



By G.A. "Andy" Marken

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# More Than Money

## Effective Employee Incentive Programs

campaign for the internal program just as you would for a product launch. Spend the time necessary to communicate the program to employees and their significant others so that everyone is committed to the goals and program. If you don't, you can't expect to achieve your target objectives.

### Announce Results with Flair

Make a big deal about the winners and their prizes. Make them feel special. The way you promote your winners over the weeks following the program will be as important—if not more important—than the prizes. Make certain everyone gets the message: performing pays big dividends (regardless of the dollar value of the awards).

### Involve the Family

If you want to get people excited and keep them excited don't overlook the importance of "selling" the family or significant other on the campaign. Make certain you send program information and progress reports to the employee's homes so everyone understands what the individual is doing and why he is doing it. Make the incentive program a household affair and everyone will win.

### Be Consistent, Uncomplicated

Make the incentive program rules easy-to-understand and simple. Forget the four-point-type legalities. These are employees to whom you have entrusted the success of your company, so be straightforward with the program. Once the program is underway, maintain a steady course even if the program isn't the optimum program you want. Don't experiment and create confusion or change the rules half way through the race. If you discover some shortcomings in this program, save the improvements for the next program.

### Post Standings Frequently

Keep employees current on their standings in the competition. At least once a week let people know where

their team stands and where they stand in their efforts to achieve the program's goals. Chart the progress on employee bulletin boards or on wall charts.

### Meaningful Prizes

Prizes don't have to cost a lot to be valuable to employees, but they do have to be meaningful. By the same token cheap prizes tells the employees management doesn't care about its goals. A six-day trip for two when the family has five kids they have to worry about isn't as attractive to some people as two or three evenings out during the month at a fine restaurant. The cost is not only less but the couple gets a chance to relax and enjoy themselves. Remember that value is in the eyes of the beholder.

### Us vs. Us

While sales incentives—usually the most common type of program—does pit us versus them (other territories, competition, etc.) there are a number of incentive programs you can develop that create team efforts. Increasing production by 20 percent during a three-month period or going from design concept to finished product in five months are all team incentive goals. Programs of these types produce not only the desired short-term goal but also produce long-range results. Promoting team efforts pulls the organization together and gets everyone going in the same direction. That camaraderie is hard to change once the program is completed.

### Specific Objectives

Make your goals for the incentive program as specific and as measurable as possible. For example, reducing product rework to .001 percent is more measurable (and more meaningful) than improving production output. Reducing order errors to .001 percent of all orders processed is more measurable than reducing order paperwork by 20 percent. If possible, give employees benchmarks for the incentive program so they can see their progress and make the goals achievable. **WQP**

**D**ownsized organizations, tough economic times, demands to reduce costs and improve quality and a myriad of other reasons can stimulate the need for an employee incentive program. Done properly, the investment can be minimal but it can produce very positive results.

If you want to improve results and morale throughout the organization, here are some tips on ensuring your employee incentive program meets your goals.

### Rewards for Extraordinary Efforts

Rewards are no substitute for a decent paycheck. For example the airline industry shouldn't expect employees to give back benefits and go the extra mile. Especially in light of reported side deals senior executives received just for staying on the job. Given the tough economic environment the industry is operating in today, they should expect decent performance for decent pay. At the same time, management—in any

industry—should be creative in developing programs that will help encourage off-the-chart performance, even if the rewards are deferred.

### Don't Let Them Strike Out Early

If they are half way through the incentive program and half the team has no opportunity to be rewarded you have lost half of your team. They have no incentive to push harder and be more efficient/more effective if they are out of contention. Putting forth the extra effort and winning should be a team effort, not an individual effort. Keep the team interested and involved throughout the campaign.

### Prepare the Team, Administer the Program

Don't launch your employee incentive program and then go about explaining it to members of the team as the program progresses. Plan a promotional



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