



Take a chance on changing **your employee rewards strategy**

Stephanie Hanlon
Senior Account Director,
Program Design
BIWORLDWIDE

It's increasingly difficult to keep employees' attention and engagement. Remote work, overall life stress, burnout and competitors recruiting talent away make for a lot of noise. Companies who haven't refreshed their rewards strategy are likely to see their ROI has gone down and it's become part of all that background noise.

Variable rewards and structures get attention and inspire employees to do more. In the 70's, C.B Ferster and B.F. Skinner wrote *Schedules of Reinforcement*, which focuses on the science of behavioral reinforcement. They divided reinforcement into two categories: **continuous reinforcement**, which is rewarding or reinforcing each time a behavior occurs and **partial reinforcement**, which reinforces a behavior occasionally. Their work would go on to be tested in educational and business settings and it turns out that **partial reinforcement** actually has longer staying power than **continuous**. It cuts through the noise more slowly but lasts longer because people will continue to perform to receive the eventual reward.

This kind of probabilistic reward creates anticipation, giving everyone a positive feeling they can win if they do what they're being asked to do.

A perfect example is a slot machine. The behavior is the same each time. You pull the lever or hit the button. But the result is only rewarded occasionally. Anyone who has spent time in Vegas knows the occasional reward keeps people in their seats. They believe the reward is imminent and worth the wait. This kind of gameplay mentality rewards the brain because it taps into the learning and reward center. It cuts through the noise, hooking people and **creating long-term engagement**.

Communicating this type of reinforcement is also exciting. Highlighting the reward that could be won is almost as exciting as winning. Even when they might earn less or nothing at all, employees immediately envision themselves winning the top reward. This aspirational response gives them an easy way to visualize the potential result of their behavior.

When looking at behavior and results-based recognition at your own organization, this kind of partial reinforcement also allows for better budget spread. Take, for example, a traditional stack-rank program where top employees are awarded at the end of the month. Those in the middle or bottom of the list will likely check out halfway through when they realize they aren't close to the top. With variable awards, the budget is allocated across all who achieved the desired result, but with varying odds. The top percentile could get more chances to play or be part of a higher value pool, but those outside the top are still getting behavior reinforcement.



Take a chance on changing **your employee rewards strategy**

For example, one automotive client looking to change things up in a unique supply chain environment used variable rewards to drive sales. **92%** of employees who were issued credits to play a game redeemed them and the company saw a **104%** increase in sales, even with limited inventory. The best part is they spent **60%** less than they had traditionally spent with cash rewards.

Variable structures can be just the layer
your reward strategy needs to recapture employees' attention.
So, we're saying there's a chance.

Visit our blog to read or share this article.