The Ins and Outs of Employee Incentives in Business

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Article published on May 4th 2012 | Management

An employee incentive refers to a thing that encourages or motivates your employee to do something. However, motivation is a major challenge for the Human Resource Professionals. For instance in the context of acquisition, downsizing and mergers, keeping your employees performing at their peak can either mean the difference between missing the mark and achieving your goals. With the right incentive programs, you can be able to reward your employees and thus keep them motivate. An employee incentives scheme is one of the effective ways of that can improve the morale of the workers and eventually productivity within the company. The following are some of the incentive ideas. Some of them are an assured way of giving job satisfaction and thus eventually assuring better results for your business entity. These are:

Make Them Feel Special

The need of appreciation and belonging is one of the genuine concerns of any employee. Employees feel more secured, more at ease and have got a deep sense of gratification, if they feel that they are wanted or important. However, since it may not be possible for your company to involve all the employees in decision making, you can use some social platform or charity for the same. For example, you can assign one of your workers the privilege of being in charge of the business commitments.

Providing Quality Work Environment

An inviting and workable working environment is another big employee incentive. Many people are ready to work for a company which offers slightly less pay but offers an excellent working atmosphere. This include the things such as quality sanitation, charming and fresh working environment, providing recreational facilities for the employees where they can relax and thus get refreshed, gyms or shopping centers for the employee discount memberships.

Allow Flexible Working Hours and Food

In any job, time flexibility is usually the most desired aspect. If there is flexibility in relation to the time workers spend at their work place especially for the single mothers or mothers with small kids to look after. You can motivate them by offering a liberal structure for off days and vacations and thus you will be able to increase their working spirit.

Money Matters

Monetary compensation and the performance appraisals are usually the most genuine concern whether they are accepted by the workers or not. It simply works that if you will guarantee your worker more pay, it may successful lead to quality workforce thus leading to efficiency in production. Therefore, if you provide better terms of payment, appreciation in terms of money and timely monetary rewards it may work best for your organization.

MERITS AND DEMERITS OF EMPLOYEE INCENTIVES

MERITS

Healthy Competition

Employee incentives can bring a health competition between teams of workers within an organization. For instance, if only a certain number of workers who usually work the hardest are the ones who always reap the best rewards, it can encourage the other workers to also work hard so that they can also be able to get rewards. Commission schemes, concurrently, which are another type of employee incentive, can spur the employees to work harder and smarter, because as significant portion of their salary depend on the performance incentive.

Retention

Intelligently designed incentives are one of the sure ways that you can use to retain workers for the long term. The lucrative incentives, whether they are in the form of bonuses or stock, make it worthwhile for the workers to stay at your company, even if there is a good salary offer from any of your competitors. This is because the incentives will make your employees feel that their contribution is appreciated by you, thus offering a better reflection to the performance of your firm.

Employee Retention

In a perfect meritocracy, whereby the employees who usually work the hardest are the ones who usually reap most of the rewards, the incentives may pose problems. However, since there is no businesses that always operate in an ideal world, the employee incentives can thus breed discord and resentment among team of employees. For example it can prove to be easy to quantify the performance of a salesman but harder to quantify the staff writer's contribution in your department, even if it happens the writer is adding much value to your business.

Article Source:
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Article Keywords:
Rewards Program, Employee Incentives Program

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