



Doing incentives right

You want to motivate and reward your employees for exceptional performance while avoiding the pitfalls common to incentive programs. This printable checklist will guide you through the process.

Rewards vs. incentives

Once you've decided your staff deserves a little extra in appreciation for hard work on a project, what next? Should you offer an incentive (meaning you tell employees in advance that they'll get a prize for exceptional performance)? Or should it be a reward (meaning an after-the-fact prize)?

Reward vs. incentive

Is the project a one-time or rare type for which you can consistently offer the same incentive the next time it occurs? (Example: Migrating from a simple e-mail platform to several groupware servers over the weekend.) Yes _____ No _____

Is the task relatively mindless and quantitative? (Example: Manually upgrading network interface cards in hundreds of desktop PCs.) Yes _____ No _____

*If you answered "Yes" to either of the above questions, an **incentive** is an effective choice.*

Is the task onerous but relatively routine? (Example: biannual server maintenance done at 2 a.m.) Yes _____ No _____

Is this a gift for exceptional performance? (Example: Exceeding a tight deadline or bringing a project in significantly under budget.) Yes _____ No _____

*If you answered "Yes" to the above two questions, a **reward** is a more effective choice than an incentive.*

Balance between individual and departmental rewards

Was the project a team effort? Yes _____ No _____

Is the incentive/reward intended to promote and encourage team performance? Yes _____ No _____

Did most members or every member of the team perform exceptionally? For example, did everyone work long hours or on weekends; institute problem-solving or time-saving ideas; pitch in to assist others? Yes _____ No _____

*If you answered "Yes" to any of the above questions, a **team** reward or incentive is an effective choice.*

Was the project created, implemented or made successful by the efforts of one person or a few team members? Yes _____ No _____

Is the incentive/reward intended as note of appreciation for performance above the norm? Yes _____ No _____

Does a team member's direct supervisor recognize that person as a star performer on this project? Yes _____ No _____

Do a team member's peers recognize the person as a star performer on this project? Yes _____ No _____

*If you answered "Yes" to any of the above questions, an **individual** reward or incentive is an effective choice.*

Public vs. private recognition

Are rewards and incentives uncommon in your company? Yes _____ No _____

Was the announcement of an incentive public? Yes _____ No _____

Is the intention of the award to educate others on what constitutes exceptional performance? Yes _____ No _____

Would public recognition enhance the value of the award? (Example: an e-mail thank you to the person copied to all employees) Yes _____ No _____

Did the person's or team's peers contribute to the selection of the reward/incentive recipient(s)? Yes _____ No _____

*If you answered "Yes" to any of the above questions, **public** recognition is an effective choice.*

Is the reward or incentive going to a person who is a consistent star performer and routinely receives such rewards? Yes _____ No _____

Is the reward or incentive going to only select members of a team for a project in which the entire team participated? Yes _____ No _____

Is the goal of the reward or incentive appreciation and retention of a specific individual? Yes _____ No _____

Would widespread knowledge of the reward or incentive potentially cause feelings of competition or discord among employees? Yes _____ No _____

Is the reward based on subjective criteria not easily described or replicated? Yes _____ No _____

*If you answered "Yes" to any of the above questions, **private** recognition is an effective choice.*

Suggestions for rewards

As with any gift, the first consideration should be what the employee wants. Why send a fruit basket to a meat lover? A gift certificate to a steakhouse would be a more effective pat on the back.

According to an informal online *Network World* survey of 55 readers, at least one-quarter of respondents named the following items as "good" or "favorite."

Item	% of respondents rated the perk as "good" or "favorite"
Gift certificates (retail or restaurant), gift checks, cash equivalents	38
Verbal recognition (cheering, announcements at company meetings)	35
Parties, lunches, dinners	34
Awards, written recognition (employee of the month, newsletter articles, etc.)	29
Tickets to entertainment venues (theater, movies, concerts)	25
Corporate gifts with the company logo (gold pens, calendars, T-shirts, etc.)	25

But feel free to get creative. These items have also been successful gifts:

- Time off
- Home networking equipment such as prepaid DSL lines
- Symbolic statues/items (something that may play on the company's name)
- Swiss Army or Leatherman knives and other gadgets
- Coffee or lunch with the CEO
- Greens fees