

1. Forms of Incentives

Incentives can be provided to staff members in many different forms. The form of incentives will be determined by the BOT and Execom of KGI and KGI MBA. It may either of the following:

1.1 Cash Incentives

Cash incentives are paid out directly to the employees. They are typically awarded at shorter intervals in order to provide timely feedback on performance.

1.2 Bonus schemes

This is the most common form of cash incentive. Bonuses can be accrued and paid out at different intervals, such as monthly, quarterly, or annually as determined by the management through the approval of the BOT. Management might have the options to give **spot bonuses** to some staff members for having made special efforts in their work. The spot bonus is awarded for an achievement that is not measured by any regular performance standard.

2. Performance Measurement

Staff incentive schemes are to reward good performance and to make employees increase their level of effort. But if performance is to be rewarded, it must first be measured.

The **supervisor evaluation** is the instrument to be used for assessing performance. This is a structured process in which superiors are asked to rate their subordinates regularly on a number of performance criteria.

The criteria used in these evaluations consist of objective and measurable items (such as whether someone always arrived at work on time) as well as more subjective items requiring a certain degree of judgment on the supervisors' part.