



AwardEmployees

... with the award they would choose for themselves.

Incentive Systems v. Recognition Programs v. Games & Contests

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- There may be 1001 ways to recognize employees, but an incentive system is a planned activity designed to motivate the majority of your people to achieve predetermined organizational objectives. Contests compete your people and often do not motivate behavior change when the award is something that cannot be earned outright for producing results.
- An incentive system often contains recognition type elements, but a recognition effort need not contain the substantial awards necessary to drive results in an incentive system. Contests can contain substantial awards, but usually do not give everyone an opportunity to earn one, an important ingredient in an incentive system.
- A well-planned incentive program encompasses a financial rationale that measures results and has a planned, targeted Return On Investment. Recognition systems do not. They provide those camaraderie, spirit, team building type efforts that can be so effective in changing employee attitudes and developing a positive business environment. Contests are often used when budgets are not sufficient to motivate the entire participant base.
- Recognition efforts, by their definition, thank those top performers in your organization for going above and beyond their job description. Well-planned incentive systems move the majority of the middle 80% of your organization toward accomplishing specific objectives. Contests reward those lucky enough to have been the winner.
- Recognition efforts and contests reward only a few; a safety incentive system should reward anyone who has improved performance.
- Recognition efforts utilize a large array of very effective communications as a focal point of the program and the awards tend to be communications oriented. Incentive systems and contests utilize communications to explain and promote the incentive effort and feedback the measured results.
- In a well-planned incentive system the awards earned by your participants are positive, as immediate as possible after the performance, and certain. In recognition programs and contests, the rewards are positive, as immediate as possible, but never certain.

- Recognition is not what you give, but how you give it. Contests compete people against each other instead of competing them with themselves. Incentive systems are a formalized approach using communications, training, measurement, feedback and awards to change behavior and improve results.
- A well-planned incentive system will often contain recognition and contest elements to highlight performance and maintain enthusiasm.

The assumption by many is that these three types of activities will all change behavior and produce results equally. The reality is that they are not interchangeable with regard to producing results. Don't expect a high degree of behavior change for the majority of your participants when they know that only a handful of them will be recognized or rewarded.

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