



**Press Release –
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**HR PROFESSIONALS DECLARE COMPANY BONUS SCHEMES
INEFFECTIVE**

- ***Only 18% of bonus schemes are currently evaluated for effectiveness***

The vast majority of HR directors do not believe their company bonus scheme is effective at motivating employees or improving performance.

Research carried out by employee reward experts Innecto People Consulting questioned 183 HR directors and managers about their use of company bonus schemes. Despite bonuses coming top of the list of processes to motivate employees, 63% said they believed their bonus scheme was ineffective in improving workplace performance.

Another 70% of respondents said their organisation had awarded staff bonuses in the past that weren't justified, either because of pressure from the board or employees, or to appear successful to the outside world.

Most HR directors do not measure, evaluate or test their employee bonuses. When questioned only 18% said they had carried out studies to measure the effectiveness of their bonus scheme, with 7% doing so in-house and 11% using an outside consultancy. Eight-two per cent had never evaluated their bonus schemes.

Deborah Rees, director of Innecto, said, "It amazes me that UK plc is throwing away billions of pounds each year on bonus schemes without certain knowledge

that they are a wise investment. Bonuses can be an excellent way of motivating staff but only when clearly linked to performance and communicated properly.”

“HR directors have an opportunity to take the lead in investigating the role and purpose of their bonus schemes. Such poor investments would not be accepted in other business areas and so they shouldn't be accepted in the area of employee reward, Rees continued.

- Ends -

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About Innecto Reward Consulting:

Innecto Reward Consulting is a specialist consultancy advising businesses on their employee reward strategies. Covering key strategic areas such as pay, bonus schemes, career progression, organisation and job evaluation, Innecto's team of highly experienced reward consultants work with clients to align reward strategy with the overall business plan.

Formed in 2002, Innecto clients include Dixons Group plc, Marsh UK, Walt Disney, Channel 4, Vision Express and Aardman Animation. The company's success is founded on its combination of the skills, experience and depth of larger reward service providers and the agility, flexibility and personal approach of a specialist consultancy.

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