

# Payment system

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Types of payment system: They could use Commission: Workers are paid a percentage of the products' sales value this would be suitable as it would motivate staff to sell more as they rely on commission to earn money. They could use a bonus scheme: Workers must achieve pre-agreed sales targets to earn the bonus. This would encourage staff to sell more which would increase the company's turnover and profits.

They could offer sales staff a salary: This would provide staff with financial security. However, it may not motivate staff to sell more as the same amount is paid each month regardless of performance. Performance related system: where pay is linked to performance, with higher level of performance leading to increased pay. Time or flat rate system: In which pay is expected as an hourly, weekly or annual rate. How it motivates staff? People feel strongly about it.

Pay helps to satisfy many needs (e. G. Security, esteem needs, resources to pursue self-actualization) Pay is the subject of much important business legislation It helps attract reliable employees with the skills the business needs for success Pay also helps retain employees - rather than them leave and perhaps join a competitor For most employees, the remuneration package is the most important part of a job - and certainly the most visible part of any job offer.

Effectiveness Money can be used to motivate employees across a broad spectrum of industries. In fact, according to the Personnel Systems website, a survey conducted by the American Compensation Association and the American Productivity Center showed that up to 89 percent of companies

using financial incentives for staff were rated costive or very positive by more than 1, 500 individuals taking the survey.

Because everyone can use more money, this is by far one of the most common and effective ways to motivate staff. Broad Options Another advantage of using money to motivate employees is that a company has broad options in terms of the way to use it. From special bonuses to commission pay to gift certificates and cash rewards, money can be used In a variety of ways to get employees to strive for bigger and bettergoals.

Moreover, companies have the option o change It up, depending on the specific goal In mind, so that cash Isn't always the best In which money can be used to motivate; sometimes, It can be Increased benefits that save the employee money without the company needing to write a Money appeals to all demographics and can motivate the lowest grade employee all the way to the CEO. This is another distinct advantage of using it to motivate staff because it appeals to all types of staff. The less an employee makes, however, the more he may be motivated by a few extra dollars in his check or incentive pay of some sort.