Executive Summary

In order to motivate and encourage employees to meet corporate goals, employers often provide employees with “incentives.” Research has found that rewards or incentives are significantly ($p < .01$) related to employee engagement in organizational activities (Sattar, Ahmad, and Mahnaz Hassan, 81). Comerica Bank is no exception. Comerica Bank has been a prominent fixture in the Michigan banking system for over 167 years, making it Michigan’s oldest bank (Luedtke, 4). Initially a business bank, Comerica has expanded its reach to include retail banking and wealth management, as well as substantial personal and commercial loan departments. It also expanded its geological reach to four other states, including Arizona, California, Florida, and Texas. The importance of implementing sound incentive compensation systems cannot be understated. Unmotivated or unhappy employees cost companies tremendous amounts of money, which can be a significant drain on resources and the bottom line.

This study surveyed nineteen employees of the Retail Banking division of Comerica Bank. The respondents consisted of men and women from the Michigan market that currently occupy front-line or managerial roles. Their tenure ranged from less than five years to over twenty years. Comerica Bank completely changed their incentive plan in 2018, with the most significant change being the transition from individual sales goals to team or banking center goals. Further, incentives shifted from being primarily paid out monthly, quarterly, and annually to almost exclusively being paid out annually. This research found that the current incentive plan is *not* motivating employees to meet their goals and has dissuaded many from putting in their best effort. The study also found that there were personal and work-related factors that were also significant factors that impeded their ability to meet their goals, including maintaining...
a work-life balance and the support of their superiors. This is consistent with past studies on employee engagement and the effectiveness of various incentive plans.

The current incentive plan is not motivating employees, but time will tell if this truly affects the bottom line as the fiscal year has not yet concluded. Limitations of this study included small sample size, limited employment positions of respondents, similar geographical location, and the collective study not being tested for validity (portions have been tested extensively in previous studies). Further research should be conducted, and recommendations include evaluating all markets of the Retail Banking division for geographical differences, as well as expanding the positions surveyed to include non-sales related roles and upper management.
PROGRAM EVALUATION OF
COMERICA BANK’S RETAIL INCENTIVE PROGRAM

MSA 699 Applied Research Project in Administration
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Chapter 1: Problem Definition

Background

Employers expect their corporate goals to be met. Oftentimes, in order to encourage employees to meet said goals, they will provide employees with “incentives.” Research has found that rewards or incentives are significantly \( p < .01 \) related to the employees’ engagement in organizational activities (Sattar, Ahmad, and Mahnaz Hassan, 81). This is especially common in sales-related professions, not excluding financial institutions. Comerica Bank has been a prominent fixture in the Michigan banking system for over 167 years, making it Michigan’s oldest bank (Luedtke, 4). Initially a business bank, Comerica has expanded its reach to include retail banking and wealth management, as well as substantial personal and commercial loan departments. It has also expanded its geographical reach to four other states, including Arizona, California, Florida, and Texas.

Comerica Bank, originally named Detroit Savings Fund Institute, opened its doors in the summer of 1849. Detroit Savings Fund Institute differentiated itself by paying interest on deposits and not having shareholders or capital stock. The Bank was formed with absolutely no capital, and was not even called a “bank” for many years after its inception (Luedtke, 4). The Bank garnered customers from all classes, businesses, and trades, and even had accounts for children. Over the next 30 years, Comerica Bank changed names from Detroit Savings Institute to Detroit Savings Bank, and deposits increased exponentially to $6 million (“Company History,” 2017).

After the stock market collapse of 1929, Detroit Savings Bank weathered better than most institutions. With this confidence, the Bank’s board members worked to help Detroit rebuild, making it the first area bank to offer Federal Housing Administration (FHA) mortgages. The
Bank also worked aggressively to increase the opening of commercial accounts for its business customers (Luedtke, 37).

During the 1950’s, Detroit Bank merged with Birmingham National Bank, Ferndale National Bank, and the Detroit Wabeek Bank & Trust Company, forming Detroit Bank & Trust (“Company History,” 2017). During the 1960’s, deposits for the new conglomerate reached over one billion dollars, compared to the measly $41 on deposit at Detroit Savings Fund Institute approximately 100 years before. The Bank also installed its first computer during this time in order to keep up with the rapidly changing landscape around them. Technological advancements also led Detroit Bank & Trust to introduce its first automated teller machine (ATM) and master charge card in the early 1970’s.

Bank regulation modifications later forced the Bank to restructure as a holding company, though the Bank would still experience one final name change in the early 1980’s (Luedtke, 70). The board settled on Comerica Bank, stating that the new name reflected “the national scope of Comerica’s products and services and its desire for expansion to new markets” (“Company History,” 2017). Following its mission statement, toward the end of the 1980’s, Comerica Bank expanded its reach to Florida and Texas.

The 1990’s brought new opportunity in the form of establishing offices in California, as well as a merger with rival Manufacturers National Corporation. It was a major achievement. Comerica Bank became the country’s 25th largest bank holding company, with assets totaling over $20 billion (“Company History,” 2017). In 1993, Eugene Miller stepped in as chairman and chief executive officer and pushed to take Comerica to the next level. During his tenure, he launched a program to streamline bureaucracy, dropped the businesses or products that were
unprofitable, strengthened the top-performing lines, and took Comerica into the Canadian and Mexican markets.

During the new millennium, Ralph W. Babb Jr. succeeded Miller and joined the board of directors. Babb worked to increase presence in Western markets, which included Texas, Arizona, and California. Comerica opened 18 new banking centers in 2005 and 25 new banking centers in 2006 across all markets (“Company History,” 2017). Major changes continued when Comerica announced in 2007 that it would be moving its headquarters from Detroit, Michigan to Dallas, Texas. It was a more central location with greater accessibility to all of Comerica’s markets. A key percentage of Comerica’s profits in 2007 came from the Texas, Arizona, California, and Florida markets, which further solidified the decision to move headquarters to Texas. In 2011, Comerica acquired Sterling Bancshares, Inc., strengthening its ties to Texas and nearly tripling Comerica’s market share in Houston (“Company History,” 2017).

The Bank currently operates in four segments: the Business Bank, Retail Bank, Wealth & Institutional Management and the Financial Division. However, the primary focus of this research is the Retail Bank division. The Retail Bank includes small business banking and personal financial services, including consumer lending, consumer deposits and mortgage loan origination.

Despite growing exponentially in the past and its prominent place among financial intuitions, the landscape of the world of finance has undergone immense change in recent years. Comerica has withstood countless depressions and recessions, but with the advent of the Internet and transition to everything being accessible online, Comerica must adapt to remain competitive. Personnel has been, and will continue to be, a major factor in the success of the Bank. With countless institutions offering the same products and services, the main differentiator of
Comerica from its competitors has always been its customer service. Keeping staff members motivated and committed to the corporation and its goals has been crucial to their success.

Various incentive plans have been implemented across all financial institutions, some more effective than others. The following pages examine this topic in depth, including how Comerica’s current and past incentive plans have motivated employees to continuously meet corporate sales goals, as well as their effects when the incentive plans underwent changes.

**Research Problem**

Given the preceding background, Comerica Bank faces significant challenges that must be addressed to ensure its continued success in the world of finance. This research examines the following problem: How effective is the current Retail Banking incentive plan at Comerica Bank in motivating employees to achieve corporate sales goals? In order to answer the primary research question, the following series of sub-questions are investigated:

1) What types of incentive plans have proven to be effective in the past or at other institutions?
2) How were sales affected when previous incentive plans were eliminated and new incentive plans were instituted?
3) To what extent do personal factors (home life, habits, behaviors, etc.) affect employees effectively reaching prescribed sales goals?
4) To what extent do other work factors (stress, position within the department, coworkers, superiors, etc.) affect employees effectively reaching prescribed sales goals?
5) What other factors affect employees effectively reaching prescribed sales goals?
Research Audience and Rationale

The audience for this research is the head of the Retail Banking division, Ralph Babb, and the rest of the Board of Directors. Results will later be appropriately disseminated to the rest of the Retail Banking division. This study is extremely important to the health and well-being of the Bank as well as its employees. The results not only provide the board with the information they need to ensure employee morale remains high, but also has the potential to decrease turnover and drastically increase profits and overall sales within the Retail Banking division. If the research was not conducted, and the results are not heeded, the Bank has the potential to lose human capital. This could result in failing to meet shareholder expectations and could severely affect the bottom line.

Research Study Scope/Delimitations

The target population of this study is employees from the Retail Bank division of Comerica Bank. This subsect includes current employees in all sales positions within the Retail Bank, including tellers, retail personal bankers, assistant managers, and managers. The target population does not include employees from any other division within the Bank, nor does it include employees in positions that are not sales-related (i.e., employees from the Retail Help Desks).
Chapter 2: Literature Review

Introduction to the Literature

Research surrounding employee motivation and incentive plans has been conducted across industries all over the world. Researchers in all industries explored these concepts in the hopes of determining the best method to motivate employees in the workplace. There have also been many studies centered around the effects of implementing the wrong to motivate employees, as well as what happens when incentive plans have been abused.

The importance of implementing sound incentive compensation systems cannot be understated. According to Arguden (2013), choosing the key performance indicators, establishing thresholds, targets and maximums, and making fair judgments of employee and manager performance are critical to the effectiveness of the incentive plan in motivating employees, as well as the success of the corporation. The following pages delve into the literature that surrounds these topics and provided the bedrock for this study.

Presentation of the Literature

Factors affecting the success of incentive plans. According to Rozycki (2008), an incentive program is a “planned activity designed to motivate people to achieve a predetermined objective.” Some incentive programs are commission-style programs that reward employees for bringing in new business or cross-selling products to existing clients. Others are more marketing activity-based, centered around reaching company goals through increasing business development activities and improving communication (Rozycki, 12). These programs have been shown to aid in recruiting and retention, the increase of sales, improving the development of relationships, and improving the customer service that is provided. They have also been shown to build client loyalty, improve customer retention and employee morale, foster teamwork, and
build employee loyalty and trust (Rozycki, 13). Further, increased motivation of employees has been shown to not only increase employee performance, but also satisfaction and positive contribution (Sattar, Ahmad, Mahnaz Hassan, 90).

Bol (2011) specifically examined the determinants and performance effects of centrality and leniency bias of a US-based company. She found that managers often respond to their own incentives and preferences when subjectively evaluating performance (Bol, 1549). She specifically found that information-gathering costs and strong employee-manager relationships positively affect centrality bias and leniency bias. Performance evaluation biases affect not only current performance ratings, but also future employee incentives. This is extremely important to the scope of this study because one of the main objectives of having a performance-based compensation system in place is to motivate employees to exert effort toward reaching company goals.

Further, according to agency theory, linking pay to performance motivates employees to exert greater effort to improve their performance because increased performance results in increased pay (Bol, 1554). However, studies show that employees will only be motivated to increase their effort levels when they expect this translation to occur. Bol (2011) also found that managers tend to be lenient when objective ratings are low. Managers also provide shorter and more lenient ratings when it is costly to collect performance information and when the relationship between the manager and their employee is relatively strong.

Ederhof (2011), on the other hand, evaluated incentive compensation and promotion-based incentives of managers in a multinational corporation that operates in approximately 100 countries. Over one thousand managers from fourteen different countries were involved in the study. Ederhof argued that it is beneficial to take implicit incentives into account when
developing explicit incentive plans (Ederhof, 136). In the organization studied, all managers were eligible for a bonus payment, in addition to their fixed salary. Bonuses were paid out when the performance met the company’s expectations. The bonus was determined by the country management, which was typically a percentage of the manager’s base salary. Stock options were also awarded to top employees.

Ederhof found that after controlling for the position’s scope and level of accountability, bonus-based incentives were stronger for managers that had fewer organizational levels left to surpass. They were also stronger when managers faced weaker implicit incentives from getting promoted to the next level and faced weaker implicit incentives from getting promoted to the top of the organization (Ederhof, 132). The results supported the hypothesis that explicit incentives are stronger in situations with weaker implicit incentives.

Chong and Law (2016) focused instead on the role of trust-in supervisor and organizational commitment on the relationship between budget-based incentive compensation scheme and job performance. This study involved surveying 120 managers of Australian manufacturing firms. The researchers found that the reliance on a high budget-based incentive compensation scheme actually led to a higher trust-in supervisor, which resulted in higher organizational commitment and improved subordinate job performance (Chong and Law, 603).

The researchers also found, however, that budget-based incentive compensation schemes are not directly associated with subordinate job performance. It is rather indirectly associated through trust-in-supervisor and organizational commitment. The results are consistent with agency theory’s assumption of the same nature (Chong and Law, 603). This suggests that this type of compensation can be used as a motivational tool to increase the organizational commitment of subordinates. Lastly, the results suggest that formal control such as budget-
based incentive compensation can influence subordinates’ perceived levels of trust in their supervisor, which can in turn serve as an “antecedent to the subordinates’ affective commitment” (Chong and Law, 604).

Kauhanen (2011) studied a retail chain in America that introduced an incentive plan that rewarded employees for exceeding sales targets. However, about two years after the plan was introduced, the company cut the incentive intensity, in addition to increasing the target. Fifty-three establishments changed their compensation plan for their sales clerks from fixed hourly wages to an incentive pay plan based on exceeding corporate sales goals. The intensity of the incentives was reduced significantly after two years, and the sales targets were increased before the cut in incentive intensity (Kauhanen, 380).

Kauhanen found that the introduction of the plan increased sales and profitability at first, but changes in the plan led to a marked drop in sales and profitability. Choosing to modify the plan proved to be costly for the firm. Overall, when the plan was introduced, sales increased approximately 5%, whereas changing the rules led to sales dropping below the level they were prior to the introduction of the plan. After the end of the observation period, the firm discontinued the incentive plan because it proved to be practically redundant. Few establishments met the targets and, consequently, incentive payments were rare (Kauhanen, 380). This study shows that changing compensation plans does have consequences. It cannot be assumed that lowering the costs associated with incentive plans will automatically increase profits. Lessening the benefits for employees in any capacity does not necessarily mean that expenses will drop and profits will increase. There may be repercussions.

**Incentive plans of international financial institutions.** Studies have found a statistically significant relationship between the implementation of an incentive compensation
Financial institutions are no exception (Reimink, 26). For example, institutions that have no incentive compensation tend to perform slightly lower than peers that tie incentive pay to measurable performance. Further, covering all employees, rather than select departments or types of employees, has been shown to have the best results (Reimink, 26). However, this is not to say that implementing an incentive plan is a cure-all or without potential for abuse. The following pages will explain the effects that instituting incentive plans has had on financial institutions across the world, as well as the industry as a whole.

Dell-Atti, Labini, & Morella (2013) reviewed equity-based incentive plans at 12 of the 77 banks operating in Italy. The study evaluated institutions that implemented either stock option or stock grant plans between 2007-2010. The stock options were reserved for individuals that held administrative and senior management positions that had high levels of responsibility. Stock-granting plans, however, were mainly reserved for staff members (Dell-Atti, Labini, & Morella, 287).

The intent was to contribute to the development of an effective incentive policy implementation model. The researchers found that, in actuality, the performance targets required for the allocation were not clearly explained. This applied to both the stock-options and the stock-granting plans. Further, a legislative amendment presented by the Italian government in January 2010, which featured a ban on stock-option plans for bank managers was proposed, further complicating matters (Dell-Atti, Labini, & Morella, 288). Although eventually struck down, it forced Italian financial institutions to reconsider and redesign their incentive plans in light of the new guidelines issued by the European Union. In summary, the researchers found that there was a limited implementation of equity-based incentive plans in the Italian banking
sector, meaning that there is substantial room for adjustments and improvement as far as these
types of incentives go (Dell-Atti, Labini, & Morella, 289).

Alternatively, Slomka-Golebiowska (2013) evaluated uniform regulation of executive pay at banks in Poland. New legal rules were introduced in 2012, that obliged banks to adapt to more rigorous requirements regarding disclosure of executive remuneration policy and structure. It also made long-term incentive programs much more important because of the need to defer a large part of the variable compensation and utilize instruments other than cash. Slomka-Golebiowska (2013) stated that this could mean that a more conservative compensation policy would possibly be pursued, which could increase base salaries. This would limit sensitivity between pay and corporate performance and also increase fixed costs for banks. However, the researcher explained that ultimately making a more uniform pay system would still fail to solve the original problem of a weak linkage between executive remuneration and corporate performance.

Nisar (2007) examined the subject from another perspective, focusing on the determinants of subjective bonus payouts at six UK financial institutions. The study found that bonuses are increasingly linked to wider business goals, such as quality and customer service, firm reputation, and employee hiring and retention policies, thus replacing the traditional focus on output or profit measures (Nisar, 53). The study found that subjectivity reduces employee risk and increases the alignment of interests between employee and the firm. However, the benefits of subjective bonuses diminish when evaluators play favorites and/or evaluations result in rating compression. Better alignment of incentive pay and company organizational characteristics is likely to overcome some of these difficulties (Nisar, 71).
The regression results also suggest that the more competitive the environment, the greater the drive to improve organizational performance, accelerating organizational awareness of subjective performance metrics. Services such as quality, promptness, reliability, timeliness, and value for money or economy/affordability were part of a range of measures used to improve non-financial performance. Better outcomes in these areas have the potential to lead to improvements in a company’s overall performance (Nisar, 71). Lastly, subjectivity is useful in uncertain and complex work environments where job design involves multiple tasks and interdependent decision-making. In sum, Nisar found that basing pay on subjective performance measurements can improve formal performance evaluation systems by reducing dysfunctional incentives associated with narrow measures, such as accounting earnings or divisional profits, and by reducing the risk of overly broad performance measures, such as company profits (Nisar, 72).

Past studies and research have found that branches that increase their profitable market share in their geographic area are more likely to provide the best compensation programs to their employees (Schuster and Zingheim, 1989). One institution studied shifted from an incentive plan that only rewarded top management for achieving their sales goals to a plan in which all employees shared in the profits. One American bank that only had one branch location introduced cash incentives at the management level and improved the retirement benefits for all employees. Further, a medium-sized branch that operated in a very competitive geographic area implemented a sales commission plan for all workers in an effort to reduce their high rate of employee turnover (Schuster and Zingheim, 1989). Though nearly thirty years ago, many institutions still operate incentive plans similar to these.
In Saudi Arabia there are twenty-four commercial banks, which totaled 1,912 branches in 2016. Some banks are “conventional” and abide by the policies and procedures adhered to by most global banks. Their policies include guidelines like charging interest on loans. Other banks are considered “Islamic banks” and adhere to Sharia laws that govern financial relationships (Anthony Bailey, Albassami, and Al-Meshal, 822). According to Anthony Bailey, Albassami, and Al-Meshal (2016), “A primary principle of Islam finance, based on Sharia law, is the profit and loss sharing principle, which holds that providers of capital/ lenders (banks) and users of funds/ borrowers (customers) share business risk by sharing profits and losses” (822). Islamic banks have greater access to non-interest-bearing assets relative to the size of their assets when compared to conventional banks. For this reason, conventional banks are beginning to adopt Sharia law, and Sharia-compliant products are becoming attractive to both Islamic and conventional investors (Anthony Bailey, Albassami, and Al-Meshal, 823).

**Incentive plans for CEOs.** Building on the same previous studies of financial institutions and their respective incentive plans, Bhagat and Bolton (2014) compared the linkages between the incentive compensation at one hundred American financial institutions and the devastating financial crisis of the 2000s. The study focused on the executive compensation structure in 14 of the largest U.S. financial institutions between 2000 and 2008. The researchers discussed the CEO’s purchases and sales of their bank’s stock, their salary and bonuses, and capital losses the CEOs incurred due to the dramatic share price declines in 2008 (Bhagat and Bolton, 313). Their results were consistent with previous research, showing that managerial incentives are important, and that incentives generated by executive compensation programs are correlated with excessive risk-taking by banks.
Researchers cited that during the 1970’s, average compensation for a CEO was about thirty times the average pay of the lowest paying job within the company. By 2007, CEO compensation had increased to nearly 300 times that of the average worker (Pay for Performance, 2). Further, workers in the financial sector were paid a forty percent wage premium over counterparts in other industries. In 2007, major Wall Street banks paid an estimated $137 billion in total compensation, and roughly $33 billion in year-end bonuses alone, a significant portion of which was stock options (Pay for Performance, 2).

Bhagat and Bolton’s (2013) findings were not supportive of all previous research, however. Previous researchers stated that the poor performance of banks during the crisis was the result of unforeseen risk, which is very inconsistent with Bhagat and Bolton’s views of the 2008 financial crisis. Bhagat and Bolton recommend that executive compensation should only consist of restricted stock and restricted stock options, meaning that the executive cannot sell the stock (Bhagat and Bolton, 313). The researchers also found that the majority of the banks involved in the study had borrowed substantial funds from various government bailouts, which were further indicators of the need to realign executive compensation plans.

Fabrizi (2014) found that equity incentives are among some of the top incentive options that companies use to alleviate agency problems between managers and shareholders. These equity incentives, which increase in value when the firm’s stock price rises, are designed to incentivize managers to actively work to increase their firm’s stock price (1775).

Some researchers have found a positive association between CEO equity ownership and firm performance. This indicates that CEOs with high equity in their firm are closer to optimal incentive levels than low equity holders. However, other authors have not found this relationship to be so obvious. Fabrizi also found that non-CEO executives play an important role in
delivering shareholder value when he or she is properly incentivized (1776). This is important for all firms to keep top of mind. All employees play a role in the success of a company, and unsatisfied and under, or incorrectly, incentivized employees will not boost the bottom line.

**Job satisfaction.** Job satisfaction is a critical factor in the success of a company. A dissatisfied employee can prove to be very costly for many reasons. However, high job satisfaction can improve employee commitment, which can provide a firm with a competitive advantage (Xuying Cao and Chen, 1209). It also promotes organizational citizenship behaviors and increases operational excellence and efficiency. According to Xuying Cao and Chen (2016), it can also attract top talent and “engage employees as passionate and creative contributors, which helps increase firm value” (1209).

However, ensuring the majority of employees are satisfied in their positions is not always simple or inexpensive. Some labor-friendly practices and programs are very expensive. The perception of the programs can also reflect unrest or trouble within an organization, and this can decrease a firm’s value in the eye of potential talent and the public (Xuying Cao and Chen, 1209).

Pareek (2013) found interesting results in her study of financial institutions in India. The focus of her study was not strictly incentive plans, but rather the factors that affect employee satisfaction within the banking industry in India. Interestingly, with how much importance other studies put on incentive plans and their contribution to employee motivation, it was by no means the only factor that was found to be significant in Pareek’s (2013) study. Rather, the study found that rewards, as well as organizational support and job enrichment were the main factors that contributed to employee satisfaction in the sample that was evaluated (Pareek, 42). Career growth was, surprisingly, not a significant factor in determining employee satisfaction with the
banks. The study did utilize convenience sampling and the survey area was confined to the city of Varanasi, so the results may not be entirely generalizable, however.

In 2011, employees in the United States became increasingly dissatisfied and disloyal, and as many as one-third of employees said they hoped to work somewhere else within the coming year (Shutan, 15). In January 2012, the employment and layoff rates were at the lowest point they had been at in year. However, increasing numbers of people were still quitting their jobs. According to Shutan (2013), “A Time magazine poll in 2010 found that fewer than half of working Americans were satisfied with their jobs- the lowest such percentage since 1987” (15). These employers failed to engage their employees, and paid dearly. Studies have shown that turnover and training can cost a company upwards of two and a half times an employee’s salary, which can be detrimental to their bottom line (Shutan, 20).

**Accountability.** A lesser discussed incentive is accountability. Vieider (2011) defines accountability as “the expectation on the side of the decision-maker that she may have to justify her decisions in front of somebody else” (507). It has been found by psychologists to be a strong influencer on the decision-making process. Most studies focus on the motivational effects of financial incentives, but accountability and incentives may provide different motivations for decision makers. Accountability has been found to reduce preference reversals between frames, which incentives have had no effect on. Vieider states, “In a choice between simple and compound events, accountability increases the preference for the normatively superior simple event, while incentives have a weaker effect going in the opposite direction” (507).

The traditional focus has been on financial incentives for cognitive effort, but another significant factor is social influence. It has received much less attention. Vieider contends that financial incentives are meant to motivate subject to maximize their payoff. Accountability, on
the other hand, may activate concerns of social desirability, or self-presentation concerns.
Accountability may then push decisions in a different direction relative to incentives, whenever the choice that maximizes payoffs does not seem the most justifiable one (Vieider, 508).

Vieider found that people who are accountable in front of an audience with unknown views consider potential options or decisions in greater depth, thereby anticipating possible confusion, disagreement, or adverse feelings that may be expressed against their choice. This is called “pre-emptive self-criticism” (Vieider, 510). People that exhibit this quality can be expected to be motivated to present themselves as good decision makers.

**Employee engagement.** Employee engagement has been defined many ways, but most definitions include elements of satisfaction, advocacy, commitment, and pride (Belgio, 2017). Employee engagement has become a major focus for organizations because studies have shown that engaging employees makes a positive impact. Research has shown that employees that are engaged in their work and their organization outperform employees that are not engaged (Belgio, 8). However, in order to ensure that employees remain engaged, organizations must first understand the major drivers of employee engagement. Rewards and recognition are considered to be key factors in enhancing employee engagement (Belgio, 2017). Nonmonetary rewards have been shown to have a significant positive impact on team engagement, but results have been mixed on the impact of monetary rewards.

In 1990, William Kahn proposed the concept of employee engagement. Kahn developed an ethnographic, grounded theory method to understand how an employee’s experience with work variables, which includes satisfaction with one’s manager, the clarity of their role, and the ability to locate resources, impacted individual’s experiences with work tasks (Belgio, 10). Kahn
found that individual differences shape employees’ desire to engage in their role performance, as well as their willingness to be involved and committed at work (Belgio, 10).

Skinner believed that all behaviors are motivated and subsequently affected by rewards. Vroom pushed that theory further, proposing the expectancy theory. Expectancy theory contends that individuals make decisions about their behaviors to satisfy their need for rewards (Belgio, 8).

Gebauer, Lowman, and Gordon (2008) contend that engagement is cultivated and developed between an employee and their company at the rational, emotional, and motivational levels. The authors explain that connecting at the rational level involves employees first understanding their roles and responsibilities. Then, at the emotional level, employees bring passion and energy to work. Lastly, connecting at the motivational level is affected by how well the employees perform their roles (Gebauer, Lowman, and Gordon, 2008). As the authors state, “An engaged employee understands how to help a company succeed, feels connected, and is willing to put that knowledge and emotion into action to improve performance” (Gebauer, Lowman, and Gordon, 2008).

Kahn (1990) firmly believed through his research that people adjust their levels of engagement throughout their work day, that their engagement ebbs and flows. He stated that the ebbs and flows are necessary in order maintain engagement but minimize burnout. Wollard explained the concept of “burnout” as “an erosion of the positive state of engagement” (2011). According to Maslach et al., burnout can be viewed as a form of “job stress,” and can be linked to job satisfaction, organizational commitment, and turnover (2001).
Comerica Incentive Plans

In 2016, the Comerica Bank Retail Bank incentive plan was focused on retail deposit growth, transaction deposit sales, closed loans, relationship checking accounts, and credit cards. Employees were evaluated individually, as well as with their banking centers, on these categories. Each of these categories provided monthly, quarterly, semi-annually or annually incentive opportunities that also corresponded with monthly, quarterly, semi-annually and annual goals.

The incentive plan paid out a minimum of $40 and a maximum of $750 for each closed personal loan, and a minimum of $80 and a maximum of $750 for community banking (business) loans. Relationship checking accounts (new checking accounts that met specific criteria at the end of the third full month after account opening, including meeting a $100 minimum balance and having one of the following: direct deposit, web banking, three bill pay payments, mobile alerts, or a loan on file) paid out between $25 and $50 per account. Credit cards were paid out during specified campaigns and ranged in payout from $25 to $50 per consumer or business credit card. Lastly, “Top Performer” awards were awarded semi-annually to reward top sales individuals and banking centers (“2017 Banking center incentive plan design summary,” 7).

2017 was a big year of change for Comerica Bank. The Bank implemented their “Gear Up” initiative and began streamlining the organization. A number of higher-level executive positions were consolidated or eliminated and thirteen banking centers were closed. The incentive plan also changed in 2017. There were no changes in retail deposit growth or transaction deposit sales payouts, but there were changes to the criteria employees needed to meet relationship checking and credit card goals. To be considered relationship checking accounts, they now had to meet the minimum $100 average balance and two of the above criteria.
within *two* months of account opening (in previous years it was three). Further, for a credit card to count toward the branch goal, it had to be activated, not simply approved. That was a significant change. The relationship checking awards also changed from per checking account to meeting the quarterly and annual goals. If the quarterly goal was met for a branch, employees could earn up for $250 quarterly, with another $250 kicker at the end of the year ("2017 Banking center incentive plan design summary," 7).

In June of 2017, it was announced that individual goals would no longer be in effect, and performance would be measured through team goals and a focus on customer service. This was a major change, as incentive plans had always been centered around the achievement of individual goals. Performance reviews and raises had also been dependent on the individual’s sales performance. There had always been incentives for banking center teams, but individual performance was weighted more heavily for many of the incentives and reviews. The importance of high JD Powers customer survey scores grew, and much of what employees became evaluated on was the performance of the banking center and the satisfaction of customers.

In 2018, Comerica Bank continued with a customer service and teamwork oriented focus. When the changes began to occur in 2017, the relationship checking incentive was eliminated. This remained true in 2018. The incentive plan became a pool-based plan and focused on four metrics: profitability, customer experience, loan growth, and deposit growth ("2018 Retail banking center incentive compensation overview," 8). In 2017, it was budget-based in its funding. The incentives in 2018 were designed to promote “balanced” performance, as well as maintain a focus on growing revenue, increasing the customer experience, working as a team,
remaining operationally and risk sound, and maintaining expenses (“2018 Retail banking center incentive compensation overview,” 10).

Employees in the 2018 compensation plan have a target based on their position (teller, manager, etc.) and the individual funding awards can be adjusted up or down, depending on the plan funding, overall performance review ratings, and manager discretion. Incentive payouts also changed. Quarterly incentive awards became based on performance in customer experience, and the rest of the focus areas employees are evaluated on are paid out annually. A new compensation opportunity was also added to the incentive plan and that was a partner sponsored referral program with the Wealth Management department. Employees can refer opportunities to their Wealth Management representative and receive an incentive that is a percentage of the total investment (“2018 Retail banking center incentive compensation overview,” 18).

Summary of the Literature

In summary, much research has been conducted on the best ways to motivate employees in the workplace. Employers have always been searching for the best incentives and incentive plans to not only retain employees, but to keep them happy and motivated to meet the company’s goals. However, there have been incentives in place that were not the best fit for a company nor its staff. There have been many occurrences of incentives being abused due to greediness, which has proven to have severe consequences for the company’s reputation as well as their bottom line. Many companies and institutions now offer a mixed-incentive approach that includes both monetary and non-monetary incentives when providing incentives to their staff members. However, most institutions across America still offer significant incentives to their executive staff members in particular, which has proven to be very risky and costly.
For employees in the Retail Bank division of Comerica Bank, the incentive plan has changed immensely over the past two years. The change in focus from sales to customer experience, and the even larger shift in focus from individual to team-centered goals, has been a major adjustment for many employees. The changes associated with the new incentive plan came in on the coattails of the “Gear Up” streamlining program, during which a number of positions were eliminated and organizational levels were removed. The banking industry is experiencing a season of change, and Comerica Bank is no exception. Times are changing in the financial sector, and time will tell if the adjustments and changes that have been implemented by Comerica Bank are fruitful or futile.
Chapter 3: Research Methodology

Research Approach

This research determines the factors that affect the current incentive plan in motivating employees to meet and/or exceed sales goals in the Retail Bank division of Comerica Bank. This was achieved by conducting a program evaluation of the current incentive plan. This chapter presents the methodology and the types of data that were collected.

A program evaluation of the effectiveness of the incentive plan of the Retail Bank division of Comerica Bank was determined to be the most appropriate tool to answer the research question and sub-questions. It explains the effectiveness of the current plan and what factors render it effective or ineffective. This was achieved by conducting a survey of employees within the Retail Bank department about factors that affect their ability to meet corporate sales goals and comparing sales numbers, particularly examining the years surrounding when incentive plans were changed or altered.

Data Collection Approach and Procedures

Data needed to answer the research questions. Survey data was collected in order to answer the research questions and sub-questions. It is essential that primary data was collected from employees of the Retail Bank division directly, in order to determine the factors that directly correlated to the effectiveness of the incentive plan in motivating employees to reach corporate sales goals. Should the amount of data collected only lends to limited interpretation of the research questions, more surveys will need to be conducted in future research, which will be noted in the future research section.
<table>
<thead>
<tr>
<th>Research Primary and Sub-Questions</th>
<th>Data Needed to Answer Question(s)</th>
<th>Data Collection Sources and Methods</th>
</tr>
</thead>
</table>
| Primary: How effective is the current Retail Banking incentive plan at Comerica Bank in motivating employees to achieve corporate sales goals? | • Sales numbers across sales categories for the Retail Bank division  
• Employee demographic data                                                                 | • The sales numbers will be collected directly from sales reports.  
• Demographic questions are included on the survey (see Appendix D). |
| 1. What types of incentive plans have proven to be effective in the past or at other institutions? | • Prior experiences and employment data                                                                 | • Survey includes specific questions about prior experiences and employment. Response options are short answer or Likert-scaled. |
| 2. How were sales affected when previous incentive plans were eliminated and new incentive plans were instituted? | • Sales numbers from the years surrounding incentive plan changes (before and after)          | • The sales numbers will be collected directly from sales reports. |
| 3. To what extent do personal factors affect employees effectively reaching prescribed sales goals? | • Family: home life, academic course load, etc.  
• Behavioral: personal motivation, attentiveness or procrastination, being punctual, importance of completing tasks on time, etc. | • Survey includes specific questions about Family and Behavioral concerns. Survey questions include options (e.g., __ 1-2; __ yes/__no) and perception-based questions use Likert scale (1-to-5) (see Appendix D). |
| 4. To what extent do other work factors affect employees effectively reaching prescribed sales goals? | • Workload, position within the department, coworkers, superiors, overtime, stress, staff changes, etc. | • Survey includes specific questions about work-related issues. Survey questions include options (e.g., __very much disagree; __yes/__no) and perception-based questions use |
5. What other factors affect employees effectively reaching prescribed sales goals?

This open-ended question is included in order to obtain respondent opinions regarding other factors that could affect reaching corporate sales goals.

An open-ended question is included on the survey in order to collect ideas regarding other factors that could affect reaching corporate sales goals (see Appendix D).

**Data Collection Approach and Procedures.** Anonymous surveys were the primary method utilized to gather data. Email invitations were sent via SurveyMonkey links to email addresses on the corporate directory. It was requested that respondents complete the survey within two weeks of receipt. The results were sent directly to the researcher. Surveys were chosen as the primary data collection method because they save time and resources, and are a very low-risk, unobtrusive data collection method.

**Target population.** The target population of this research was all employees of the Retail Bank division at Comerica Bank. This included current employees in sales positions within the Retail Bank, including tellers, retail personal bankers, and managers. The target population did not include employees from any other division within the Bank, nor did it include employees that have separated from the Bank. However, in actuality, only employees that work within the banking centers made up the final population. Employees ranged from teller positions, to retail personal bankers, assistant managers, and managers. No district managers or regional managers were in the final population.

**Sample details.** The target population for this study was thirty respondents. The sample included employees across rank, occupation, and experience level, and both genders were represented. The sample included male and female respondents, as well as employees from
The only vulnerable populations that could have been a part of this study are pregnant women or disabled persons. Their involvement in the study would not have been harmful, other than the potential for mental or emotional stress or strain if they have trouble remembering or if the experience has been particularly negative.

The only contact information that was obtained to complete the study is the participants’ names and email addresses. As mentioned, the survey was disseminated via SurveyMonkey link to email addresses on file. The information was obtained from Comerica Bank, so a signed permission letter from the appropriate representative of Comerica Bank had to be obtained.

**Instrumentation.** The survey, as shown in Appendix D, is comprised of questions from three different graduate and professional surveys. The majority of the questions were tested for reliability and validity in their original surveys. However, this new survey, as a whole product, was not tested for validity for this research endeavor. This is a limitation of this research. The survey consists of several series of fixed-choice questions, as well as three open-ended questions (see Appendix D). The survey is broad in scope and addresses various aspects of Comerica Bank employees’ experiences. Topics include, but are not limited to, challenges to meeting occupational requirements, employer services, supervisor-employee relations, and employee-employee relations. A Likert Scale was used for many of the fixed-response questions to provide for quantitative analysis. Three open-ended questions were also included to ensure that any information missed by more structured questions will be obtained.

**Procedures.** The surveys were anonymous. Though sent to specific respondents’ email and physical work addresses, they were returned via inter-office mail and anonymously via SurveyMonkey. Surveys were mailed to respondents’ office addresses and email addresses on
file with Comerica Bank. Included in the email sent to respondents was a link to an online version of the survey, hosted by SurveyMonkey, which had the consent form included.

It was expected that respondents would return surveys within two weeks of receipt. As noted above, approximately thirty surveys were anticipated, though the final number ended up being nineteen. If a respondent completed 85% or more of the questions on the survey, their survey will be counted toward the final number of surveys completed. All respondents answered more than 85% of the questions and were counted in the final total.

**Timing.** The study began one week after the proposal was accepted and approved. The study was slated to last until a minimum nineteen completed surveys were returned or a two-month timeframe surpassed. If it was determined that not enough data was collected, the researcher may send a second set of surveys to another set of respondents, or list the small sample as a limitation and request more surveys be sent in future research. This is addressed in greater detail in the results and conclusions sections.

**Data Analysis and Synthesis Approach**

When all of the data was collected, descriptive statistics were utilized to analyze the data. Each survey question that utilized a Likert Scale was displayed with tables. Charts and graphics were also to be used as visual representations of the data. The list of tables and the list of figures at the beginning of the paper list where each table and figure can be found. Further, a table with all of the raw data is included as Appendix E. Interpretations and conclusions were then developed and summarized in Chapters Four and Five.

**Methodological Limitations**

There are a few limitations to the methods that must be addressed. First, completely randomized sampling was not used. The respondents were selected because they are employees
of Comerica Bank and are employed in sales positions within the Retail Banking division. For this reason, they could not be completely randomly selected. This does have the potential to affect the results of the study. Further, the survey that was utilized is a selected mixture of questions from multiple graduate and professional surveys from graduate schools and companies across the country. Although the majority of the questions were tested for reliability and validity in their original surveys, this new compilation was not tested as a whole product. Lastly, the sample size at nineteen was small, and not all positions within the Retail Banking division were represented. Only sales positions within banking centers in the Michigan market were represented. The other footprint states, including Arizona, California, Florida, and Texas were not account for, nor were non-sales related areas like the help desks and call centers.
Chapter 4: Data Analysis

A total of nineteen surveys were completed. Four were completed by male respondents; fifteen were completed by female respondents. Eight respondents cited that they have been employed with the Bank less than five years, three respondents less than ten years ago, seven respondents cited tenures of over twenty years, and one respondent skipped the question. There was nearly an even split in positions, with eight respondents stating that they are employed as “front-line staff” and nine as “management.” However, two respondents skipped this question.

Sub-Question 1: Previous Incentive Plans

Results varied greatly for each of the research question and sub-questions. The first research sub-question of this study asked the types of incentive plans that have been proven to be effective. Respondents repeatedly mentioned liking previous incentive plans better, including a plan called Super Structure, which has been phased out for many years. Super Structure primarily involved monthly payouts, and there were much higher incentives, even for tellers. The goals were completely individual, meaning that employees would be paid out as long as they met or exceeded their individual goals. They had no tie to a branch goal, meaning that if a branch did not meet their loan goal, but the individual did, they still received a payout. Through more recent incentive plans, even if employees exceeded their individual goals, if the branch did not meet its goal, the employee received nothing. Further, at the end of the year, employees often received large bonuses for their efforts over the course of the year.

However, most prevalent response was respondent desire to have individual sales goals reinstated and incentivized accordingly. As mentioned above, the current incentive plan does not employ individual sales goals for the banking centers. The focus has shifted to creating “balanced” employees, with an emphasis on providing exceptional customer service and
promoting teamwork. As such, the incentive plan employs team goals exclusively. The sentiment of the need to reinstate individual goals was echoed throughout the open-ended response questions. The employees surveyed do not find team goals motivating. In fact, respondents felt that it has had quite the opposite effect. They no longer feel motivated to put in their best effort.

**Sub-Question 2: Sales**

The second research sub-question sought to answer how sales have been affected when previous incentive plans were eliminated and new incentive plans were introduced. According to the Comerica Incorporated 2017 Annual Report (2018), the net income was $743 million in 2017, which was a 56% increase from a net income of $477 million in 2016 (21). Further, average loans were $48.6 billion in 2017, though this was a decrease of 1% or $438 million compared to 2016. Average deposits decreased by 1% ($483 million), which included a 6% decrease (nearly $2 billion) from interest-bearing deposits (21) (see Figure 2 below). It should be noted that these changes in sales could have been affected not only by the changes mid-year of the incentive program and performance evaluations, but also as a result of the “Gear Up” streamlining that took place at the end of 2016 through 2017. During this time, a number of banking centers were closed, organizational levels were eliminated, and a number of staff members began employment elsewhere.

However, until the fiscal year ends, it is unknown if the current incentive plan will also significantly affect sales, positively or negatively. As respondents have repeatedly mentioned, however, it is not off to a positive start. If this plan is to be deemed a success, it is imperative that the sales numbers reflect marked improvement from the 2017 year-end numbers, especially as morale and support of this plan is not currently high.
Figure 2

Financial highlights. Reprinted from Comerica Incorporated 2017 annual report,

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Sub-Question 3: Personal Factors

The third research sub-question’s intent was to determine the extent to which personal factors affect employees effectively meeting their sales goals. The survey data shows that most respondents did not feel that many personal factors are a significant hinderance or challenge to their ability to meet their sales goals. Many respondents cited having no opinion, that the options were not applicable to them, or are not at all a challenge or impediment to their ability to progress at work.

Question 6 of the survey, evidenced in Table 2, included the following topics: family obligations, difficulty in one’s position, a lack of access to resources, financial concerns, and motivation. The majority of respondents stated that their family obligations, academic course loads, and lack of access to resources were not significant hinderances. Table 2 also shows that respondents’ social lives and potential for isolation are not of much concern. However, four respondents (approximately 21%) stated that difficulty in their position has prevented them from progressing in their position or meeting their sales goals as they would have liked. Not surprisingly, the only significant challenge respondents cited was their personal finances, with balancing work and family life coming in right behind. All respondents agreed in Question 5 of the survey that work-life balance is a critical factor in their success at work. This is a key statement.

Results were split when it came to the degree of flexibility of the Bank with regard to the respondents’ family responsibilities. According to the data, 36.84% of respondents felt that the Bank was very inflexible. With many families having both parents working, flexibility within one’s job is of critical importance to many employees. To attract and retain top talent, this must
be a top priority. Flexibility in one’s position is a major factor for many applicants and employees, especially in regard to being able to attend to their family’s needs.

### Table 1

<table>
<thead>
<tr>
<th>Question 5</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My sales goals are attainable.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.53</td>
<td>0.99</td>
</tr>
<tr>
<td>My superiors explain expectations clearly and effectively.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.68</td>
<td>1.26</td>
</tr>
<tr>
<td>I have little to no trouble completing assignments by their deadline.</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>5.42</td>
<td>0.75</td>
</tr>
<tr>
<td>My superiors are sensitive to my needs and concerns.</td>
<td>2</td>
<td>6</td>
<td>5.5</td>
<td>5.06</td>
<td>1.22</td>
</tr>
<tr>
<td>My superiors give me constructive feedback in a timely manner.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.72</td>
<td>1.41</td>
</tr>
<tr>
<td>Requirements and expectations create an unnecessarily high level of stress in employees.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.32</td>
<td>1.49</td>
</tr>
<tr>
<td>Work-life balance is a critical factor in my success at work.</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>5.68</td>
<td>0.46</td>
</tr>
<tr>
<td>My own goals and research interests are incorporated into my work.</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>4.47</td>
<td>1.43</td>
</tr>
<tr>
<td>This incentive plan motivates me to meet my sales goals.</td>
<td>1</td>
<td>6</td>
<td>3.5</td>
<td>3.75</td>
<td>1.56</td>
</tr>
<tr>
<td>The incentive plan fairly compensates me for my efforts.</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>3.58</td>
<td>1.63</td>
</tr>
<tr>
<td>I feel encouraged to come up with new and better ways of doing things.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.74</td>
<td>1.37</td>
</tr>
</tbody>
</table>
Table 2

<table>
<thead>
<tr>
<th>Question 6</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic/ course-load work outside of work</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>1.42</td>
<td>0.88</td>
</tr>
<tr>
<td>Finances</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2.21</td>
<td>1.15</td>
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<tr>
<td>Physical health</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2.11</td>
<td>0.79</td>
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<tr>
<td>Social life</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1.58</td>
<td>0.67</td>
</tr>
<tr>
<td>Isolation</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1.47</td>
<td>0.68</td>
</tr>
<tr>
<td>Time management</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2.05</td>
<td>0.83</td>
</tr>
<tr>
<td>Balancing work and family life</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Figure 1

Q6 With "1" being not a challenge at all and "4" being a major challenge, to what extent do you find the following factors challenging?
Question 7 of the survey, displayed in Table 3, revealed that most respondents did not feel that personal factors significantly deterred or prevented them progressing at work or meeting sales goals. However, the small number of respondents that did score the items high cited motivation, a lack of resources, and difficulty in their position as the top factors. This combines internal factors with external, job-related factors.

To summarize, the third research sub-question was centered around personal factors that affect employees’ abilities to meet their corporate sales goals. The research found that there are few factors, according to this set of respondents, that significantly affect their work. The factors found include work-life balance and financials.

### Table 3

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
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</thead>
<tbody>
<tr>
<td>Family obligations</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1.95</td>
<td>0.76</td>
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<tr>
<td>Difficulty in your position</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2.53</td>
<td>1.09</td>
</tr>
<tr>
<td>A lack of access to resources</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2.47</td>
<td>1.19</td>
</tr>
<tr>
<td>Financial problems</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1.79</td>
<td>0.77</td>
</tr>
<tr>
<td>Motivation</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2.58</td>
<td>1.14</td>
</tr>
</tbody>
</table>

### Sub-Question 4: Work-Related Factors

The intent of the fourth research sub-question was to determine the extent to which other work-related factors affect employees effectively reaching their sales goals. Respondents were asked through a Likert-scaled response question the extent to which they agree or disagree with a number of statements surrounding their work environment. The majority of respondents felt like their sales goals were attainable (52.63%), and that they have little to no trouble completing their assignments by their deadline (94.74%). Further, most felt like their superiors give them
constructive feedback in a timely manner (61.11%) and that their superiors are sensitive to their needs and concerns (77.78%). However, this also means that approximately 39% of respondents felt that their superiors do not provide constructive feedback to them in a timely manner, and over 20% of respondents felt as though their immediate superiors are not sensitive to their needs and concerns. The majority of respondents also felt that they are encouraged to come up with new and better ways of doing things (62.16%). Lastly, 63.16% of respondents felt like their own goals and research interests were incorporated into their work.

Nearly twenty percent of respondents responded that they feel that the variety of tasks their position requires is too high, though, overwhelmingly, the majority of respondents expressed that they view their position has enough variety in its tasks. This is positive as too many tasks can be overwhelming, but a variety will keep an employee motivated and engaged. Too little variety in one’s task may make workdays feel longer and mundane.

Most respondents also cited frequently utilizing a number of different resources, including most frequently using their superiors as their top resource. Senior members of workplace staff are also utilized, but not as much as immediate superiors. Most concerning is that most respondents cited only “sometimes” using the resources provided to them. This means that many employees may not be utilizing their resources to their fullest extent. Most respondents also cited their experience with various departments was at least “fair,” per Question 11, but few rated them as “excellent.” This could be a potential issue that affects motivation, especially if employees are repeatedly not receiving sufficient answers to their questions or the other assistance that they require in order to succeed.

In summary, work-related factors presented mixed results in terms of their ability to affect employee motivation. Many respondents expressed that their experience with their
resource areas has not always been top-notch. Further, some interactions with superiors and senior members of staff has not been totally positive, which can significantly affect motivation and engagement. Lastly, some employees felt that other employees do not share information freely about how to succeed or mentor newer employees, which does take a toll on the newer employees. Further, if employees don’t feel a sense of comradery and teamwork within their staff, most employees are not particularly motivated to work toward team goals.

Table 5

<table>
<thead>
<tr>
<th>Question 10</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
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</thead>
<tbody>
<tr>
<td>Platform Help Desk</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2.37</td>
<td>0.58</td>
</tr>
<tr>
<td>Teller Help Desk</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2.37</td>
<td>0.48</td>
</tr>
<tr>
<td>Client Resolution Center</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2.00</td>
<td>0.65</td>
</tr>
<tr>
<td>Superiors</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2.58</td>
<td>0.59</td>
</tr>
<tr>
<td>Senior members of workplace staff</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2.37</td>
<td>0.58</td>
</tr>
</tbody>
</table>

Table 6

<table>
<thead>
<tr>
<th>Question 11</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
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<tbody>
<tr>
<td>Platform Help Desk</td>
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<td>5</td>
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<td>5</td>
<td>4</td>
<td>4.00</td>
<td>0.94</td>
</tr>
<tr>
<td>Senior members of workplace staff</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4.00</td>
<td>0.88</td>
</tr>
</tbody>
</table>

Employee Relations

The majority of respondents reported positive views surrounding employee relations. Question 8 of the survey found that over fifty percent of respondents feel that there is a supportive community in their workplace and that their coworkers treat them with respect. Many
respondents also noted that their interactions with superiors are primarily positive, and that
senior managers visibly demonstrate a commitment to quality. Most respondents also felt that
their managers look to them for suggestion and leadership. The majority of respondents also felt
as though Comerica Bank clearly communicates their goals and strategies to them, and that the
Bank is making changes necessary to compete effectively. All respondents also agreed that they
understand why it is so important for Comerica Bank to value diversity, which is very positive.
This is all evidenced in Table 4 on the following page.
<table>
<thead>
<tr>
<th>Question 8</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a supportive community in my workplace</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.68</td>
<td>1.3</td>
</tr>
<tr>
<td>Trainings, computer-based trainings (CBT's), policies, procedures, and the other resources available to me have adequately prepared me for my position.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.26</td>
<td>1.25</td>
</tr>
<tr>
<td>In my workplace, my coworkers treat others with respect.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.83</td>
<td>1.26</td>
</tr>
<tr>
<td>My own interactions with my superiors are positive.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.84</td>
<td>1.23</td>
</tr>
<tr>
<td>Employees in my workplace compete with each other for time and attention.</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>3.32</td>
<td>1.72</td>
</tr>
<tr>
<td>In my opinion, I am good at my job.</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>5.26</td>
<td>0.55</td>
</tr>
<tr>
<td>Experienced employees in my workplace mentor new employees.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.79</td>
<td>1.32</td>
</tr>
<tr>
<td>Employees freely share information with each other about how to succeed at reaching goals at Comerica Bank.</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4.89</td>
<td>1.07</td>
</tr>
<tr>
<td>I understand why it is so important for Comerica Bank to value diversity (to recognize and respect the value of differences in race, gender, age, etc.).</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>5.63</td>
<td>0.58</td>
</tr>
</tbody>
</table>
The majority of respondents cited through Question 12 that they felt as though their coworkers and superiors were quite knowledgeable, and that they did provide quality mentoring, advising, and guidance. Over 70% of respondents also stated that their overall workplace quality was good to excellent, which is very positive. Lastly, 78.95% of respondents also cited a positive overall experience in and satisfaction with their position.
Table 7

<table>
<thead>
<tr>
<th>Question 12</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The intellectual quality of my superiors</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.89</td>
<td>1.12</td>
</tr>
<tr>
<td>The intellectual quality of my fellow employees</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.74</td>
<td>1.07</td>
</tr>
<tr>
<td>Overall quality of teaching by my superiors</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.84</td>
<td>1.14</td>
</tr>
<tr>
<td>Quality of advising and guidance</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.74</td>
<td>1.25</td>
</tr>
<tr>
<td>Helpfulness of staff members in my department or workplace</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.68</td>
<td>1.08</td>
</tr>
<tr>
<td>Overall workplace quality</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.74</td>
<td>1.07</td>
</tr>
</tbody>
</table>

However, there were a number of respondents that cited that high position requirements and expectations create an unnecessarily high level of stress in employees (52.63%). These are all very positive comments, though there were a number of respondents that felt very much the opposite. They expressed feeling a lack of concern and assistance on the part of their superiors, as well as competing for attention within the banking center staff. Most troubling, however, is that when asked if respondents feel motivated by the current incentive plan, less than half of respondents agreed. Further, less than half of respondents felt that the current incentive plan fairly compensates them for their efforts. This is critical. This is the entire premise of the study. Employees are explicitly stating that the current incentive plan does not motivate them to reach their corporate sales goals, and they don’t feel fairly compensated by it. This answers the overarching research question. The plan is not motivating employees.
Sub-Question 5: Other Factors

Finally, the fifth research sub-question intended to uncover other factors could possibly affect work performance. When asked through the final open-ended questions, respondents cited a number of factors. Although contradictory to many of the Likert-scaled responses, a number of employees cited in their open-ended responses that their work environment and a lack of direction from corporate as to how to compete in a market that is ahead of where the Bank is currently in technology and products available as factors. Many respondents also cited that the elimination of individual sales goals and transitioning to banking center sales goals has decreased their motivation to put in their best effort to reach sales goals.

Other respondents cited poor management and their coworkers as factors. Still others cited foot traffic as a significant concern, as well as sales opportunities and the size of their portfolios. Lastly, respondents cited belief in the products and services that they are offering and customer satisfaction as major factors in reaching one’s sales goals. Not believing in the products that they are supposed to be selling

Lastly, when asked what actions Comerica Bank could take to increase the achievement of their sales goals, the respondents had a number of sentiments. (All responses can be viewed in detail in the appendices.) Multiple respondents cited the need for “targets” or direction, as well as individual sales goals. Others suggested competitive products and rates, but many cited a need for specific sales training and more lucrative incentives for their employees.

Overall, when asked if they would advise a friend to apply for a job at this company, 84.22% of respondents said yes. This is a positive sign for Comerica Bank. Word of mouth is critical to a company’s success. However, word of mouth is also why the Bank does need to
acknowledge the other 15.78% of employees that are disgruntled and wouldn’t recommend Comerica Bank to a friend. This could cost them top talent, as well as sales opportunities.

**Table 10**

<table>
<thead>
<tr>
<th>Question 15</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you advise a friend to apply for a job at this company?</td>
<td>42.11%</td>
<td>42.11%</td>
<td>5.26%</td>
<td>5.26%</td>
<td>5.26%</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Minimum</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>1.89</td>
<td>1.07</td>
</tr>
<tr>
<td>Maximum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fortunately, the majority of respondents felt that they received adequate training to fulfill the duties of their job. They felt that it was worth their time and that they actually learned appropriate work skills to be successful in their positions. Most respondents were also satisfied with their job overall. This is positive. Although they were not motivated by the current incentive plan and did find issue with upper management, foot traffic, and short staffing, respondents did generally feel satisfied with their job.

In summary, there are a number of other factors that affect employee motivation and employee ability to meet corporate sales goals. Respondents primarily expressed their views in the open-ended questions, and top factors include a lack of foot traffic, direction from superiors and upper management as to how to reach their corporate goals when employees feel the products don’t compete in the market, and belief in the products and services themselves. These responses answer the fifth research sub-question and emphasize the importance of taking into account all potential factors in analyzing motivation and employee engagement.
Table 8

<table>
<thead>
<tr>
<th>Question 13</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The training you received before undertaking your position</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.58</td>
<td>0.99</td>
</tr>
<tr>
<td>Your experience in your position</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>0.79</td>
</tr>
<tr>
<td>Your experience collaborating with one or more employees or staff members</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Table 9

<table>
<thead>
<tr>
<th>Question 14</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a scale of 1 to 5, how satisfied are you OVERALL with your job?</td>
<td>3.25%</td>
<td>15.79%</td>
<td>15.79%</td>
<td>42.11%</td>
<td>21.05%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 14</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Median</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>3.58</td>
<td>1.14</td>
</tr>
</tbody>
</table>
Chapter 5: Summary, Conclusions and Recommendations

Summary

This research evaluated the effectiveness of the current Comerica Bank Retail Bank incentive plan in motivating employees to reach prescribed corporate sales goals. Comerica Bank is the oldest bank in the state of Michigan, and has been in business for over 167 years. Many of its employees end their careers with the institution after over thirty years with their employer, which is very unusual in the world of banking. However, that does not mean that all employees are content, happy, and feel fairly compensated. The incentive plan is an extremely important factor in employee engagement.

The research explored employee engagement and the effectiveness of the current incentive plan in incentivizing employees to meet their corporate sales goals by answering five research sub-questions. The first research sub-question examined the types of incentive plans that have been proven to be effective in the past. The second examined the change in sales when previous incentive plans were eliminated and new plans were instituted. The third evaluated the extent to which personal factors affected employees reaching their sales goals. The fourth evaluated the extent to which work-related factors affected employees reaching their sales goals. Lastly, the final research sub-question uncovered other potential factors affecting employees’ ability to reach their corporate sales goals. Taking into account the data and the analysis of the research sub-questions, the current Retail Bank incentive plan is not effective in motivating employees to meet their corporate sales goals. Employees have explicitly stated their opinion to this effect. Employees have also discussed specific contributing factors, including the elimination of individual sales goals and lack of direction from upper management.
In the past, Comerica Bank had individual sales goals that employees were expected to meet over the course of the year. Although the banking center, as a whole, also had team goals, the majority of an employee’s performance review, as well as their incentive payout, was based on their individual activity. At the beginning of 2018, individual goals were eliminated. Everything became team-based, and few sales goals were left to the individual. Sales were still expected, but the focus shifted to cultivating “balanced” employees and providing exceptional customer service. JD Powers survey scores became of much higher significance and importance for banking centers, and affected their performance review scores, as well as payouts.

The research study survey was completed by nineteen Michigan-market employees that are currently employed in front-line or managerial roles within the banking centers. The population was made up of both male and female respondents that varied in tenure from less than five years to over twenty years. The population was also made up of employees from most regions of the lower peninsula of Michigan, including Metro-Detroit, greater Southeast Michigan, Southwest Michigan, and West Michigan.

The research found that in terms of personal factors, most respondents did not feel too heavily affected by them at work. They did not feel that their family obligations, academic course load, or health concerns impeded their ability to excel in their work. However, respondents did acknowledge the importance of work-life balance and how critical it is to their life and their work. Many cited that they did not feel like Comerica was always flexible in accommodating their needs. This is important to note, as many American families have two working parents. If employees do not feel that their needs are acknowledged or will be accommodated, especially with regard to their family, top talent may shy away from the company. This can significantly affect talent and could affect the bottom line.
The research also found that there are other factors than the specific personal or work factors listed that impede employees’ ability to meet sales goals. Belief in the products and services they are endorsing is a significant factor mentioned. If employees don’t believe in what they are selling they are not likely to sell it, and, more importantly, they may be doing their customers a disservice. Another key factor respondents mentioned was a lack of foot traffic, which has been steadily decreasing in banking centers with the advent of web banking, bill pay, and direct deposit. This was the most prevalent factor mentioned.

Trends in the data also showed that many employees were satisfied with their working conditions, including their ability to access resources, their fellow staff members, and the knowledge and abilities of their superiors. Overall, they expressed that their work place is a positive place to work, and, for the most part, none of those factors impeded their ability to do their job well. However, many respondents expressed that they do not feel incentivized by the current incentive plan. They repeatedly stated that they disliked that there are no longer individual sales goals, and expressed that they do not feel motivated to work toward their team goals. This is extremely important. If employees do not feel motivated to work, production slows, clients are not taken care of, and an immense amount of time and money is wasted. The employees can then become a drain on the company. This answers our overarching research question. For this subsect, at least, the current incentive plan is not motivating employees to reach their corporate sales goals.

The literature defines an incentive plan as a “planned activity designed to motivate people to achieve a predetermined objective” (Rozycki, 2008). This study agreed with much of the literature, finding that key performance indicators for this subsect were also establishing thresholds, targets and maximum, and fair judgments of employee and manager performance in
ensuring that employees are motivated (Arguden, 2013). The literature also found that incentive programs have been shown to aid in recruiting and retention, the increase of sales, improving the development of relationships, and improving the customer service that is provided. They have also been shown to improve customer retention and employee morale, foster teamwork, and build employee loyalty and trust (Rozycki, 13). Further, increased motivation of employees has been shown to not only increase employee performance, but also satisfaction for positive contribution (Sattar, Ahmad, and Mahnaz Hassan, 90). This only further shows the need for this study to have been conducted.

Pareek (2013) evaluated the factors that affect employee satisfaction at financial institutions in India. The study found that rewards, as well as organizational support and job enrichment, were the main factors that contributed to employee satisfaction in the sample that was evaluated (Pareek, 42). That is consistent with the findings of this study. Organizational support was a theme that ran throughout the responses, both positive and negative, that linked to employee motivation. Although many respondents felt supported by their colleagues, superiors, and organization, a number of respondents did not feel that way, and expressed that they felt a lack of leadership, support, and concern for their welfare.

Further, as mentioned above, job satisfaction is a critical factor in the success of a company. Dissatisfied employees can be very costly, but strengthening and improving job satisfaction can increase employee commitment, which can provide a firm with a competitive advantage (Xuying Cao and Chen, 1209). It can also attract top talent and engage employees. According to Xuying Cao and Chen, job satisfaction “engages employees as passionate and creative contributors, which helps increase firm value” (1209). This study also found that to be true. A number of respondents cited that they were unhappy, would not advise a friend to work
for Comerica Bank, and that they did not feel supported by upper management. If this feeling is widespread and felt throughout the company, it could pose a real threat to the Bank and their bottom line.

In 2011, employees in the United States became increasingly dissatisfied and disloyal, and as many as one-third of employees said they hoped to work somewhere else within the coming year (Shutan, 15). In January 2012, the employment and layoff rates were at the lowest point they had been at in year. However, increasing numbers of people were still quitting their jobs. According to Shutan (2013), “A Time magazine poll in 2010 found that fewer than half of working Americans were satisfied with their jobs- the lowest such percentage since 1987” (15). These employers failed to engage their employees, and paid dearly. Studies have shown that turnover and training can cost a company upwards of two and a half times an employee’s salary, which can be detrimental to their bottom line (Shutan, 20). This further reiterates and reinforces the need to engage and motivate Comerica employees, as well as provide them with adequate support.

Gebauer, Lowman, and Gordon (2008) contend that engagement is cultivated and developed between an employee and their company at the rational, emotional, and motivational levels. The authors explain that connecting at the rational level involves employees first understanding their roles and responsibilities. Then, at the emotional level, employees bring passion and energy to work. Lastly, connecting at the motivational level is affected by how well the employees perform their roles (Gebauer, Lowman, and Gordon, 2008). As the authors state, “An engaged employee understands how to help a company succeed, feels connected, and is willing to put that knowledge and emotion into action to improve performance” (Gebauer, Lowman, and Gordon, 2008). This research echoed this sentiment, finding that many employees
surveyed felt ill-supported and unmotivated. Employees are not feeling properly incentivized either and this could truly affect the future of Comerica Bank.

In summary, there are many factors surrounding the success of incentive plans and properly engaging employees. The current incentive plan for the Retail Banking division of Comerica Bank has not met the needs of the employees and is not incentivizing employees to do their best. Contributing factors to the employees’ motivation (or lack thereof) include work-life balance, the elimination of individual sales goals, and insufficient direction from upper management. The sales numbers at the end of 2018 will show if revenue is significantly affected, as the incentive plan was introduced in 2018 and the fiscal year has not ended yet. However, based on the opinions of the employees, it is off to a positive start.

Conclusions

Overall, when asked if they would advise a friend to apply for a job at this company, 84.22% of respondents said yes. This is a positive sign for Comerica Bank. Word of mouth is critical to a company’s success. However, word of mouth is also why the Bank does need to acknowledge the other 15.78% of employees that are disgruntled and wouldn’t recommend Comerica Bank to a friend. This could cost them top talent, as well as sales growth and opportunity.

Although a small subsect of the Retail Bank division, the responses of the participants in this survey do show that the new incentive plan is not being well-received. They are unhappy with the lack of individual goals and do not feel motivated to meet the prescribed “team” goals. Further, the fact that the majority of the payouts shifted from monthly and quarterly to primarily annually has become much less motivating for employees. As mentioned, many respondents also cited the need for more foot traffic and direction from upper management as to how
employees should bring in new business as contributing factors. It is too early to tell if the final sales numbers for 2018 will be significantly affected. However, employees are not being motivated by the new incentive plan. They do not feel adequately rewarded for their efforts, and many respondents explicitly mentioned that. If the numbers are affected, the incentive plan will need to be re-evaluated and adapted. The five research sub-questions have been answered, as has the primary research question. The current incentive plan for the Retail Bank division of Comerica Bank is not effective in motivating employees to reach their corporate sales goals.

**Limitations.** The study was limited by the number of employment positions it surveyed, the geographical radius, and the number of respondents. It was recommended that the survey only include “front-line staff” and “management staff,” but there are many other positions that exist within the Retail Bank, including Retail Personal Banker, Regional Operations Manager, District Manager, Regional Manager, Help Desk Specialist, and Lead Teller. Further, within Comerica Bank, some employees serve as dual-employees. In Comeri-Marts (banking centers that are located inside grocery stores like Kroger or D&W), with the exception of the Banking Center Manager, all other employees are Retail Personal Bankers. In a traditional banking center, Retail Personal Bankers are considered “management” staff. However, in a Comeri-Mart, Retail Personal Bankers fulfill both the teller and banker roles, opening accounts as well as running transactions in a teller window. This caused confusion for respondents. If another study is conducted, separating and specifying roles would be advised.

Confusion also surrounded the question of tenure with the organization. It was advised that the study provide three options to participants for how long they had worked for the Bank: less than five years ago, less than ten years ago, and over twenty years ago. However, this
proved to be confusing for many respondents that had been employed by the Bank for greater than ten years, but less than twenty years. Future studies should include that time span.

Lastly, surveying a significantly larger number of respondents is advised. Nineteen surveys were completed during this study. Respondents covered most parts of the Lower Peninsula of Michigan (Comerica Bank does not have branches in the Upper Peninsula), but results should not be generalized to the other four footprint states (Arizona, California, Florida, and Texas). The clientele, foot traffic, range of services that is typically provided, and corporate sales goals differ greatly from market to market, so the opinions of the employees could be substantially different between markets. Further, the Retail Bank contains a few thousand employees across all markets, so nineteen surveys will not be a sufficient number of responses to generalize across the entire division. Lastly, with only four male respondents in this study, it is not sufficient to generalize the results to all male employees.

**Recommendations**

In terms of future direction, a study that evaluates the effectiveness of the current incentive plan in motivating employees of Comerica to meet corporate sales goals across all positions within the Retail Bank division would be useful. This study solely evaluated the effect on the “front-line staff” and “management” staff in the Michigan banking centers. As mentioned, it did not survey employees in the other footprint states (Arizona, California, Florida, and Texas). Employees in different geographic regions of the United States may have very different views on motivation and the current incentive plans.

This research also did not take into account the views of persons in different sales positions within the Retail Bank division, like District Managers or Regional Operations Managers. Further, the study did not survey employees in non-sales related roles like Teller or
Platform Help Desk positions. These positions are also very important, and make up a large portion of the population of the Retail Bank. Their opinions may significantly differ from employees in “front line” or “managerial” roles within the banking center and should be taken into account. Evaluating employees of differing geographic location and expanded employee roles are crucial factors that could significantly affect the feelings and opinions of employees.

It is also recommended that Comerica Bank assess their sales numbers at the end of the year to determine if the Bank has been significantly affected by transitioning to the current incentive plan. The Bank should also assess how many banking centers actually met their annual goals. This assessment should not simply look for the general completion of a banking center’s overall sales goal, but at specific categories, including loan goals, merchant services, wealth management, and retail deposit growth. This will determine if there are areas banking centers typically succeed in, as well as specific problem areas that must be addressed.

It is also recommended that satisfaction surveys should be sent out at the end of the year to all Retail Bank employees. The survey should ask specifically about the current incentive plan. Garnering thoughts from employees directly will make them feel heard and respected. Asking for employee input would also help employees to feel more engaged.

Lastly, a larger scale version of this research should be conducted after the end of the fiscal year. As mentioned above, this study did not reach all four of the footprint states, nor all of the employees of the Retail Bank. It is advised that the survey be distributed to all employees of the Retail Bank, so that all positions (sales and non-sales positions), experience levels, genders, races, and markets be represented. This would provide substantial clarity as to if the entire division feels similarly about the incentive plan, and if there is significant unrest that must
be addressed. It would be a real opportunity for the Bank to determine their next steps and the
future direction for the division.

Overall, it is evident that the 2018 Retail Bank Incentive Plan is not motivating
employees to reach their corporate sales goals. As mentioned, this has been expressed by
employees through numerous Likert-scaled survey questions, as well as explicitly through open-ended response questions. Through the analysis of the five research sub-questions, the
overarching research question is answered. The current incentive plan is not effectively
motivating employees to put forth their best effort and achieve their sales goals. Though the
sample size of the study was small, it still remains a useful stepping stone for Comerica Bank to
determine the most effective method(s) to motivate and engage their employees.
References


Pay for performance: Incentive compensation at large financial institutions: Hearing before the Committee on Banking, Housing, and Urban Affairs 1-51 (2012).


Appendices

Appendix A  Permission to Conduct Study
Appendix B  MSA RRA Application Approval Letter
Appendix C  Survey Consent Form
Appendix D  Survey
Appendix E  Raw Data
Appendix F  Open-Ended Survey Question Responses
Appendix A

Permission Letter

MichelleMcVaughn
21455 21 Mile Rd.
Masco Township, MI 48044

April 3, 2018
Hayley Hoosh
19400 Ledoso St
Shelby Township, MI 48315

Dear Hayley Hoosh,

I have reviewed your request to use the organization's survey data in your graduate project. I grant you permission to conduct a research project involving Comerica Bank and the effectiveness of the Retail Bank incentive plan in motivating employees to reach corporate sales goals and the survey material that will be used. I feel that this project will be beneficial to Comerica Bank and the project's participants. You have my permission to use Comerica Bank employees as the subject pool for this project.

The following stipulations should be observed: the survey is done on personal time, and the results must be shared with your advisor.

If you have any questions regarding this letter of approval, please give me a call at (586) 549-4875.

Sincerely,

Michelle McVaughn
Avison Banking Center Manager
21 Mile Rd.
Comerica Bank | MC 0358 | 21455 21 Mile Rd | Masco Township, MI 48044
P: 586.999.4875 | F: 586.999.4784 | mcvaughn@comerica.com
Appendix B

MSA RRA Application Approval Letter

Dear Hayley,

Your Research Review Application has been reviewed and approved. You may start your data collection. This approval will not expire as long as your topic and methodology remain unchanged. If your topic or methodology changes, please submit a new Research Review Application and supporting documents to your instructor by e-mail.

Please contact your instructor if you have any questions. Also, be sure to check with your instructor concerning the due dates for your project.

Good luck with your project. This is the only notification you will receive. Please keep a copy for your records.

Kim Gribben

Assistant Director, MSA Program
Appendix C

Survey Consent Form and Cover letter

Date

Dear Participant:

My name is Hayley Hoesch and I am a graduate student at Central Michigan University. For my final project, I am examining the effectiveness of Comerica Bank’s Retail Bank incentive plan in reaching corporate sales goals. I am inviting you to participate in this research study by completing the attached survey.

The following questionnaire will require approximately 15 minutes to complete. There is no compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please do not include your name. Copies of the project will be provided to my Central Michigan University instructor. If you choose to participate in this project, please answer all questions as honestly as possible and return the completed questionnaires promptly return in the provided stamped envelope. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding the factors that affect graduate students’ ability to complete the capstone course. If you would like a summary copy of this study please complete and detach the Request for Information Form and return it to me in a separate envelope. Completion and return of the questionnaire will indicate your willingness to participate in this study. If you require additional information or have questions, please contact me at the number listed below.

Please note that if you are not satisfied with the manner in which this study is being conducted, you may report (anonymously if you so choose) any complaints to the MSA Program by calling 989-774-6525 or addressing a letter to the MSA Program, Rowe 222, Central Michigan University, Mt. Pleasant, MI 48859.

Sincerely,

Hayley Hoesch
Hoesc1hm@cmich.edu
Appendix D

Employee Engagement Survey

Please circle the letter next to your answer selection where appropriate. For all other questions, please write your answer on the line or in the space provided. Return the completed survey to the address located at the end of this survey. Thank you for your participation.

1. I identify as a:
   a. Male
   b. Female
   c. Other
   d. Prefer not to say

2. I began working at Comerica Bank:
   a. Less than 1 year ago
   b. Between 1 and 4 years ago
   c. Between 5 and 10 years ago
   d. Between 11 than 20 years ago
   e. Over 20 years ago

3. My current position or job title is:
   a. Teller
   b. Retail Personal Banker
   c. Assistant Banking Center Manager
   d. Banking Center Manager
   e. District Manager
   f. Regional Manager
   g. Other: ___________________

4. How flexible is Comerica Bank with respect to your family responsibilities?
   a. Very inflexible
   b. Somewhat inflexible
   c. Neither
   d. Somewhat flexible
   e. Very flexible

5. On a scale of 1 to 5, with 1=Strongly Disagree and 5=Strongly Agree:
   a. My goals are attainable. _____
b. My superiors explain expectations clearly and effectively. ____

c. I have little to no trouble completing assignments by their deadline. ____

d. My superiors are sensitive to my needs and concerns. ____

e. My superiors give me constructive feedback in a timely manner. ____

f. Requirements and expectations create an unnecessarily high level of stress in employees. ____

g. Work-life balance is a critical factor in my success at work. ____

h. My own goals and research interests are incorporated into my work. ____

i. This incentive plan motivates me to meet my sales goals. ____

j. The incentive plan fairly compensates me for my efforts. ____

k. I feel encouraged to come up with new and better ways of doing things. ____

6. With “1” being not a challenge at all and “4” being a major challenge, to what extent do you find the following factors challenging?

a. Academic/ course-work load outside of work ____

b. Finances ____

c. Physical health ____

d. Social life ____

e. Isolation ____

f. Time management ____

g. Balancing work and family life ____

7. How much, if any have each of the following factors prevented you from progressing at work or meeting sales goals as you would have liked? (1= not applicable, 2=not at all, 3=a little, 4=somewhat, 5=a great deal)
a. Family obligations _____
b. Difficulty in your position _____
c. A lack of access to resources _____
d. Financial problems _____
e. Motivation _____

8. To what extent do you agree or disagree with each of the following statements about your experience in your position? On a scale of 1 to 5, with 1=Strongly Disagree and 5=Strongly Agree:

a. There is a supportive community in my workplace. _____
b. Trainings, computer-based trainings (CBT’s), policies, procedures, and the other resources available to me have adequately prepared me for my position. _____
c. In my workplace, my coworkers treat others with respect. _____
d. My own interactions with my superiors are positive. _____
e. Employees in my workplace compete with each other for time and attention. _____
f. In my opinion, I am good at my job. _____
g. Experienced employees in my workplace mentor new employees. _____
h. Employees freely share information with each other about how to succeed at reaching goals at Comerica Bank. _____
i. I understand why it is so important for Comerica Bank to value diversity (to recognize and respect the value of differences in race, gender, age, etc.). _____
j. My job makes good use of my skills and abilities. _____
k. My colleagues quickly adapt to challenging or crisis situations. _____
1. In my organization, employees are encouraged to take action when they see a problem or opportunity. _____

m. I am often so wrapped up in my work that hours go by like minutes. _____

n. When a customer is dissatisfied, I can usually correct the problem to their satisfaction. _____

o. Senior managers visibly demonstrate a commitment to quality. _____

p. Management looks to me for suggestion and leadership. _____

q. My job makes a difference in the lives of others. _____

r. Comerica Bank clearly communicates its goals and strategies to me. _____

s. My company is making the changes necessary to compete effectively. _____

9. In thinking about the variety of tasks that your position requires, there are _____

   a. Too many
   b. Enough
   c. Not enough

10. To what extent have you utilized the following office/department services? (1=never, 2=sometimes, 3=frequently)

   a. Platform Help Desk _____
   b. Teller Help Desk _____
   c. Client Resolution Center _____
   d. Superiors _____
   e. Senior members of workplace staff _____

11. Please rate the experience you have had when interacting with each of the following (1=N/A, 2=poor, 3=fair, 4=good, 5=excellent):

   a. Platform Help Desk _____
   b. Teller Help Desk _____
   c. Client Resolution Center _____
   d. Superiors _____
   e. Senior members of workplace staff _____
12. Please rate each dimension of your workplace (1=poor, 5=excellent):

   a. The intellectual quality of my superiors ____
   b. The intellectual quality of my fellow employees ____
   c. Overall quality of teaching by my superiors ____
   d. Quality of advising and guidance _____
   e. Helpfulness of staff members in my department or workplace _____
   f. Overall workplace quality ____

13. Please indicate how satisfied or dissatisfied you have been OVERALL with each of the following during your experience in your workplace (1=very dissatisfied, 5=very satisfied):

   a. The training you received before undertaking your position ____
   b. Your experience in your position ____
   c. Your experience collaborating with one or more employees or staff members ____

14. On a scale of 1 to 5, how satisfied are you OVERALL with your job? ____

15. Would you advise a friend to apply for a job at this company?

   a. Definitely _____
   b. Probably _____
   c. Not sure _____
   d. Probably not _____
   e. Definitely not _____

16. What other factors can affect employees reaching corporate sales goals?
17. What actions can Comerica Bank take to increase the completion of sales goals?

18. Please write any other comments you feel are important to include in responding to the employee engagement survey.

Please return completed paper surveys to Comerica Bank BC 354, Mail Code 8354, 21455 21 Mile Road, Macomb Township, MI 48044.
## Appendix E

### Raw Data

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[10-Short answer]
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Appendix F

Open-Ended Survey Question Responses

16. What other factors can affect employees reaching corporate sales goals?

- Not enough direction or assistance with HOW they would like us to obtain more business when our products do not compete in this market.
- In 2018 in elimination of individual goals has made it more difficult to track success.
- NA
- The environment the employee is surrounded by.
- Customer satisfaction is very important!
- Sales opportunities. Example, foot traffic and portfolio size.
- Ok.
- Poor management- lack of motivation- no incentives
- Customers visiting the branch.
- A banking center w/ slow foot traffic.
- Belief in the products and services themselves.
- Less stress.
- Foot traffic in office. Demographics in area. Amount of local business in the area.

17. What actions can Comerica Bank take to increase the completion of sales goals?

- Better, more competitive products and better rates.
• Better training and support coming from corporate—currently more focus has been on Management’s role in training and this takes away from their ability to spend the time needed to focus on their own goals.

• NA.

• Make sure everyone has individual sales goals.

• Comerica makes sure we have the tools we need to accomplish our goals and this year has decided to not just focus on the numbers but the duties of the job. Make sure everyone has the same wealth of knowledge instead of just those who have been there for a long time.

• Design a stronger, more intuitive sales tracking system.

• Ok.

• They can offer incentives to motivate employees and advocate for a stronger—better— and more fair upper management.

• Better training

• Not sure.

• Take an evaluation of the products and services and shop around to see what other banks offer and compare them.

• Lower goals.

• Accountability. Leadership by upper management.

18. Please write any other comments you feel are important to include in responding to the employee engagement survey.

• NA
- NA
- I consider myself lucky for working for one of the best banks in the US! I know that they are not perfect and can always improve but from what I have heard Comerica is one of the best banks to work for.
- I am confused as to why the survey was themed in Spartan green and not Chippewa red? P.S. is this graded? And will the final be cumulative?
- Ok.
- Over the year it seems like things have changed greatly and there is no incentive to perform as well as huge lack of guidance from superiors.