



Creating a Quarterly Merit Review System

Two years ago I got super excited about putting together merit incentive program for my team. I talked about it for a year but was always daunted about putting it together. Have you felt the same way? Well, during our workshop at GSD we will completely create a quarterly merit system specific to your goals and your hospital so you can implement it the day you get back! And not take an entire year like me. It's also super easy to start small (which I might suggest) and then expand the program as the year progresses.

To start with, let's make the merit goals for the team. There's a few ways to do this by using hospital goals you already have established (yearly goals, 5 year plan, mission statement), goals you have for the hospital, goals the staff has for the hospital, your values or areas you think the team could improve upon. You could also do a mix of these which is what we did. I'd suggest keeping the number of goals between 3-5 things.

Once you have the goals create a list of specific things in the hospital that would fulfill these goals. The next part is to outline what the scoring will be for this review. It can be a mix of things for you hospital but will ultimately need to be associated with numbers for the calculations. This has probably been one of our stickiest areas so spend extra time on this. I'll talk about our progression and where we are currently at at Adobe.

Now, let's talk about whose input you want for these merit reviews. It could just be you or even your entire team! We also included a self review which was a great way to see where people saw themselves and we had some great conversations around this. As you think about who you want to be involved think about how much you want their opinion to weigh in on this matter.

The scariest part for me was executing the numbers, but it turned out to not be a huge ordeal! Yes, it does take a bit of time the first few times you do it, but I am no math whiz so you can do it too! I'll show you how I calculated numbers during each step and how I got the final number. From there we can discuss how I assigned the actual bonuses to the different numbers. Rounding the numbers was not something I anticipated but ended up being an important part of the final calculations and where people placed so let's make sure you are on the right foot.

At the end we will talk about a few things you might want to consider or at least you a heads up about. These include bonuses vs raises and flat budgets vs part of revenues. We will finally talk about some perspectives from the staff that came including the competitive aspect and refusal to participate and stacking the deck. I'd also love to hear your thoughts on some of these situations.

So, let's do this together! Let's set this up so when you get back you can implement a merit bonus program of your own!



Quarterly Merit Bonus Program

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OBJECTIVES

Create a full merit review and quarterly incentive program that supports the goals you have for your hospital through a simple merit review, a scale that is specific to your hospital and a walk through of how to do the calculations and bonuses. This works great for budgets big and small!

TOOL KIT

Personalize It!

- Promote the goals you have for your hospital
- Which scale works for you?
- Actionable items in your hospital for the reviews

Numbers

- Making the calculations easy
- How to weigh different review scores
- Track improvement in your teams

Think Ahead

- Bonus vs. raise
- Flat budget vs. part of revenue
- Competition aspect
- Refusal to participate
- Be ready to adjust

KEY POINTS

1. Start simple and expand as you work out the kinks.
2. With practice it gets easier and faster to do!
3. Reward your best employees and incentivize others in a doable timeframe.

- What are 3 - 5 Goals for your hospital?
- What scale do you think would fit your hospital best?
- Who do you want involved in the merit scores and how much do you want their scores to weigh in the final scoring?
- How do you want to round?

example:

Self review score: 4.1

Manager Review Score: 3.9

$$(4.1 \times .70) + (3.9 \times .30) = 3.96$$

- Bonus
- Raise
- Flat budget
- % Revenue

