

Remuneration, incentives, job satisfaction

Remuneration (pay), incentives (such as bonus payments) and job satisfaction are all important in creating motivation at work.

Remuneration and incentives

The sum paid for a normal working week is referred to as a 'basic' wage or salary. Many employees receive other benefits in addition to their basic wage.

Flat rate is a set rate of weekly or monthly pay, based on a set number of hours.

Time rate

Involves workers receiving a set rate per hour. Any hours worked above a set number are paid an 'overtime rate'.

Piece rate

Is a system used sometimes in the textiles industry where employees are paid according to the number of units of output they produce.

Bonuses

Are incentives designed to encourage extra effort. Bonuses may also be used as an incentive to workers at times when they might be inclined to slacken, e.g. just before Christmas and the summer holidays.

Commission

Is a payment made as a percentage of the sales a salesperson has made.

Profit related

Pay involves pay being tied to company profits to encourage hard work.

Performance related pay

Is tied to the achievement of performance targets including levels of output and other key results areas.

Job satisfaction

There are a number of possible ways of motivating workers apart from pay. These usually involve an increase in one of the following:

- * the variety of work
- * responsibility
- * recognition
- * sense of working as a team.

Job enrichment involves giving employees an increase in responsibility and/or recognition. The aim of job enrichment is to make employees feel that their contribution has been upgraded so that it is more highly appreciated. Ways of doing this vary from an employee being given a new title, to an extension of the perks associated with a particular job. Job enlargement involves giving employees a greater range of responsibilities. An employee who feels that a job is going 'stale' and as a result is losing interest in it may feel refreshed when asked to take on additional tasks.