

## *Spot Awards: A practical way for the public sector to implement Pay for Performance*



**by Sandy Glass**  
**Compensation Consultant**

The Spot Award concept refers to small monetary or non-monetary rewards to provide immediate recognition for individual employees who perform short-term quality acts or service in an exceptional manner. Currently, agencies administer Spot Award programs as part of a Rewards and Recognition policy. Under the proposed Chapter 6 rules, Spot Awards would typically fall under Proficiency Pay.

The general goal of a pay-for-performance approach is to use the prospect of monetary rewards as an incentive for individuals to improve their contribution to improved or sustained agency performance. Due to budgetary limitations, public scrutiny issues, and governmental regulations, public sector entities are sometimes limited in their pay-for-performance options. The Spot Award concept can assist public sector organizations in overcoming these obstacles.

### **Pay-for-Performance Obstacles and Spot Awards:**

**Budgetary Issues:** Spot Award costs are flexible and can be created and adapted to meet available funding. The most effective Spot Award programs are implemented consistently; therefore, initial plans typically include an analysis of available funds over time.

**Public Scrutiny:** Because rewards are either non-monetary or small sums of cash, well-developed policies and fully documented decisions are not typically subjected to intense public scrutiny.

**Governmental Regulations:** A major characteristic of Spot Awards is that little or no approval is required to grant a reward. Often, award amounts are set at levels that can be approved within the lower levels of the organization.

### **Spot Award Characteristics:**

- Awards are presented soon after the quality act/service (usually within 30 days)

- Awards are non-monetary (certificates, company logo items, etc.), or small amounts of cash (\$25 -\$500)
- Broad guidelines exist and minimal or no approval is required to ensure timely recognition

### **Steps for Considering/Implementing Spot Awards**

1. Consider your agency's organizational culture and identify acceptable ways to implement the Spot Award concept. Meet with agency administration and management to discuss their ideas and preferences. Consider conducting employee interviews and/or focus groups.
2. Contact your agency's Compensation consultant to discuss your ideas. Together, further define the policy and choose the most appropriate pay flexibility tool.
3. Draft or update the applicable policy, obtain appointing authority approval, and submit to Civil Service for approval.

### **Development/Implementation Tips**

- Set award amounts at a level that can ensure adequate funding year-to-year. When awards are “hit-or-miss” they lose their impact.
- Keep detailed written justification for all approved rewards. Transparency is crucial for all Pay for Performance elements, particularly in the public sector.
- Encourage users to reserve awards for acts and accomplishments that exceed expectations.

### **Implementation Tools**

The Department of Environmental Quality implemented a formal Spot Award Program in late 2008. “Many of the Executive Staff members were in favor of the ‘Spot Award’ because it is a quick effective way to recognize employees for a good job,” noted DEQ Human Resources Director Karen Schexnayder. Schexnayder also noted that the HR Department worked in conjunction with DEQ’s public relations staff to create various forms, promotional tools, and other elements for the program:

## **Awards program announced; Earn extra money**

The Human Resources Department is now accepting written nominations for the DEQ Employee Spot Awards.

Not only will the Spot Award winners feel a sense of pride and accomplishment, but there’s a monetary benefit as well. Employees who make extra efforts to perform duties or special assignments in an exemplary manner could be rewarded with \$275. Four award winners will be named on a monthly basis.

Examples of extra efforts may include making a high quality contribution to a difficult or important project or assignment, producing exceptionally high quality work under a tight deadline or demonstrating exceptional courtesy or responsiveness in dealing with internal or external customers.

Nominations for the Employee Spot Award must be written and are not to exceed 500 words. The nomination can be written by any DEQ employee and must include the name, title, and Office/Division of the employee, when the achievement occurred (must be a recent achievement occurring within 60 days of the nomination), and the specific reason that merits the award. Recommendations may be sent by:

- a. Email to the HR Director;
- b. Hand delivered to HR @ 602 Nth 5<sup>th</sup> Street, Baton Rouge, LA or;
- c. Mailed to HR @ P. O. Box 4303, Baton Rouge, LA 70821-4303.

**Nominations must be received in the HR Office by the 10<sup>th</sup> of each month.**

**FULL RULES AND REWARD-PROGRAM PROGRAM POLICY AVAILABLE ON DEQ INTRANET UNDER "WHAT'S NEW."**

## Promotional Flier



## Award Certificate Template



## Letter to Committee Members

Memorandum

TO: Spot Award Committee Members

FROM: Karen V. Schexnayder  
Human Resources Director

Congratulations on being appointed by Secretary Leggett to review nominations for the DEQ Employee Spot Awards.

Human Resources has compiled a packet for each of you including all of the nominations received for consideration for the month of November. You may recommend four (4) employees to receive an award of \$275 each. In reviewing the nominations, please keep in mind that the Spot Award is for an employee who has made that extra effort in the performance of their duties or special assignment. Examples of the extra efforts may include:

- Making a high quality contribution to a difficult or important project or assignment
- Producing exceptionally high quality work under a tight deadline
- Performing added or emergency assignments in addition to regular duties
- Demonstrating exceptional courtesy or responsiveness in dealing with internal or external customers
- Exercising extraordinary initiative or creativity in addressing a difficult work problem

Though all nominations may be worthy of the Spot Award, it is your responsibility to pick out the employees that, together as a committee, you deem to have exhibited the highest degree of exceptional performance, initiative or service. After the rewards are distributed, HR will notify the employees who nominated employees that were not selected and inform them that they are welcome to re-nominate if the achievement is within the time period specified in the policy.

Your nominations must be confirmed on the Spot Award Committee packet which will be sent to Secretary Leggett for final review and approval.

Once again, thank you for your time and efforts on this important employee recognition program.

## **E-mails to Nominators**

### **Email for the nominators who's nominees received awards:**

We would like to thank you for your SPOT Award nomination on behalf of \_\_\_\_\_. We are pleased to let you know that \_\_\_\_\_ was awarded the SPOT Award for the month of \_\_\_\_\_ as a result of your nomination.

Again, thank you for your nomination.

### **Email for the nominators who's nominees were not chosen:**

We would like to thank you for your SPOT Award nomination on behalf of \_\_\_\_\_. Though your nominee was not selected for the \_\_\_\_\_ (month) SPOT Award; we would like to let you know that if your nomination still falls within the 60 day window for nominations, you are more than welcome to resubmit your nomination.

Thank you and should you have any questions, please do not hesitate to contact me.

# Award recommendation and certification

To: **Harold Leggett, Ph. D.**  
**Secretary**

From: **Spot Award Committee**

Re: **September / October Spot Award Nominees**

In accordance with Policy #1028-99 Rewards and Recognition Program, we, the assigned committee, have reviewed and recommend the below nominees that are checked for the Spot Awards for the months of September and October 2008.

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Paul Miller – Assistant Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Steve Chustz – Division Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jennifer Pelloat – Engineer 5

\_\_\_\_\_  
Date

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I, Secretary Harold Leggett, concur with the above recommendations for the September / October 2008 Spot Award nominations.

\_\_\_\_\_  
Harold Leggett – Secretary

\_\_\_\_\_  
Date

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I, Secretary Harold Leggett, make the below noted changes to the original nomination(s):

| Original Nominee | New Nominee | Justification |
|------------------|-------------|---------------|
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Harold Leggett – Secretary

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Date

***\*\*Hal, please contact Dionne Rabalais at 219-3848 or Tammy Shaffer at 219-3849 upon completion in order to prepare the certificates and coordinate the issuance of the SPOT Awards ASAP.***

Sandy Glass is a five-year employee of the Department of State Civil Service. Sandy holds the Professional in Human Resources certification from the Society for Human Resources Management, as well as the Salary Administration certificate from WorldAtWork.