



## Example of An Incentive Program

### The Goal: Improved Attendance

Stan supervised a group of 50 people. He did a little research and came to the conclusion that each employee used an average of 10 sick days per year. He felt this seriously cut into productivity on the assembly line and he figured that cutting this figure in half, or 5 days per year, would greatly improve production figures for his department.

Stan's goal was clear: to encourage each employee to use 5 sick days per year, or less. How would he accomplish this goal? He spent some time thinking about an incentive that would be meaningful to his group, and discussed it with them. He finally decided on a catalog of gifts where each employee could choose an award in a particular price range. He came up with a budget and had it approved by management.

But how would the Improved Attendance Incentive Program be structured? If the employees had to wait an entire year to receive an award, they would probably lose interest. And what if someone had a serious illness one quarter and that ruined their chances for the award?

Stan decided that if each employee could use 1 sick day, or less, per quarter, they would be eligible to redeem an award from the catalog. This seemed to be a manageable expectation, and they kicked it off with a small party of donuts and coffee.

Each quarter, Stan called the group together and, in an impromptu ceremony, awarded the gift catalog to the employees who qualified. At the end of the year, Stan reviewed the attendance records and was able to ascertain that each employee used an average of 5 sick days that year. This was what he wanted to achieve. Three employees actually received an award each of the four quarters that year for perfect attendance.

Stan decided to run a similar incentive program the following year.