

# **Incentive Rewards System and Performance Incentives in the Government of Ajman**

**2018**

## **Contents**

### **Chapter One: General Framework**

First: Terms and Meanings	02
Second: Introduction	05
Third: Objectives	06
Fourth: Scope of Application	06
Fifth: Roles and Responsibilities	07
Human Resources Department	16
Heads / Directors General in Government Entities	18
Rewards and Incentives Committees in Government Entities	21
Direct Supervisor / Team or Committee Head	22
Financial Affairs Units in Government Entities	26
Human Resources Units in Government Entities	24

### **Chapter Two: Basic Concepts and Considerations in Designing Rewards and Incentives Programs**

First: Some Concepts Related to Rewards and Incentives	12
Second: The Relationship Between Incentives and Performance	15
Third: The Multiplicity of Rewards and Incentives and the Flexibility of their Disbursement According to the Nature of Work	20
Fourth: Factors Affecting the Effectiveness of Rewards and Incentives Programs	23

## **Chapter Three:** **The Rewards and Incentives Program and its Application** **Mechanisms in the Government**

First: Direct Rewards and Incentives	29
Second: Exceptional Performance Rewards	30
Third: General Provisions	38

## **Chapter Four:** **Forms and Appendices**

### **01 General Framework**

#### **First: Terms and Meanings**

<b>Term or Concept</b>	<b>Interpretation or Meaning</b>
The State	United Arab Emirates.
The Emirate	The Emirate of Ajman.
The Government	The Government of Ajman.
Human Resources Department	The Human Resources Department in the Government of Ajman.
Government Entity	Any department, institution, authority, council, agency, administration, or other facility belonging to the Emirate's government, whose budget is within its annual budget. The term includes any other entity that the local legislation establishing it, or reorganizing it, decides to subject its employees to the provisions of the Human Resources Law in the Government of Ajman.
The Head	

<b>Term or Concept</b>	<b>Interpretation or Meaning</b>
	The highest-ranking leader appointed by an Emiri decree to head the concerned government entity, or to preside over its board of directors or board of trustees, as the case may be. The term includes the Director General if no head is appointed for the concerned government entity.
The Director General	The Director General of the government entity, and the term includes the Executive Director or the Secretary General in the concerned government entity, or their equivalent.
The Law	Emiri Decree No. (4) of 2017 regarding the issuance of the Human Resources Law in the Government of Ajman.
The Executive Regulation	Decision No. (12) of 2017 issuing the Executive Regulation of the Human Resources Law in the Government of Ajman.
Direct Supervisor	The person assigned the tasks and responsibilities of direct supervision over employees, determining their required performance level, and preparing their training and development programs.
The Employee	Any natural person who occupies a civil position in the concerned government entity, regardless of the nature of their work or job title. The term does not include workers whose employment affairs are regulated by special regulations or systems.
Human Resources Unit	The administrative unit concerned with human resources in the relevant government entity.
Rewards and Incentives	Incentive rewards and performance incentives, meaning the material consideration such as cash or in-kind gifts, or moral consideration such as

<b>Term or Concept</b>	<b>Interpretation or Meaning</b>
	certificates of thanks and appreciation, which are granted to the employee as an encouragement or reward for distinguished behavior or performance during or outside official working hours that contributes to developing work procedures, increasing productivity, or raising the level of service.
Rewards and Incentives Committee	The Rewards and Incentives Committee formed in accordance with the provisions of this system.
Annual Performance Management System	The performance management system in effect in the Government of Ajman, issued under the Law, and any other system that may replace it in the future.
Monthly Basic Salary	The basic salary determined for the beginning of the job grade band and any increases that may occur to it under the provisions of the Law and the Executive Regulation or the systems issued thereunder, which the employee receives at the time the reward or incentive is due.

## **Second: Introduction**

Rewards and incentives systems primarily aim to support performance patterns consistent with the strategy of government entities, enhance positive behavior within their work environment, and sustain a culture of excellence and creativity among their employees. Therefore, it can be said that the rewards and incentives system programs are an extension of the government's strategy aimed at retaining distinguished human competencies, motivating the skills of human resources in the government, and contributing to creating an attractive work environment.

In implementation of Emiri Decree No. (4) of 2017 issuing the Human Resources Law, which mandated the Human Resources Department to prepare a system for incentive rewards and performance incentives, such

that this system includes the categories and values of incentive rewards and performance incentives, and the value of each, which the Head or their delegate may grant to any distinguished employee whose performance exceeds expected performance rates, or whose suggestions contribute to performance development, simplification of procedures, or reduction of expenses in the government entity where they work, or who positively contributes to the government entity where they work obtaining a prestigious award, rating, or entitlement; incentive rewards and performance incentives may also be monetary, as well as in-kind or moral.

Through this system, the Human Resources Department seeks to clarify the different categories and programs of rewards and incentives, and how to design the most effective rewards program to achieve specific objectives or motivate determinants of distinguished performance in accordance with the objectives of the government entity.

### **Third: Objectives**

- Establish unified standards and a fair methodology for rewards and incentives systems for government employees.
- Distinguish exceptional and creative performance patterns and promote a culture of excellence among employees, contributing to the achievement of the government entity's strategy.
- Work to increase the attractiveness of the work environment by making employees happy and raising their levels of job satisfaction and institutional loyalty.
- Increase the competitiveness of salaries, wages, and incentives granted to government employees.
- Raise awareness about the importance of rewards and incentives programs in the government entity, and how to develop these programs effectively to suit all categories of employees.

### **Fourth: Scope of Application**

1. This system applies to all local government entities in the Emirate to which the provisions of the Law and the Executive Regulation apply.
2. The provisions of this system apply to the employees of each independent entity, even if its establishment or reorganization provides for its own human resources regulations, unless a written decision is

issued by the Chairman of the Executive Council to exempt it from the provisions of the Law.

3. The provisions of this system do not apply to occupants of senior leadership positions in government entities.

## **Fifth: Roles and Responsibilities**

The parties mentioned below are committed to the roles and responsibilities specified for each party concerned with implementing the rewards and incentives system programs as follows:

<b>Parties Concerned with System Implementation</b>	<b>Roles and Responsibilities</b>
Human Resources Department	<ul style="list-style-type: none"><li>• Introducing the system and raising awareness of its provisions, conditions, and appendices.</li><li>• Making the required updates to the system based on application surveys and proposed amendments, and according to best practices that suit the needs of government entities and keep pace with the government's strategy.</li><li>• Providing the necessary advisory support to human resources units in government entities regarding the application of the system's provisions.</li><li>• Following up with government entities in the Emirate to ensure their commitment to applying the system correctly.</li></ul>
Heads / Directors General in Government Entities	<ul style="list-style-type: none"><li>• Forming the internal Rewards and Incentives Committee annually.</li><li>• Approving the annual budget required for rewards and incentives programs according to the mechanisms and procedures followed in the government.</li></ul>

<b>Parties Concerned with System Implementation</b>	<b>Roles and Responsibilities</b>
	<ul style="list-style-type: none"> <li>• Approving the nomination and selection criteria and determining the authority for disbursement of immediate and direct rewards and incentives programs.</li> <li>• Approving the rewards for deserving employees and their entitlement values, in a manner that does not violate the provisions contained in this system.</li> </ul>
Rewards and Incentives Committee in Government Entities	<ul style="list-style-type: none"> <li>• Preparing the nomination and selection criteria for the rewards and incentives programs being implemented as stated in this system.</li> <li>• Receiving and studying nomination applications for rewards programs in coordination with the concerned human resources unit to review the data according to the nomination conditions, then determining its position on the application with acceptance or rejection, and submitting the final list of candidates for rewards programs to the Head or their delegate for approval according to the conditions and procedures.</li> <li>• Studying and determining the values of incentive rewards and performance incentives and their beneficiaries according to the provisions of this system.</li> <li>• Managing the committee's meetings and recording the minutes of meetings and the decisions contained therein.</li> <li>• Submitting an annual report to the Head or their delegate regarding the application of</li> </ul>

<b>Parties Concerned with System Implementation</b>	<b>Roles and Responsibilities</b>
	the system in the concerned government entity.
Direct Supervisor / Head of the team or committee nominated for the reward or incentive	<ul style="list-style-type: none"> <li>Working to encourage his employees, the members of the concerned committee or team, and motivating them towards more distinguished performance, and ensuring they are given appropriate recognition and nominated for the most suitable rewards and incentives program.</li> <li>Filling out nomination forms with the required data and sending them to the concerned human resources unit in the government entity.</li> </ul>
Financial Affairs Units in Government Entities	<ul style="list-style-type: none"> <li>Ensuring the availability of financial allocations for the requirements of rewards and incentives programs in the government entity according to the approved budget.</li> <li>Disbursing rewards to their beneficiaries according to approval decisions and in accordance with approved procedures.</li> </ul>
Human Resources Units in Government Entities	<ul style="list-style-type: none"> <li>Introducing the system's mechanism, raising awareness of its various programs, and promoting it within the government entity.</li> <li>Managing the system's application process according to the conditions and provisions contained therein.</li> <li>Preparing the annual budget required to be allocated for rewards and incentives programs in coordination with the committee and the financial affairs unit and submitting it for approval according to the followed procedures.</li> </ul>

<b>Parties Concerned with System Implementation</b>	<b>Roles and Responsibilities</b>
	<ul style="list-style-type: none"> <li>• Receiving nomination applications for rewards programs and coordinating with the concerned organizational units to review and complete the data and ensure its availability according to the nomination conditions, then submitting the final list of accepted candidates for rewards and incentives programs to the committee according to the conditions and provisions.</li> <li>• Preparing the requirements for rewards and incentives programs such as appreciation certificates, thank you cards, in-kind gifts, and various reward categories in coordination with the financial affairs unit in the government entity.</li> <li>• Evaluating the applied rewards and incentives programs and their level of effectiveness in achieving the system's objectives and submitting any notes or suggestions to the Human Resources Department through periodic reports.</li> </ul>

## **02 Basic Concepts and Considerations in Designing Rewards and Incentives Programs**

### **Introduction**

Behavioral scientists indicate that effective incentives are those that stimulate individuals' motives. Without a proper understanding of these motives and incentives, incentive systems become futile and may be considered a waste of effort, time, and money.

Therefore, this chapter aims to introduce some basic concepts and theories related to rewards and incentives, in order to identify the most

important points and dimensions related to rewards and incentives systems, in a way that helps government entities design more effective rewards and incentives programs.

## **First: Some Concepts Related to Rewards and Incentives**

### **Salaries and Benefits:**

Salaries aim to determine the financial compensation for an employee performing their job duties according to the job role and grade, as regulated by the law or executive regulation within the government entity. Salaries are paid monthly (disbursed to all entity employees) regardless of the employees' performance level or productivity. Salary values are designed to be commensurate with considerations of efficiency, experience, and qualification to attract the best human competencies according to a mechanism and methodology that regulates this.

Meanwhile, benefits include all additions attached to the salary such as health insurance for the employee, provision of housing or an allowance for furniture, provision of a car or a car allowance, a phone allowance, or any other benefits attached to the salary that have the same characteristics. Often, attached benefits are treated like the salary; they are similar to salaries in being periodic and disbursed collectively, and not linked to performance or productivity levels. They aim to make working conditions more attractive to distinguished human competencies.

### **Rewards and Incentives**

Despite the multiplicity of definitions and interpretations of the concept of incentives due to the varied and different viewpoints of studies and research in this field, most definitions have indicated that incentives are "a set of external factors and influences that arouse an individual and motivate them to perform the tasks assigned to them at a high level of performance, by satisfying their material and moral needs and desires."

A distinction must be made here between the meaning of an incentive and a motive. If an incentive is an external factor or influence, then a motive is an internal factor that stems from the employee themselves to direct their behavior. Incentives can stimulate internal motives, which in turn encourage the employee to increase and distinguish their performance,

and consequently, their progress as a result of their outstanding and distinguished performance; this leads to their satisfaction with their role at work and loyalty to the government entity, and thus an increase in their performance and productivity again.

Often, the terms incentives and rewards are used to refer to the same meaning; both incentive and reward programs aim to drive and motivate employees towards achieving the government entity's objectives and higher performance levels. To better understand the reason for distinguishing between them, it can be said that incentives are always linked to achieving future performance indicators and can be measured quantitatively, such as being linked to a points system like a specific productivity level, agreed-upon sales targets, or achieving a specific customer satisfaction percentage. In contrast, rewards are linked to other non-quantitative forms of achievement that were completed in a previous period, such as a reward for creativity, innovation, community participation, achieving a degree of excellence, attaining a level of specialized training, developing a new procedural system, or performing beyond expectations at work.

For example, an incentive might target achieving future goals such as 85% customer satisfaction for the next year if the current level is 80%, while a reward targets distinguished performance and exceptional effort that had a significant impact during the previous period in achieving a leading position in customer service.

### **Job Satisfaction:**

Many studies on the topic of job satisfaction indicate the difficulty of defining a clear concept or definition for this term, due to its connection with several dimensions, including the human dimension such as the employee's feelings and personal convictions, as well as the nature of the work and the surrounding work environment in its intertwined social, cultural, and also administrative system form in the government entity where they work. Therefore, it can be said that "job satisfaction is a multi-dimensional concept represented in the overall satisfaction that an employee derives from their job, from colleagues at the same administrative level and from lower or higher administrative levels, and also from the government entity where they work."

Job satisfaction can be considered one of the most important factors for an employee's happiness and stability in their work and what this work achieves for them. It is an expression of satisfaction with the job, satisfaction with work relationships, satisfaction with colleagues, satisfaction with supervisors, satisfaction with the work environment, and satisfaction with the policies and regulations governing the work environment. It is an internal feeling an employee has towards the work they do to satisfy their needs, desires, and expectations, and these feelings can be positive or negative.

It is worth noting that job satisfaction and the positivity of employees in their work environment, and its impact on their production rates and the quality and excellence of the services provided, is one of the most important strategies of the Government of Ajman and the UAE Government. Employee happiness is the key to achieving customer happiness.

The state pays great attention to achieving happiness and quality of life, and believes that achieving happiness represents a comprehensive methodology towards the development and well-being of society's members, both citizens and residents. The best expression of the importance of this orientation for the state is the appointment of a Minister of State for Happiness and Wellbeing to implement the "National Program for Happiness and Positivity."

## **Second: The Relationship Between Incentives and Performance**

Many studies and research have focused on studying the relationship between incentives and performance and its impact on the behavior of individuals within the work environment. Most theories have adopted the study of human behavior with the aim of understanding the motivators and drives that move individuals and govern their actions, and trying to leverage this in designing more effective management systems to make the work environment a motivating one.

The following is a brief presentation in the form of key points of some of the most widespread theories in the field of incentives and rewards, upon which many modern management systems and human resources practices in institutions and government entities, both locally and globally,

are based. Therefore, this part of the system highlights studies that emphasize the necessity of understanding the relationship between the effectiveness of the incentive system and the level of outstanding performance.

## **Maslow's Hierarchy of Human Needs Theory**

Maslow's Humanistic Pyramid Theory

- It is considered one of the fundamental theories upon which many modern management systems are built. The theory helps in understanding the needs of individuals at each stage of development in Maslow's hierarchy, thus understanding the form and type of incentive suitable for each individual/employee more effectively, leading to employee satisfaction and progress.
- The theory identifies a set of basic needs for each stage of development that cannot be surpassed to the next higher level of the pyramid until they are satisfied.
- The theory also indicates that a low level of satisfaction in the elements of any stage may lead to the individual's regression to the lower level of the pyramid.

Self-Actualization Needs - Self Actualization

Esteem Needs - Esteem

Social Needs - Love-Belonging (Social Needs)

Safety and Security Needs - Safety

Physiological Needs (Basic) - Physiological

Figure 1: Maslow's Hierarchy of Human Needs Theory - Maslow's Humanistic Pyramid

## **Herzberg's Two-Factor Theory**

Herzberg's Motivator-Hygiene Factors Theory

- It is considered one of the most important theories that focused on work conditions and environment, and many incentive, reward, salary, and other paid benefits systems were built upon it, as well as the way jobs are designed to make the work environment motivating.

- The theory identifies a set of basic or preventive factors (Hygiene Factors) that cannot be ignored, and clarified that ignoring this basic stage may lead to job dissatisfaction and thus employee frustration, and that satisfying them does not mean motivation.
- The theory identified another set of factors that can play the role of actual motivators (Motivators), and how this stage can lead to motivation and thus employee satisfaction and their progress to levels of outstanding performance.
- The theory explained that remaining in the space between the two stages (even after overcoming the Hygiene Factors stage) may not lead to a motivation to work and produce at high performance levels, and that work must be done to achieve the Motivator factors stage to reach employee satisfaction.

<b>Motivator</b>	<b>Basic Requirements</b>
<p><b>Motivator Factors</b></p> <ul style="list-style-type: none"> <li>• The work or job role itself, and the value and importance of this role to the entity.</li> <li>• The spirit of challenge and competition at work.</li> <li>• Receiving distinguished recognition and honor.</li> <li>• Expansion of responsibilities and the ability to develop and be promoted (empowerment).</li> </ul> <p>Staying between the two stages is not dissatisfying but does not generate motivation</p> <p>Not Dissatisfied but not motivated</p>	<p><b>Hygiene Factors</b></p> <ul style="list-style-type: none"> <li>• Salary and paid benefits.</li> <li>• Job security.</li> <li>• Working conditions.</li> <li>• Work environment.</li> <li>• Relationships within the work environment.</li> <li>• The administrative system of work and the organizing regulations and laws.</li> </ul>

- The ability to accomplish work and achieve results.

Job Satisfaction	Job Dissatisfaction
Job Satisfaction	Job Dissatisfaction

Figure 2: Herzberg's Two-Factor Theory - Herzberg's Motivator - Hygiene Factors Theory

### **Alderfer's Theory**

#### Alderfer's E.R.G Theory

- Alderfer's E.R.G Theory is very similar to Maslow's hierarchy theory in terms of the stages of needs and moving from one stage to another after their satisfaction.
- Alderfer's theory is simpler than Maslow's hierarchy in the number of stages, and 'Alderfer' discusses the concept of incentive and motivation for development through the satisfaction of 3 main stages that drive employee satisfaction and thus their progress.
- The theory helps in understanding how to build more effective reward and incentive systems that push towards employee satisfaction and progress, as well as understanding the reasons that may lead to employee frustration and a decrease in job satisfaction, and consequently a decrease in productivity and employee performance.

← Satisfaction – Progression ←

Growth Needs	Relatedness Needs	Existence Needs
Growth Needs	Relatedness Needs	Existence Needs

→ Frustration →

Figure 3: Alderfer's Theory - Alderfer's E.R.G Theory

## **Vroom's Expectancy Theory**

### Vroom's Expectancy Theory

- It is one of the most important theories that focuses on the motivation to exert effort and its connection to the mechanism of reward and incentive systems and the degree of clarity and transparency of the organizing procedures.
- The theory identifies three basic stages: the expectancy stage, the instrumentality and procedures stage, and the reward stage that corresponds to the effort exerted.
- The theory believes that the clarity and transparency of procedures and the employee's trust in the followed system may motivate them to work harder and perform their tasks more distinctively in the 'Expectancy/Effort' stage.
- The next stage, 'Performance Level', expresses the employee's expectations for a suitable compensation or reward that matches their outstanding performance level, and the employee's certainty that outstanding performance is a means to achieve the reward.
- According to the theory, in the third stage, 'Reward', the employee expects a result for the efforts they have exerted and that the reward's value will match their expectations. If the reward is satisfactory, it drives the employee to be satisfied with their job role and motivates them to exert more distinguished performance and progress again.

<b>Reward</b>	<b>Performance Level</b>	<b>Effort Exertion</b>
Rewards /Valence <ul style="list-style-type: none"><li>• The reward is satisfactory and matches the performance level as the employee expected, thus leading to employee satisfaction and motivation for progress.</li></ul>	Perfomance/ Instrumentality <ul style="list-style-type: none"><li>• The employee expects that their outstanding performance will be met with the appropriate reward according to a clear and transparent mechanism.</li></ul>	Effort /Expectancy <ul style="list-style-type: none"><li>• The employee expects that exerting effort will lead to an outstanding performance level.</li></ul>

Figure 4: Vroom's Expectancy Theory - Vroom's Expectancy Theory

### **Third: Multiplicity of Rewards and Incentives and Flexibility in Their Disbursement According to the Nature of Work**

Incentive and reward systems and mechanisms have gone through various stages of development until they crystallized into their current form.

Initially, incentive systems focused on material incentives directly linked to production volume. This was followed by a development phase in management systems that focused more on human relations, which influenced incentive systems to also consider moral incentives alongside material ones. Then came the modern phase, which adopted the concept of employee satisfaction and a motivating work environment, linking forms of incentives (material and moral) to the level of individual employee performance excellence, and consequently, the excellent performance of the institution as a whole.

Therefore, the types of incentives and rewards vary according to their purpose. They can be positive, encouraging, or negative incentives. They can be offered individually or collectively, and can be in the form of tangible material incentives or moral incentives, as discussed in the following paragraphs:

Group Incentives:

Material Incentives:

Individual Incentives:

Moral Incentives:

### **Types of Incentives and Their Objectives:**

#### **Material Incentives:**

Considered one of the oldest and most effective means of motivation to encourage employees to exert more effort and achieve outstanding performance to reach goals and obtain direct and immediate results.

Material incentives include any financial or in-kind compensation such as bonuses, allowances, partnership shares, a percentage of profits, rewards for suggestions, or performance and target achievement rewards.

Conversely, material incentives can work negatively, such as denying an employee (for example) allowances or performance bonuses for not achieving targets.

## **Moral Incentives:**

Often, words of appreciation and thanks are the most influential and effective tool in motivating employees, due to the positive moral atmosphere they create among them. Therefore, material incentives alone are not sufficient; they cannot satisfy all employee needs. They must be coupled with moral incentives that support the employee's sense of self-esteem and achieve social status among colleagues, thereby increasing employee productivity and performance excellence, as well as increasing their loyalty to government work and the government entity they belong to.

Moral incentives include certificates of appreciation, letters of thanks, medals of excellence, as well as entertainment programs, performance award events, and annual meetings. The policies and work systems in the government entity can also constitute moral incentives for employees. Surrounding work conditions, flexibility of institutional communication, empowerment at work, career development, and participation in decision-making are all factors that can form strong and positive moral incentives towards increasing productivity and excellence in employee performance. Conversely, they can constitute negative incentives if these factors are absent.

## **Individual Incentives:**

This refers to the disbursement of material or moral incentives individually to a specific employee, not others, with the aim of encouraging or rewarding them. Therefore, this type of incentive focuses on individual effort and performance to create a positive competitive atmosphere among colleagues and push them to excel similarly to gain preference in rewards. It is preferable that individual incentives do not work alone as a tool for encouragement or reward, so as not to negatively affect the culture and style of teamwork.

## **Group Incentives:**

Group incentives focus on encouraging or rewarding the collective performance or effort of a work team or colleagues towards achieving the required goals. This type of incentive focuses on increasing

communication and cooperation among team members or the organizational unit in the government entity to enhance belonging and loyalty, and strengthen work relationships and more effective and flexible forms of communication towards achieving the team's common interest.

#### **Fourth: Factors Affecting the Effectiveness of Reward and Incentive Programs**

It can be said that successful government entities and institutions are those that work to establish an effective incentive system capable of positively influencing their employees' performance in a way that increases their loyalty to the government entity and helps it achieve its goals and provide more distinguished services. Therefore, many studies and research have tried to find an effective formula that works to raise the professional competence of working individuals, not only with the aim of increasing the quality of services but also increasing their distinguished contributions and providing creative ideas and innovative solutions to help the institution maintain levels of excellence or achieve the concept of sustainable excellence. The factors of justice and transparency are among the most important basic requirements for effective reward and incentive programs in government entities.

##### **Justice Factor:**

One of the most important determinants of effective human resources systems. Therefore, justice in a reward and incentive system or program requires that the targets of the reward programs be logical, relevant to the nature and objectives of the work, and achievable.

Also, the basic rule for incentives and rewards must be to clearly distinguish the person with the best performance and most outstanding effort from others. The reward and incentive program in the government entity must also differentiate between administrative levels or reflect the hierarchy of administrative levels.

The system or program may turn from a positive incentive to a negative one for employees if the justice factor is imbalanced due to the difficulty of achieving the target or equality between performance levels in the method and value of the reward.

## **Transparency Factor:**

Reward and incentive programs must be characterized by transparency and clarity to be able to achieve their development objectives effectively.

They must contain a clear application mechanism with simple, uncomplicated procedures that are known to everyone.

Also, all employees in the government entity must be made aware of the nomination conditions, selection mechanism, or the working mechanism of internal reward and incentive committees through workshops, introductory brochures, and effectively publishing the conditions and value of the rewards offered in the program.

## **Other factors affecting the effectiveness of the reward and incentive system:**

- Inaccuracy or inefficiency of the performance appraisal system or its applications as one of the inputs for nomination to reward and incentive programs.
- Diversity of rewards and incentives, the appropriate mix of reward and incentive programs that satisfy all employee needs.
- Effectiveness of the reward and incentive system applications in achieving the desired objectives, so that the system does not become a financial burden without benefit.

The most important points that help in understanding this chapter can be summarized as follows:

- Reward and incentive programs, of all their types and categories, aim to distinguish the owner of outstanding performance and encourage them to continue their creative efforts and increase their performance.
- Rewards and incentives play an effective and important role in increasing employee productivity and the excellence of their performance levels. The importance stems from the individuals' need to feel their influential role and have their efforts appreciated.
- For reward and incentive programs to achieve their goals effectively and provide an advantage or addition to the employee, basic factors such as adequacy of salaries and benefits, and the organization of work conditions and environment must be satisfied, as rewards and

incentives cannot be relied upon alone as a tool to increase the employee's income.

- There is a set of important factors for achieving the effectiveness of the reward and incentive system in the government entity, such as the factor of transparency, clarity, justice, publicity of conditions and selection method, and the support of senior management in the government entity, which this system has been keen to clarify.

## **03 Rewards and Incentives Program and Application Mechanisms in the Government**

### **Rewards and Incentives Program:**

From all the above, it is clear that the leadership in the government is keen to apply effective reward and incentive systems in government entities in the Emirate. The Human Resources Department confirms its keenness to translate these directives by issuing this system, through which it has ensured that the proposed programs are effective and suitable for all categories of employees in government entities. This chapter contains a detailed explanation of the rewards and incentives system programs, its application mechanism, as well as the conditions and provisions of entitlement.

### **Rewards and Incentives Committee:**

1. Each government entity must form an internal committee called the "Rewards and Incentives Committee" which will be responsible for selecting among candidates for reward and incentive programs according to their eligibility criteria and conditions.
2. The committee is formed by a decision from the President or his delegate, chaired by the Director-General, and includes in its membership a group of experienced and competent managers of organizational units, including the Director of the Human Resources unit and the Director of the Financial Affairs unit. Any other party deemed necessary by the committee to complete its assigned tasks can be included, provided that the number of committee members does not exceed 3.
3. The committee meets periodically to discuss nominations related to the names of employees who deserve rewards and incentives, whose

names are proposed by the Human Resources unit, according to the mechanism included in this system.

4. The committee submits the list of those entitled to rewards and incentives to the President or his delegate for approval.

## **First: Direct Rewards and Incentives**

Instant (direct) reward programs come within the framework of completing the reward and incentive system in the government entity according to the leadership's directives in the Emirate towards distinguishing creative and innovative employees with outstanding performance among government employees. The direct rewards program contributes to appreciating and encouraging the sustainability of creativity and innovation efforts among the government entity's employees, as well as activating the positive and motivating impact of immediate praise for distinguished employees and work teams, pushing them towards more progress and achieving beyond what is expected. It also rewards and appreciates the distinguished effort of the government entity's employees based on the results of the annual performance appraisal in the performance management system.

### **Direct Rewards and Incentives**

#### **Eligibility Criteria**

This reward serves as a flexible and immediate tool that helps organizational unit managers to reward and appreciate their employees with exceptional efforts and outstanding performance, or to reward and appreciate the distinguished effort of those with performance results of "Performance significantly exceeds expectations", "Performance exceeds expectations", and "Performance meets expectations" in the performance management system, according to the estimates of direct managers and the availability of the allocated budget.

<b>Disbursement Authority</b>	<b>Disbursement Frequency</b>	<b>Target Group</b>	<b>Number / Value</b>	<b>Program</b>
The President or his delegate	Disbursed at any time during the year	All employees of the	The concerned employee is entitled to a direct reward	Direct Rewards

Disbursement Authority	Disbursement Frequency	Target Group	Number / Value	Program
		government entity	(cash or in-kind) not exceeding the value of the concerned employee's monthly basic salary.	and Incentives

## Second: Exceptional Performance Rewards

In turn, exceptional reward programs are concerned with appreciating and encouraging the sustainability of efforts in creativity, innovation, and community service, as well as the exceptional results of work teams in project management and achieving beyond what is expected. Government entities must follow the working mechanism of these programs, their eligibility criteria, and the organizing conditions for that eligibility as explained in the following tables:

1. The Innovative Employee
2. The Community-Oriented Employee
3. Service and Support Category Employees
4. The Ideal Manager
5. Best Nominated Committee/Work Team

### 1. The Innovative Employee

#### Eligibility Criteria

This reward is disbursed to the employee with creative ideas or innovative initiatives in a smart and effective manner that serves to increase production, save resources, or add value. The following points clarify the conditions for eligibility for this reward:

- The employee must present exceptional ideas or innovative or new initiatives that are accepted by the concerned government entity.
- The idea/initiative must contribute to increasing productivity, reducing costs, or raising the performance level of the concerned organizational unit.

- The idea/initiative must be practical, can be actually implemented, and its results can be measured through indicators.
- The idea/initiative should not have been previously proposed in another government entity or have won previous awards.
- This reward can be granted to more than one employee at the government entity level who meet the conditions.

Disbursement Frequency	Target Group	Number / Value	Program
Annual	All employees of the government entity	<p>Each selected employee is entitled to:</p> <ul style="list-style-type: none"> <li>• A certificate of appreciation.</li> <li>• A reward not exceeding the value of the concerned employee's monthly basic salary.</li> </ul>	Exceptional Performance Rewards (The Innovative Employee)

## 2. The Community-Oriented Employee

### Eligibility Criteria

This reward is disbursed to the employee with community initiatives or who participates in volunteer work. The following points clarify the conditions for eligibility for this reward:

- The employee must provide proof of their effective participation in a volunteer or community service activity.
- It must be unpaid volunteer or service work outside of official working hours.
- It must not conflict with the terms and conditions of the volunteer work policy issued by the Central Human Resources.

The committee within each government entity will handle the selection process among the candidates. This reward may be granted to more than one employee at the government entity level who meet the conditions.

Disbursement Frequency	Target Group	Number / Value	Program
Annual	All employees of the government entity	<p>Each selected employee is entitled to:</p> <ul style="list-style-type: none"> <li>• A certificate of appreciation.</li> <li>• A reward not exceeding the value of the concerned employee's monthly basic salary.</li> </ul>	Exceptional Performance Rewards (The Community-Oriented Employee)

### 3. Service and Support Category Employees

#### Eligibility Criteria

This reward is specific to employees in the service category and support functions. The following points clarify the conditions for eligibility for this reward:

- The employee must exert distinguished efforts in accomplishing their work tasks with effective methods that increase their production rates.
- The employee must communicate positively and effectively in their work environment with colleagues, customers, and strategic partners of their government entity.
- The employee must have good conduct and be committed to official working hours.

The committee within each government entity will handle the selection process among the candidates. This reward may be granted to more than one employee at the government entity level who meet the conditions.

Disbursement Frequency	Target Group	Number / Value	Program
Annual	All employees of the service		Exceptional Performance

Disbursement Frequency	Target Group	Number / Value	Program
	category and support functions in the government entity	<p>Each selected employee is entitled to:</p> <ul style="list-style-type: none"> <li>• A certificate of appreciation.</li> <li>• A reward not exceeding the value of the concerned employee's monthly basic salary.</li> </ul>	Rewards (Service and Support Category Employees)

## 4. The Ideal Manager

### Eligibility Criteria

This reward encourages the management of strong work relationships and an effective level of communication between the manager and their employees. The existence of such strong and effective relationships can be identified through the way the team under the concerned manager works and their success in achieving the required goals. The following points clarify the conditions for eligibility for this reward:

- The employee 'manager' must exert distinguished efforts in achieving all the goals of their organizational unit as stated in the approved operational plan.
- The employee 'manager' must exert distinguished efforts in accomplishing their work tasks with innovative, smart, and effective methods that increase the production rates of their team in the organizational unit they are responsible for.
- The employee 'manager' must contribute through practical suggestions or in projects that work to increase production rates, achieve results, or satisfy customers or strategic partners.
- The employee 'manager' must communicate positively and effectively in their work environment with their team, colleagues, customers, and strategic partners of their government entity.

- An increase in the job satisfaction rate within the organizational unit under the manager nominated for the reward is a strong indicator of their excellence in managing their team.
- The committee within each government entity will handle the selection process among the candidates. This reward is granted to the best 'manager' employee at the government entity level who meets the conditions.
- Only one employee is selected.

## The Program

### Exceptional Performance Rewards (The Ideal Manager)

#### Target Category

All heads of organizational units in the government entity (Department Manager / Section Head / Office Manager / Center Manager / Branch Manager)

#### Number / Value

The concerned employee is entitled to:

- Certificate of Appreciation
- A reward not exceeding the concerned employee's monthly basic salary

#### Disbursement Frequency

Annual

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### 5. Best Nominated Committee / Nominated Work Team

#### Eligibility Criteria

This reward aims to encourage the organization and management of temporary committees and work teams more effectively within government entities, and to work towards achieving effective communication levels among committee/team members and their success

in achieving the required objectives. The following points clarify the eligibility criteria for this reward:

- The nominated committee/work team must make outstanding efforts in achieving all its objectives and completing its tasks as stated in its establishment decision and approved plan.
- The members of the nominated committee/work team must communicate positively and effectively among themselves, with colleagues, with customers, and with the strategic partners of their government entity (if any).
- The number of members of the nominated committee/work team must not exceed 8 members as a maximum.
- The Rewards and Incentives Committee within each government entity is responsible for the selection process among the nominated permanent committees, and this reward is granted to the best nominated committee or work team at the government entity level that meets the conditions.
- More than one nominated committee/work team can be selected if there is more than one nominated team that meets the conditions and according to the availability of the allocated budget.

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## **The Program**

### **Exceptional Performance Rewards (Best Committee / Work Team)**

#### **Target Category**

All temporary and permanent committees / work teams in the government entity

#### **Number**

The concerned employee is entitled to:

- A reward not exceeding the concerned employee's monthly basic salary

## Disbursement Frequency

Annual

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### Third: General Provisions

1. All rewards and incentives are disbursed by a decision from the head of the government entity according to the conditions and criteria stated in the system and in accordance with the approved allocated budget.
2. An employee is nominated for the rewards and incentives programs stipulated in this system after completing at least six months of work in the concerned government entity.
3. An employee is nominated for the rewards and incentives programs through their direct supervisor / head of the nominated committee or the team the employee belongs to, in coordination with the Human Resources unit in their government entity.
4. No rewards or incentives are granted to an employee who has received any penalties or administrative violations, taking into account the provisions and conditions of the law.
5. An employee who has received performance evaluation scores lower than "3 - Meets Expectations" is not nominated for any rewards or incentives programs.
6. Rewards or incentives are granted to those who are on duty at the time the decision to grant the rewards or incentives is issued, and no rewards or incentives are granted to any employee whose service ended before the decision was issued.
7. Any rewards program is suspended if the committee does not identify a deserving winner from among the nominated employees according to the set conditions, or if there are no candidates meeting the conditions. Its value may be transferred to the account of other reward categories.
8. The rewards and incentives programs mentioned in this system do not include the category of senior leadership positions.

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1. The Rewards and Incentives Committee plays an important role in ensuring the application of the eligibility conditions for rewards

programs in coordination with the Human Resources unit in the government entity.

2. Some rewards and incentives programs in this system allow for the selection of more than one deserving recipient for the reward from among the nominated employees. The deciding factor for rewarding a larger number of employees (in addition to meeting the set conditions) is the availability of the approved allocated budget.
3. Government entities are obligated to apply the rewards and incentives programs mentioned in this system according to the conditions and criteria stated therein, and entities must stop any other rewards programs targeting the same categories mentioned in this system.
4. The government entity may reconstitute the committee annually to ensure its operational effectiveness.
5. The Head may delegate some of his assigned powers under the provisions of this system to any senior official he deems appropriate.

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## **04 Forms and Appendices**

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### **First: Reward Entitlement Procedure Map within the Government Entity**

#### **01 Employee's Direct Supervisor / Team Leader / Committee Head**

Submitting an employee nomination form for the reward (with necessary documents attached as per conditions).

#### **02 Human Resources Unit**

The concerned Human Resources unit in the government entity submits the candidates for rewards who meet the conditions according to this system.

#### **03 Internal Rewards and Incentives Committee**

The internal Rewards and Incentives Committee in the entity reviews the deserving candidates for the reward, selects from among them according to the set conditions, and submits the final list for the approval of the entity's head.

## 04 Human Resources Unit

The concerned Human Resources unit in the entity receives the lists of employees entitled to rewards and disburses their values in coordination with Financial Affairs.

## 05 Employee Entitled to the Reward

The employee entitled to the reward receives it according to the entity's system or at annual events or meetings of the concerned entity's employees.

### Second: Forms

#### Recommendation for Nominating an Employee for an Incentive Rewards and Performance Incentives Program

<b>Application Data</b>	
	Date of Application Submission: .....
Employee Name	.....
Job Title	.....
Employee ID	.....
Job Grade	.....
Direct Supervisor	.....

.....	Date of Appointment
.....	Section
.....	Department
.....	Sector
.....	Last Annual Performance Appraisal

<b>Category of Reward or Incentive for which the Employee is Nominated ( ✓ )</b>				
<input type="checkbox"/> Auxiliary Service Staff	<input type="checkbox"/> Best Committee/ Work Team	<input type="checkbox"/> Ideal Manager	<input type="checkbox"/> Community- Oriented Employee	<input type="checkbox"/> Innovative Employee
<input type="checkbox"/> One of the internally approved direct rewards and incentives programs				

<b>Recommendation for the Reward / Incentive</b>	
Recommendation of the Direct Supervisor / Committee or Team Head (Applicant)	
Statement of Attachments (Supporting Data)	
Approval of Direct Supervisor: .....	

Review of Application Data and Attachments by the Concerned Human Resources Unit	
Approval of Human Resources Unit: .....	
Recommendation/ Approval of the Rewards and Incentives Committee	

Approval of the Head of the Rewards and Incentives  
Committee: .....

Approval of the Head (or their delegate)

\* A copy for Financial Affairs after approval

\* Use duplex printing settings when printing this form

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