

Incentive plan
(paraphrase) for my
hr class



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Incentive Plan This article provides information of an incentive plan for a supervisor of restaurant whose employees work in the preparation and serving of meals in the restaurant. It is important that the restaurant supervisor puts in use all the resources available in order for the restaurant to be able to provide quality services to its customers. Other than proper use of the available resources, issues of customer dissatisfaction must also be addressed in a manner that will encourage the customers to return again in the future. A positive performance outcome in the business is only possible if the supervisor is ready to listen to the day-to-day feedbacks and address all the problems as soon as possible. It is the responsibility of the supervisor to conduct a performance appraisal on the employees so as to ensure that the desired performance outcome is achieved in the organization. To do this, different performance appraisal methods can be used. One of the methods is the critical incident method in which the supervisor will write positive or negative performance behavior of a particular employee throughout the performance review period. Another method that can be used is the weighted checklist method where by a large list of descriptive statements of effective and ineffective behavior of the job are rated on each employee. The whole idea of performance appraisal is to ensure that the business retains efficient employees who can collectively perform towards the target goal of the business. Performance appraisal is also used in incentive programs of employees in the business. Incentive plans and acknowledgment programs often overlap to accomplish a common goal by being supervisor that increased motivation to perform. But there are differences. Traditionally, incentives are reserved for salespeople and tied to specific behaviors or outcomes like selling a specific product or line of products. Recognition

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programs are usually broader based, affecting a wider group of employees. However, incentives, in the form of cash, merchandise, or travel, are often used to motivate salespeople. For the administrative assistant example; an incentive may be rewarded on selling higher edge products. In a sales environment, the incentive pay plan is tied closely to the compensation program. Done right, the rewarded behavior increases the company's goal. In addition, the employee incentive: pay for each piece produced, pay for performance (additional wages pay for achieving goals), group incentive plans that pay for improved group performance, and skill-based pay is rewarding for those acquiring new skills or knowledge. There are several incentive plan methods that the business can use on its employees. Some of the methods are: 1. Merit pay - This plan is best implemented in businesses where all employees have equal opportunity for consideration. In this plan employees are rewarded based on their contribution towards a particular task or work. (www. hr-guide. com, Compensation: Incentive Plans: Merit Pay, 1999) 2. Profit sharing - this plan is based on compensation program of awarding employees a percentage of the business's profit. 3. Employee Stock Ownership Plan (ESOP) - This option allows employees to own stock of the company which they work for. (www. hr-guide. com, Compensation: Incentive Plans: ESOP, 1999) Proper implementation of the correct incentive plan for the company will create a positive environment that motivates and encourages workers to succeed, while improving employee turnover rates. It is important to note that a business cannot grow without the development of its people. The treatment and interaction of employees within the business create the organizational atmosphere. There are a number of ways in which these incentive programs contribute to the overall success of the

organization some of which are discussed below: a. Incentive to employees creates competition towards better performance within the employees themselves. b. The incentives given to the employee acts as motivation tools that encourages them to work even harder towards completion of any task allocated to them. c. The right attitude in the workplace plays a major role in the employee's overall productivity. With the incentive program in place, the workers' attitude towards their job and their employer will improve thus improving the overall employee output in the company. References: 1. www.hr-guide.com. (1999). Compensation: Incentive Plans: ESOP. Retrieved April 24, 2011, from HR Guide to the Internet: <http://www.hr-guide.com/data/G446.htm> 2. www.hr-guide.com. (1999). Compensation: Incentive Plans: Merit Pay. Retrieved April 24, 2011, from HR Guide to the Internet: <http://www.hr-guide.com/data/G442.htm>