

HR EXPERIENTIAL PROBLEM SOLVING

Your insurance company needs to update the sales incentive program for its sales/marketing representatives. Due to growth in the volume and diversity of the products being sold, the existing system of having one incentive program for all sales marketers no longer meets the needs of the company. To maximize sales in each of the product lines, the system needs to provide an incentive and reward system to encourage employees to focus on their specific product lines while also cross-marketing the

company's portfolio of other products. To identify the key facets of a sales commission program, visit websites including www.8020salesperformance.com/sales_compensation.html.

1. Would a compensation program that offered only commission work for your company? Why or why not?
2. What other incentives would assist the company in motivating the sales staff?

CASE

Sodexo Incentives

Many employers offer incentives to employees working in different jobs. Often, the incentives are to reward employee performance, both in the short and the long term. But some company incentive plans are viewed negatively by employees, while others are seen as highly positive by employees at all levels.

One firm that has a well-regarded, broad-based incentive plan is Sodexo, a large food and facilities service firm with more than 350,000 employees in 80 countries. Being such a large firm, Sodexo has a variety of clients, including many corporate and governmental entities, hospitals, manufacturing firms, and universities. Thus, the firm's client services are varied, with many of them being basic ones such as cleaning offices, maintenance of all types of facilities, doing landscaping, and managing other basic and professional activities. In North America, including the United States, Sodexo has almost 125,000 staff members. More than 40,000 of the North American staff members work in health care, including clinics, offices, and hospital sites.

Being such a large firm with employees doing many different types of jobs, a key part of Sodexo's organizational and HR cultures involves engaging its employees in many ways. One aspect is having a widely based employee rewards program containing recognition and incentives. The company's "Spirit of Sodexo" program focuses on three general-award facets: service, teamwork, and progress. To operate this program, the company has required executives, including the top HR officer, to develop processes for the nomina-

tion of employees who make significant contributions, locally and regionally, as well as in business and corporate divisions of the firm.

Some of the recognitions and awards provided to employees are interesting. Because the biggest division of workers is in health care locations, a special incentive program called Sodexo CARES has been used for several years for employees who accomplish especially unique results. At one hospital, a small group of dieticians developed a new system for ordering medication and devices online, something that is not done in most hospitals. These dieticians received recognition and incentive awards for their job-related accomplishments.

Another incentive reward for exceptional efforts went to a female employee who worked as a food caterer and prepared special meals for a young foreign hospital patient who had difficulty eating typical U.S. foods. The employee home-cooked various items for that patient when the patient had surgery. Her efforts were increasingly recognized throughout Sodexo, and she received a national incentive award. Both she and her husband attended a national meeting in a different city where she was recognized and became the subject of a short video. She also received a \$500 gift card and a lot of publicity.

Numerous other examples exist showing how Sodexo uses employee incentives as part of its culture in many different industry jobs. To learn more about Sodexo and its organizational and HR culture, go to www.sodexo.com. The overall picture of such widely focused incentive recognition efforts

illustrates how incentives can significantly influence the motivation and performance of employees.⁵⁰

QUESTIONS

1. Based on the Sodexo example, discuss the importance of widespread incentives in improving both the culture and employee retention efforts in a firm.
2. How might having employees receive recognition and incentives at a national level impact the performance of their coworkers and colleagues?

S U P P L E M E N T A L C A S E S

Cash Is Good, Card Is Bad

Both the positive and negative issues associated with the use of an incentive plan are discussed in this case. (For the case, go to www.cengage.com/management/mathis.)

Incentive Plans for Fun and Travel

This case discusses incentive plans that stimulate employee interest and motivate them to perform well. (For the case, go to www.cengage.com/management/mathis.)

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