

# How to make incentives work for employee participation



## Participation beyond incentives – the winning combination you need to take your well-being program from stagnant to sustainable.


We've seen it before – companies doubling down on monetary incentives to drive participation in their well-being program. As a result, this leads to a momentary spike in participation, but in the long run, participation stays stagnant. Incentive design can't be the only influential part of a well-being program. Sure, gift cards and healthcare premium discounts are nice, but it takes meaningful incentives to influence a healthy lifestyle. Paired with program design, organizational support and an activity strategy tailored to your unique workforce – all factors mentioned above are imperative to overall program success.

**Use this guide to explore the idea of participation beyond incentives and learn how you can create a well-being program that achieves higher participation with lower incentive spend.**

# Intrinsic and extrinsic motivation – what's the difference?

Instead of thinking of intrinsic and extrinsic motivation as antagonistic to each other (or the need to choose one or the other), consider them together and in certain situations. Extrinsic rewards are great to promote initial action, but they may not encourage ongoing positive behavior change. Intrinsic motivation is related to performance, work effort, creativity, retention and higher job satisfaction.


Different people have different motivations – and it's up to leaders to understand what motivates their individual employees. Some might be motivated by money, tickets or PTO days, while others might be looking for recognition for hard work, increase in responsibility or positive feedback. It takes intention to craft the right incentive design for your people, but incentives are not the only solution.



## Intrinsic

Because of the interest and enjoyment in the task itself

- Enjoyment
- Purpose
- Growth
- Curiosity
- Passion
- Self-expression
- Fun



## Extrinsic

Because of the outcome that will result by doing the task

- Promotions
- Pay raises
- Bonuses
- Benefits
- Prizes
- Winning
- Perks

**Our research found that incentive design only drives 2% of participation – there's many other tools and strategies beyond incentives that you can implement to see better results.**

Limeade Best Practices Research 2022

# The 3 biggest predictors of employee participation



## #1 Company care

Care is the foundational element that must be in place for a company to succeed. Participation boosts well-being outcomes, but only for companies with a caring culture. A caring culture is one where employees feel:

- Invested in
- Included and informed
- Heard and valued
- Trusted



## #2 Communication

A communication strategy helps drive participation through frequent communications with multiple modalities, as well as a designated Champion Network. The following are a few things to keep in mind when creating a communication strategy for your well-being program:

- Leverage a Champion Network to drive recruitment, develop and share resources, promote new opportunities, as well as create an open avenue for feedback and commitment.
- Utilize two-way communication featuring digestible messaging and variance. Include the “why” behind your messaging – always tying back to your goals.
- Promote multiple modalities for communication that are both tangible and efficient through your well-being program on the mobile app and through other employee experiences.



## #3 Ease of use

Connect employees through an easily accessible platform that brings together leaders, information and resources. A simple and transparent well-being program helps keep employees coming back. Consider the following:

- Build a program strategy encompassing various incentives, magnets, amplifiers and tactics
- Target within teams to personalize messaging for specific groups
- Be creative with calls to action and what resonates with your employee groups
- Make it social by promoting a feed with friendly connections to share personal wins or stories
- Get leaders involved by sharing data, acting as role models and being their authentic selves

# Building a well-being program strategy that does both

Pure monetary rewards or surface-level perks can be viewed as a “trap” designed to dupe employees into long-term unfavorable transactional relationships. It’s also been found that employees offered external rewards for an internally rewarding behavior can actually lower intrinsic motivation. While monetary incentives can ignite excitement, they’re of limited value as a motivational tool. But there are cases where monetary rewards can work, such as when you’re trying to:

- Get people to try something new
- Help drive compliance

A combination of extrinsic and intrinsic incentives is fundamental for fully engaging and propelling a workforce. While workforces tend to heavily rely on extrinsic motivation and incentives with their employees, both extrinsic and intrinsic motivating factors are critical to the success of your well-being program. Other tools & strategies for driving participation:

- Self-service & targeted communications
- Integrated benefits experiences
- Multi-channel reach
- Infuse well-being into work
- Relevant and targeted experience and activities
- Data-driven recommendations to constantly refresh the experience
- Global and local communications



# Achieve higher participation with lower incentive spend with Limeade

Programs can no longer rely purely on incentives. Transform well-being participation from one-and-done to an essential part of every day with the help of Limeade. When building a program strategy, you can envision our approach in four parts:

Incentives	
<b>Rewards that generate initial interest in your well-being experience</b>	<ul style="list-style-type: none"><li>• Incentive design</li><li>• Reward partners</li><li>• Points &amp; levels</li></ul>
Magnets	
<b>Features that extend perceived value “beyond well-being” to draw people back</b>	<ul style="list-style-type: none"><li>• Social</li><li>• Extensions</li><li>• Polls &amp; posts</li><li>• Limeade Well-Being for Microsoft Teams</li></ul>
Amplifiers	
<b>Company dynamics that amplify buy-in from your employee</b>	<ul style="list-style-type: none"><li>• Manager support</li><li>• Leadership support</li><li>• Well-being tools and resources</li></ul>
Tactics	
<b>Actions taken throughout the year to sustain interest and deliver value</b>	<ul style="list-style-type: none"><li>• CEO messages</li><li>• Nudges</li><li>• Personalized emails</li><li>• Targeted activities</li></ul>

It takes a holistic approach beyond incentives to drive true behavior change. Our approach is built on the latest science and industry best practices to increase participation and engagement which cultivates new healthy habits for each employee – and helps you achieve your program goals.

# A large retailer improved employee engagement and turnover after eliminating financial incentives and health cost tracking

A large pharmaceutical company decided to rethink their wellness strategy, so they eliminated financial incentives and stopped tracking health plan savings or productivity increases. Instead, they wanted to focus on continually improving the culture to create an environment where employees were more likely to take action on the various dimensions of well-being in their lives that were most important for them to act upon. They ultimately turned to Limeade to establish a personalized well-being and engagement program that supported all areas of well-being that also encouraged social interaction and team spirit.

The Limeade experience offered employees a multitude of activities to improve their well-being in ways that matter to them. Challenges included resources and support groups for new parents, taking steps to achieve your dreams, resilience training and more. The company supported these opportunities through a built environment that supports well-being (soccer field, outdoor concerts, an onsite restaurant) and visible executive support. To drive participation, they focused on intrinsic motivation – with little to no rewards for participation. They also leveraged a network of 100+ Well-Being Champions who rallied employees to participate.



## The results:

31%

of employees are actively engaged – significantly higher than the industry average

6%

lower turnover of program users than those who don't use the program

+30%

program registration than previous year

Limeade believes both extrinsic and intrinsic motivating factors are critical to the success of your well-being program. Get in touch today to learn how our strategic Customer Success Team provides hands-on support to deliver strategies for implementing intrinsic and extrinsic motivation into your program.

Get started now

# Limeade is an immersive employee well-being company that creates healthy employee experiences.

Limeade Institute science guides its industry-leading software and its own award-winning culture. Today, millions of users in over 100 countries use Limeade solutions to navigate the future of work. By putting well-being at the heart of the employee experience, Limeade reduces burnout and turnover while increasing well-being and engagement — ultimately elevating business performance.

To learn more, visit [www.limeade.com](http://www.limeade.com).

