

Employee motivation and incentives



Client's 18 July Finding the right employees is difficult but holding on to the right employees is even harder, there are organizations who are trying their best to hold on to the best employees, they have been inventing several methods with the help of which they can hold on to their most efficient employees, the first part of this paper will shed light upon how an organization can hold on to the best performing employees. Competitive pay is a great way of holding on to the employees; this pay should be increased when an employee outperforms others, it is very important to reward the employees when they do well. Friendly environment is another important factor, any employee would like to work in an environment which is friendly, it facilitates the overall growth and stability of an organization. Positive recognition is another very important factor, if an employee comes up with a great solution to a problem, he should be rewarded and appreciated for his creativity, this will also make the organization competition and the other employees will also put their thinking caps on. The fourth and the last method is by providing stock options to the employees, they will not only work for the same organization but they will start going that extra mile to ensure their growth, these are some of the best ways to hold on to employees who perform well in an organization. The most lucrative of all is the employee stock option, employees start working very hard after buying the shares of an organization and that organization grows by leaps and bounds. Part 2: The most common type of compensation is salary, almost every organization compensates its employees by paying them their salaries, organizations who think out of the box give their employees regular performance related bonuses which is the second type of compensation. Bonuses motivate the employees to accomplish what they are capable of

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doing and it also motivates the other employees, which is very important. Medical, dental or life insurance is the third type of compensation which several organizations offer to their employees, this also goes to show that the organization cares about the well-being of their employees and the same also motivates the employees, they work better when they understand the fact that their organization wants them to live a healthy life. Long term incentive plan is the fourth type of compensation. “ A reward system designed to improve employees' long-term performance by providing rewards that may not be tied to the company's share price. In a typical LTIP, the employee (usually an executive) must fulfill various conditions and/or requirements that prove that he or she has contributed to increasing shareholder value.” (Long-Term Incentive Plan) Paid leave is also considered as a form of compensation and is a great boon for employees but not so great for employers, this is why there are just a few no of paid leaves that an employee is entitled to. These were some of the most common types of compensation; organizations are trying their best to think out of the box and to come up with new things which would motivate their employees even further. Works Cited Long-Term Incentive Plan, 2011. Types of Compensation. [online]. Available at: http://www.investopedia.com/terms/l/long_term_incentive-plan.asp [Accessed 18 July 2011]