

Linking Organizational Goals with Employee Behaviors: Implementing an Incentive Program

As you're developing your strategic plan and goals, you should consider how you can motivate your employees to achieve your objectives. One method is to implement an incentive program that both encourages and rewards accomplishments. Here are some tips on how you can approach this strategically.

- ▶ First determine what behaviors you are trying to drive based on the goals you set for the organization.
- ▶ There is no one right program for all organizations. You should conduct an analysis to determine what program will be complementary to your company's mission, values, and culture. Questions to ask are:
 - Will the program be based on individual objectives or on departmental objectives? This will depend on how your organization values performance and whether its culture is collective or individual.
 - Will the program have tiers for different levels of managers and employees? This will depend on the depth of the hierarchy in your organization's structure.
 - Will the program have payouts monthly, quarterly, or annually? This will depend on whether your organization focuses on the short term or the long term.
 - What amount of money will be at risk compared to base compensation? This will depend on whether your organization's level of uncertainty avoidance is high or low.
- ▶ Compare your total compensation program to those of similar organizations with the aim of creating a competitive advantage in attracting talent.
- ▶ Create a draft of the incentive program. As necessary, ask others to review its efficacy and incorporate any feedback.
- ▶ Develop costing information to address the budgetary issues as compared to the benefits that the program will bring to your organization.
- ▶ Finalize the program and plan for implementation and communication, keeping in mind that your program must correlate to existing performance systems and measurements and tie into your merit increase system.

Be sure to assess your program. Did it drive the behaviors you were hoping for? Alternately, did it drive behaviors you weren't anticipating? This evaluation process should be constant, and you should use it to revise your program as needed.

Remember that the success of your incentive program will be correlated to both the amount of input from managers and employees and the fit of the program with your organization's culture. If designed and implemented well, your program can serve as an important component in attracting and retaining the top talent needed to accomplish your business objectives.