

Designing a reward system

[Design](#)



The goals and expectations must be clear. The employer must explain the task. It must be fair to all employees. It must set realistic goals. It needs to indicate clear deadlines. The employers evaluations of the work performed must be fair. It is important to deliver what has been promised to employees. The employees must be able to trust their employer; failure to provide what has been promised can lead to distrust and decline in motivations and performance within the employees. " In order for a rewards program to be successful, the specifics need to be clearly spelled out for every employee.

Motivation depends on the individual's ability to understand what is being asked of her. Once this has been done, reinforce the original communication with regular meetings or memos promoting the program. Keep your communications simple but frequent to ensure staff members are kept abreast of changes to the system (Encyclopedia of Small Business 2007)". It must be well structured. It must motivate by meeting each individuals personal needs. These needs are noted in our text as the following " (1) physiological, (2) safety and security,(3) social/affiliation, (4) esteem/recognition, and (5) self-actualization((Ketene, 2002, Chapter 6)".

According to Shafts and Nausea (201 1), poorly designed compensation package provided by the organization may result to employee Job dissatisfaction and low motivation. Thus, the unsatisfactory environment frequently results In decreased which will then disrupt the level of performance and employee morale (Quell, 2005). In relation, inferior quality of psychological factor of people may affect lower productivity in completing task. Comparably, unsettled state of employee psychological readiness may

result in lower productivity, higher absenteeism, and tardiness (Quell, 2005)".

The reward system must address the need for intrinsic rewards and extrinsic rewards. Motivation can be broken down to 2 types Intrinsic and extrinsic motivation. Intrinsic motivation is easily described as inward driven. The employee is looking for inner compensation. This could be the need to feel like they are doing a good Job, the need to build confidence or useful.

Extrinsic motivation seeks material compensation. This means the employee is driven by cash incentives, trips, and valuable goods. You could have those employees that might want both. Our textbooks states that according to a study completed the following 9 motivating factors out of a total of 25 were selected by the participating groups. People choose these nine factors are reasons to want to perform better at work. 1 . Respect for me as a person 2. Good pay 3. Chance to turn out quality work 4. Chance for promotion 5. Opportunity to do interesting work 6. Feeling my Job is important 7. Being told by my boss when I do a good Job 8. Opportunity for self-development and improvement 9. Large amount of freedom on the Job ((Ketene, 2002, Chapter 6)" The employer must factor in costs and durations of the reward system.

It has been proven that the right reward system can increase company performance and profit. To ensure that basics needs are met an employer might want to hold a sessions with their employees and ask for their input. The reward system must offer equitable distribution, competitive compensations and treat each employee as individuals. My ideal reward system would offer both recognition and compensation. All employees would

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be able to participate. The reward would be given based on performance and would be given once a month. I would hold a gathering or make a public acknowledgement of top performers.

In this meeting will would discuss the goals met and the employee's that met them. I would allow employees to share with their peers what strategies they used to meet the goal. I would give them a certificate acknowledging their performance. I would set up a way for them to draw mystery prize different goal levels. The prizes given would need to resemble needs gathered from employees. Prizes would range from a day at a spa to a day with paid time off, cash prizes, ranging from small to larger amounts and concert tickets or other goods.