards programs not only get a team to work together but it also leads to friendly rivalry and competition among the team members. Some organisations have team rewards and individual rewards for the highest performing employees. When you adopt such an approach, not only will the team be more cohesive and hard working but it will also compel individual team members to compare their performance with the rest of the team and strive to do better. When the employee comes up on top, they will have a sense of achievement not only for their team but also about themselves.



**69% OF EMPLOYEES  
WOULD WORK HARDER  
IF THEY FELT THEIR  
EFFORTS WERE MORE  
APPECIATED**



## CHAPTER TWO

# HOW TO CHOOSE THE BEST EMPLOYEE RECOGNITION PROGRAM

Business leaders are always looking for ways to make their employees feel more rewarded and recognised as this helps increase productivity, loyalty, and efficiency. Managing your employees, the right way and appreciating their hard work makes them feel happy and satisfied and they will be willing to put in more work which will ultimately increase your return on investment.

PEER-TO-PEER  
RECOGNITION MAKES  
**90%**  
OF WORKERS MORE  
SATISFIED WITH THEIR  
WORK

SHRM





# IF YOU ARE LOOKING FOR WAYS TO REWARD YOUR EMPLOYEES THEN HERE ARE SOME WAYS TO HELP YOU GET STARTED

## HAVE A CLEARLY DEFINED CRITERION

One of the most important elements of reward and recognition programs is that all your employees need to be recognised for their performance, no matter what department they are in. Make sure that all criteria are clear, precise, relevant, and put in an easy-to-understand way so that there is no misunderstanding.

## REWARDS SHOULD BE CONSISTENT WITH YOUR BRAND VALUES

There is nothing more confusing than having a recognition program that doesn't adhere to your brand values and mission. After all, your company's values are what drive you and your team to move and expand the company and grow each day. For example, if your company is well-known for its excellent customer care and service then provide your employee recognition should focus on care and you can ask your high-performers what they would want as a part of the reward program. If your company is based on being outspoken, has its own ideals, and loves creative, the same needs to be reflected in your reward.

## DELIVER ON YOUR PROMISE EVERY TIME

When it comes to a business to employee (B2E) reward program, there's nothing worse than not fulfilling your end of the deal. For example, if you are telling your employees that certain criteria will get them a reward then you need to hold up your end of the bargain and give it to them as soon as they have met your criteria. Make sure your managers, administration, HR, and other decision makers understand the importance and play an active role in the success of your company. The more people that understand your reward program, the better the success of the company and the more recognition your employees will get. This will also urge other employees to work harder to meet the said criteria.

## THE TAKEAWAY

The best way to ensure that your employee reward program goes smoothly is to choose a reputable firm who understands your requirements and can build a platform that caters for your recognition goals. This will not only take away the stress of choosing a suitable reward for your high achievers but it also helps give your staff the credit they deserve and ensure that the program is effective and reliable. A focused, organised, and easy system of rewarding can make all the difference when it comes to your organisation's success. Remember employees are satisfied that their hard work will be rewarded and that will motivate them and make them performance-driven. Such employees will be loyal and show up to work each day. A rewards program demonstrates to employees that their achievements are appreciated and the company cares about them.

# 5 STEPS TO DEVELOPING EMPLOYEE ENGAGEMENT

Employee engagement is without doubt connected to a company's profitability. Initial research that takes intra-company differences into account shows that the highest level of growth in profits (10% to 15%) occurs in the group of companies whose employees are highly engaged and conversely the lowest level of growth in profits (0% to 1%) happens in the low engagement category.

But how can you boost employee engagement effectively? We recommend taking a stepwise approach.

**21%**  
HIGHLY ENGAGED  
TEAMS SHOW  
21% GREATER  
PROFITABILITY

GALLUP







## STEP 1

First up, you need to understand what employee engagement really is all about. According to management gurus, employee engagement consists of five components:

1. Employee satisfaction
2. Employee identification
3. Employee commitment
4. Employee loyalty
5. Employee performance

## STEP 2

Create an employee engagement scorecard. This enables you to scan how each of the components in Step 1 directly influence an employee's overall engagement level for each employee, team, business unit or company.

## STEP 3

On the basis of a benchmark system, teams, business units and also companies are grouped into four categories: low engagement, somewhat engaged; higher engagement and highest engagement.

## STEP 4

Plot an upward moving trend. As the employee engagement scorecard has scores for each of the five components, a sensitivity analysis is run to determine where to allocate resources most effectively. For instance, if the employee identification factor is lagging behind, this impedes team-spirit and blocks the generation of fresh initiatives.

## STEP 5

Once you have a better understanding of current levels of employee engagement, you can plan an effective course of action. For example, incentivising collaboration in mentor programs or internal idea development communities may stimulate employees so that they feel part of the culture and values of the company. Or to enhance employee commitment levels, companies should review their incentive structures and rewards and benefits to convince employees that their contribution and input are valued. And finally, when it comes down to employee performance, poor performing teams or firms should revisit whether current training and incentive programs are still suited to engage employees.

# COMMON MISCONCEPTIONS ABOUT EMPLOYEE REWARD AND RECOGNITION PROGRAMS

Compared to a few decades ago, several organisations have transformed the way they recognise employees and their achievements. However, there are still many that do not want to move away from traditional methods. This reluctance to change the way they appreciate their employees comes from misconceptions. Thankfully, it is now possible to clear those fallacies and ensure decision-makers invest time, effort, and resources to make their employee recognition programs more successful.



Here are the three most common misconceptions that organisations have about employee reward and recognition programs:

### **1. JUST MONETARY REWARDS MOTIVATE EMPLOYEES**

Many business leaders believe that employees long for higher salary and monetary benefits. So, if they increase salaries, it will motivate employees and encourage them to meet their goals and targets. However, this is not true. A study performed by Deloitte reveals that companies that have employee rewards and recognition programs enjoy 14% higher employee performance, productivity, and engagement compared to companies that do not have similar programs. So, if you have a high employee turnover even though your organisation is among the highest-paying companies, it is time to rethink your employee recognition program.

### **2. EMPLOYEE RECOGNITION PROGRAMS ARE EXTREMELY TIME-CONSUMING**

If your company does not have a proper employee recognition program, it will be time-consuming. Most companies have ad-hoc incentives that are manually handled. That makes the program ineffective as you will not be able to motivate your employees to increase their performance. It is necessary to have a structured program in place that treats all employees justly and rewards them as and when required. A structured and automated program is easy to handle and is more effective in incentivising and motivating employees.

### **3. RECOGNITION IS FOR EMPLOYEES WHO DO NOT GET BONUSES**

Many organisations believe that employee recognition programs are solely for employees who do not get bonuses and salary hikes as it allows them to stay motivated. However, if you are using this criterion to reward your employees, the entire purpose of the recognition program will get lost. It is prudent to remember that all employees need recognition and decision-makers should not pick and choose who gets it. Just like rewards are used in a B2B loyalty programs to drive success, reducing client churn by 5% and increasing a company's profitability by 20 to 125%, so also with employee recognition. Rewarding and recognising deserving employees can drive engagement and ensure your organisation cultivates a culture of appreciation and collaboration.

### **TO SUM UP**

Employee recognition and reward programs are much more than doling out ad-hoc rewards or monetary prizes. These programs can transform your workplace and make it more productive and collaborative. You will be able to retain talented employees and also your organisation will find it easier to attract new talent. Remember non-cash recognition is more effective compared to pay hikes and cash bonuses. So, do not let misconception stop you from implementing an effective and fair reward and recognition program for your employees.



# STRATEGIES TO BOOST EMPLOYEE ENGAGEMENT

## INVEST IN ENABLEMENT AND TRAINING

Employee-centric companies offer regular training programs to enhance capabilities and skill sets. As employees become aware of such positive attention and recognition, they respond with higher levels of engagement and this positively impacts the interactions with their customers.

American Express, for instance, deployed an internal training and incentive program aimed at increasing engagement around customer care. After the training, employees were empowered to engage with customers as they saw fit and rigid guidelines like ‘average handling time’ and scripted responses were binned. The pay-off was astounding; customer spending on Amex products increased by 2% and a portfolio of profitable innovative services around the products was developed.

**85%**  
OF EMPLOYEES ARE  
NOT ENGAGED AT  
WORK

GALLUP

## INCENTIVISING EMPLOYEES VS REWARDING TEAMS

We have witnessed an important shift when it comes to employee recognition programs; the focus is no longer on incentivising individual employees, but on rewarding the performance of teams. We have moved away from the old HR mantra ‘high potentials’. This refers to employees who have yet to live up to their promise. Instead, we are putting the notion of ‘team potency’ or the power to actually realise results in the spotlight.

Initial research findings are beguiling. In a study among 60 client-facing financial advice teams we find workgroups that score high on team potency (by rating, among others, their ability to solve any customer problem they encounter) have more loyal customers.

So, what are the drivers of team potency that should be recognised? The answer is very clear: a little help from their friends. Support from supervisors, members within the team and assistance from other teams are key in making a team feel they have the power to do a great job in securing loyal customers. You need to make sure you reward these helping behaviours... the long term payoff is potent.

## REWARD VALUABLE LEADERS IN YOUR BUSINESS

Remember to recognise your operational managers for showcasing behaviour that is important to you and to your customers. For many customer-facing employees, their supervisor, team leader or store manager is a role model who they look to for guidance on good practice.

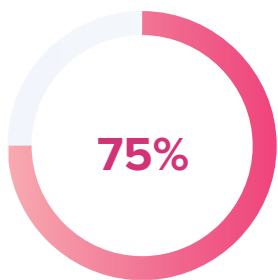
Take, for example, the selling of green products. Most companies nowadays have adopted environmentally-friendly business practices as a strategic imperative. The operational reality, however, doesn't always stack up. Often the deployment of this key priority is pushed through to the frontline with little support. For sales associates, it is still a hard sell as green alternatives come at a higher price premium. So, what would be the best way to recognise those sales teams that actually walk the green talk? A recent study by Motivforce among sales managers and associates of 36 stores of a large electronics retailer helps answer that question. We presented the managers of these stores with a set of choices between environmental responsibility and margin. This enabled us to identify which store manager is walking the green talk and whether it would be worth incentivising that type of behaviour. We found that a consistent preference of the store manager for the green option drives sales associates' concern for the environment. But does leading-by-example also pay off? Surprisingly, we found that it not only boosted the sales of green products, but that it also led to higher monthly store margins.

**147%**  
COMPANIES WITH  
HIGHLY ENGAGED  
EMPLOYEES  
OUTPERFORM THEIR  
COMPETITORS BY 147%

BLAKE MORGAN

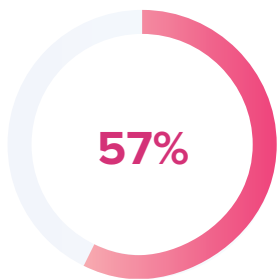


# HOW TO MOTIVATE AND ENGAGE A HYBRID WORKFORCE



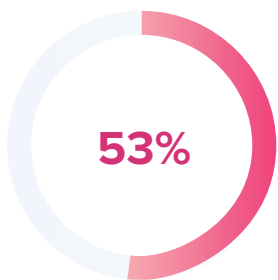
EMPLOYEES  
FEEL  
SOCIALLY  
ISOLATED

During the Covid pandemic many companies embraced, or were forced, to Work-From-Home. All of a sudden, employees were communicating, collaborating and innovating from the comfort of every imaginable space in the house. Now, as business headquarters are opening up, most employees are certainly not rushing back to the office.



FEEL GREATER  
ANXIETY

'Work Form Hybrid' has emerged as the new normal. It is clear that there will be no return to the traditional 9-to-5 office-day. Employers are witnessing the dawn of the hybrid workforce. But firms are now facing challenges around motivating and engaging hybrid workers and how to draw lessons from what just happened to the world of work.



ARE  
EMOTIONALLY  
EXHAUSTED

In a recent study 'The effects of remote work on collaboration among information workers', researchers analysed communication patterns of over 60,000 Microsoft employees during the first six months of 2020 (just before the pandemic took hold). As one of the key engines behind remote working, Microsoft was already practising what it preached before the virus hit. The company was therefore able to share a mountain of data from chat messages, Teams meetings and even old-fashioned telephone calls.

HARVARD BUSINESS REVIEW



The results painted a detailed picture of how the nature of work changed with the advent of the pandemic. Three key take-aways emerge from the study.

- 1.** Collaboration and communication happen more frequently within groups and less often between groups. This leads to more 'groupthink' and a drying up of the supply of creativity and fresh ideas, which in turn hindered Microsoft's innovation capability.
- 2.** Informal networks ground to a halt and the lack of new relationships stifles the development of knowledge and skills. Let's face it, spur-of-the moment water cooler-chats are hard to strike up online.
- 3.** There was a shift from synchronous (i.e direct contact) to asynchronous communication (i.e delayed contact). Remarkably, people were flocking to email, even though Microsoft is the company that gave us the online meeting tool Teams. While email is excellent for sharing information, it does not have the richness of a meeting or call, and therefore it is harder to create understanding and relationship building.

The overall conclusion is that employees who Work-From-Home disengage more easily and team effectiveness is under siege.

At the same time, Work-From-Home is here to stay. It simply has too many benefits for both employers and employees to be stopped.

How do you facilitate the transformation of Work-From-Home into Work-Form-Hybrid?

How can companies navigate the pitfalls of disengagement that hamper collaboration? How do you deal with the stress of rebuilding cohesion, maintaining shared values and managing innovation in siloed organisations?

An important part of the answer is to identify innovative ways of rewarding and recognising hybrid work practices that promote social capital. Social capital is all about the value of social networks; how likeminded people bond and how bridges between diverse people can be built. It stimulates the informal, but vital, information flows within organisations.



## 6 WAYS TO REWARD EMPLOYEES FOR COLLABORATIVE HYBRID WORK PRACTICES

**1**

Ask people to provide evidence of meeting a colleague who works in another group or unit, a simple selfie or screenshot will work.

**2**

Reward the initiative of organising virtual and face-to-face coffee or lunch breaks with another team, even or especially if the teams are not working together now.

**3**

Mandate that the camera should be turned on for virtual meetings. Evidence is emerging that many participants in virtual meetings are disengaged when the camera is turned off and are actually involved in other primary tasks. Simply logging into a meeting and not participating or being engaged is a waste of time and resources.

**4**

Incentivise health checks as an integral part of meetings to look for burnout signs.

**5**

Be sure to be inclusive of your recognition policies across both remote and office working practices.

**6**

Disincentivise emails with endless “reply all” threads, while investing in state-of-the-art remote working tools and platforms that allow for employees to talk to each other.

By recognising these communication and collaboration practices and capitalising on hidden information flows you will be able to reimagine employee engagement and deliver on work practices that equip you with the capabilities of dealing with the challenges and opportunities of the hybrid workforce.

# B2E CASE STUDY – TRAVEL SECTOR

## BACKGROUND

The client is a large UK travel agency group, operating travel agencies nationwide staffed by sales consultants. The client operates in a highly competitive market. Additionally, the client faced business challenges due to a company restructure and agency closures.

## CHALLENGES

- Historically employee incentives were run on an ad-hoc and labour-intensive manual basis. The motivational effectiveness of these schemes was limited as they were managed manually via Excel spreadsheets by multiple head office staff. This was cumbersome and labour-intensive and also lacked any structure that would show sales targets, create excitement or a sense of achievement, as staff were unable to easily track their performance relating to bonuses and incentives.
- Third party suppliers/partners also offered tactical promotions to staff, but due to lack of structure, there was no motivational distinction between selling the client's own branded products.

## OBJECTIVES

- To drive employee engagement and product sales during a challenging time commercially for the business.
- To streamline/automate management of previously labour-intensive, incohesive incentives.
- To enable staff to easily track their performance .
- To create a mechanic that rewards staff for different selling behaviours effectively.
- To implement more third-party supplier funded promotions.







## RESEARCH

Motivforce conducted extensive research among the client’s employees to gain insights into what would be the most effective strategy. This included

- Focus groups to assess employee reactions (prompted and unprompted) to incentive campaigns and which ones gathered the strongest motivation to participate.
- Analytics looking at the link between sales and communications – this revealed the most effective communication pieces, imagery, tone of voice and incentive value.
- Identifying seasonal sales trends, enabling us to schedule and forecast optimum time to deploy incentives that would encourage engagement.

## SOLUTION

Motivforce created ‘Endless Earnings’ a loyalty and reward offering combining four imaginative schemes designed to meet the client’s business and staff motivational needs, all accessed within one dynamic, user-friendly website.

- Endless Earnings - commission-based scheme rewarding agents for sales
- Diamond Club – leaderboard based annual bonus scheme
- Reach for the Beach - rewards agents for selling certain hotels
- Reach for Rewards - rewards agents for third-party and tactical promotions

‘Endless Earnings’ was created as an umbrella theme because it concisely epitomised the benefits and value that the overall program would deliver to employees

“  
ENDLESS EARNINGS  
IS FANTASTIC AND  
THE SCHEME WEBSITE  
MAKES IT SO MUCH  
EASIER TO KEEP TRACK  
OF MY EARNINGS.  
”



## BENEFITS

Endless Earnings successfully brought together all of the client's previous ad-hoc manually based incentives (which had little motivational impact or engagement from staff) in one user-friendly portal. The client's staff became huge fans of the program and loved the fact that it provided a one-stop-shop for all company incentives within a fun, engaging portal, giving them an at-a-glance view of their sales and promotional earnings.

The Diamond Club leaderboard mechanic was particularly popular and became a hotly-contested scheme with staff tracing their position daily via the portal. Revenue exceeded the previous year's performance as the top 75 agents on the leaderboard sold 7% more products. Drive revenue of the client's branded products, exceeding previous year's performance.

The program also gave staff the opportunity to earn discounts off their own personal holidays (via Reach for the Beach) and gift cards or Mastercards (via Reach for Rewards) which effectively gives them 'cash' to spend on anything they want. The latter is particularly attractive as travel agents are typically poorly remunerated.

The significance and value to staff of the incentive schemes housed within Endless Earnings is demonstrated by the exceptionally high levels of engagement and active use of the portal by 90% of employees and feedback from participants has been extremely positive.

“ IT'S SO **USEFUL** TO SEE ALL OF THE PROMOTIONS AND MY BONUS EARNINGS IN ONE PLACE AND I **LOVE** THE CHOICE REWARDS. ”



## CONCLUSION

Employees are arguably a company's most valuable resource. They are sources of innovation and knowledge and allow you to compete in the marketplace through service excellence. As Howard Schultz, the former CEO of Starbucks, once stated: *"employees are the primary catalysts for delighting customers."*

The positive impact of employee engagement on the bottom-line should motivate companies to shortlist employee engagement as a strategic imperative.

We hope the insights and recommendations in this e-book have motivated you to take a closer look at ways you can improve the loyalty, satisfaction and engagement of your employees. Put your people first, and they will in turn put your customers first.

There is no doubt that happy, motivated and engaged staff lead to happy, satisfied and engaged clients, who want to do business with you.





**71%**  
OF EXECUTIVES SAY THAT EMPLOYEE  
ENGAGEMENT IS CRITICAL TO THEIR  
COMPANY'S SUCCESS

FAST TRACK360



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