

COMMUNICATING INCENTIVES TO OTHERS

CONTROLLING COMPETITIVE CO-WORKERS

Ted Rogers Leadership Centre

You are the manager of Canadian markets for Excite Travel, a firm that provides incentive travel, meeting management and event planning to a range of companies from the tech start-up to the Fortune 500. In your department, you have reporting to you two customer service agents who work with clients from the design phase to implementation. Anna, the longer-serving agent, is great at providing ongoing service to Excite Travel's established market; her revenues are about 20% higher than those of the other agent, Maria. Maria, less experienced than Anna, has been very effective in bringing onside new clients for the firm and has shown a skill for innovation; her revenues have been growing at a faster rate than Anna's. In a recent career discussion, Maria has indicated some impatience with her lack of opportunity at Excite Travel.

Each year, Excite Travel provides an annual bonus to each of its employees. The bonus assigned to each person takes into account not only the revenue produced but also the full contribution of the individual to the firm. In the past, Anna has received more bonus than Maria. Last year, for example, Anna received \$2,500, while Maria received \$1,500.

This year you have \$6,000 to distribute as bonuses; \$2,000 more than in previous year. You need to decide how to divide the bonus allotment between Anna and Maria; and, whatever your decision, you need to plan how to communicate to Anna and Maria your decision. While your discussion with each of the women will focus only on them, you are well aware that they might share information about their bonuses with each other.

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The Twist

Anna and Maria tell each other what bonus they received. Maria, however, who feels Anna tries to lord it over her too often, lies and tells Anna that she has received a bonus that is substantially more than the one Anna received. Anna feels she is being treated unfairly and comes to you to complain. She is very angry and threatens to quit unless the company is prepared to address the unfair bonus situation by giving her more money to stay on. How do you respond to this situation?

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