

Northwestern University Study Reveals Non-Cash Award Solutions Most Frequently Used Because They Work

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Managers prefer non-cash motivation solutions to achieve most business objectives reveals a new research report, entitled *Awards Selection Study: Insights From Managers*, from the Forum for People Performance Management and Measurement. The Forum is affiliated with the department of Integrated Marketing Communications at the Medill School of Northwestern University. The study sheds light on the efficacy of 12 distinct motivational tactics used by HR and marketing managers across many industries to achieve 10 specific organizational objectives. Overall, managers expressed a preference for non-cash reward and recognition programs. They view them as more important, more effective, and generally superior for achieving the majority of specific organizational objectives.

While recognition, gift certificates and special events are most commonly used, other non-cash motivational tactics—including merchandise incentives, training programs, work life benefits and individual and group travel—as well as cash play important roles in achieving organizational goals. A recipient's job function, an organization's size and culture, budget allocations and whether objectives are short- or long-term are among the variables that affect the outcome of motivational tactics. This leads researchers to suggest that specific, targeted programs should be considered to achieve business goals.

The study of 235 managers reveals what they, in their roles as a decision makers held accountable for business growth in their areas, believe motivates employees most, not necessarily what is most efficient for the organization or what recipients might choose as their preferred motivational tactics. For practically all objectives, managers prefer non-cash employee recognition programs. Alternatively, a preference for cash to motivate sales, manufacturing and call center personnel is most likely because they have easily identifiable and tangible goals that can be translated into pay-for-performance.