

Title:

How To Ensure Your Employee Incentive Program Pays Off

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Summary:

Non-cash incentive programs and fringe benefits can have a powerful influence on attitudes, that should in turn improve results. You can give employees the greatest incentive program, however, by impairing a sense of ownership in the organization. Ultimately, loyal and happy employees tend to work harder, leading to increased overall productivity.

1. Share Ownership

Use share schemes as an incentive program to reward people for contributing to team success. An employee ...

Keywords:

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Article Body:

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1. Share Ownership

Use share schemes as an incentive program to reward people for contributing to team success. An employee who sees his or her efforts rewarded in company shares will, in theory, identify with the company, be committed to its success, and perform more effectively. A company with shares in the company will see that, quite literally, their success is the company's success, and vice versa. The harder they work, the better chance their shares have of increasing in value. In reality, it may be hard to tell whether the company's success is due to employees owning shares, or whether the success itself has led the company to issue shares. It is also difficult to know whether employees would have performed less effectively if no shares had changed hands. Nevertheless, by

giving people a stake in the company as an incentive program, you are making a highly positive statement about them, that encourages them to feel positive in return.

2. Gifts Aren't Just For Christmas

Surprise people with gifts they do not expect. Expected remuneration has less impact than the unexpected. Even generous pay rises are taken for granted after a while, as salary increases accordingly. Incentive programs are like a far smaller payment, in the form of a gift, and are priceless in the eyes of the recipient. An employee could use a cash award to buy a gift, perhaps a weekend vacation, but that would provide less satisfaction than an incentive program in kind from the management as a reward for work well done.

Consider which incentive program is better: A company called for a special meeting for all of the employees that had achieved the sales quota for the month. In the meeting, the company announced that the incentive is a gift certificate. They went to the Accounting Department, as instructed, signed their name, and off they go. Or: The company gave them a specialized mug embossed with the word Congratulations, plus a special card with a special message personally written by the manager. Between the two incentive programs, the latter is more appreciative. Gift certificates could be a good incentive program but it is sometimes taxable, so they get only a fraction of what was written on it. Plus, the first incentive program lacks personalization. On the other hand, the second incentive program is far more favourable. A more specialized and personalized gift ideas as incentive program can be more appreciated. It makes your employee feel that they are individually valued especially if it comes with a thank you note. Best of all, presents are also a better incentive program and a cost-effective method of motivating staff when cash is short or when competition does not allow an increase in pay.

3. Optimize Benefits

Fringe benefits have become much less effective incentive programs financially in many countries because of tax changes, as mentioned earlier. Good pension schemes, however, have become more attractive as incentive programs wherever state-funded provision have fallen. The same applies to medical insurance. The knowledge that the company cares for its people in sickness, health, and old age is a basic yet a powerful factor.

Other benefits

- Company cars

- Paternity leave
- Vacations
- Help with children's education
- Medical care
- Mobile phones
- Computers
- Spas

4. Bequeath Status

The modern company, with its flat structure, horizontal management, and open style, avoids status symbols that are divisive and counter-productive. Reserve parking places and separate dining rooms are rightly avoided. Important-sounding job titles are easy and economical forms of incentive that provide recognition and psychological satisfaction. Giving people incentive programs of any kind sends a very positive signal. As they say, it's the thought that counts.