Incentive and Motivation Strategies to Improve Performance
What Are Incentives?

• Incentives are tools managers use to reward good work and encourage employee engagement and retention.

• They are used to help in the decision-making process.
  • There can be positive and negative incentives

• They are a means of tangibly recognizing achievement.
Why Incent?

- Valued by Both Employers and Employees
- Demonstrate commitment Employee ⇔ Employer
- Motivate Employees – help get them aligned
- Improve Performance – team performance doubly-so
- Engage Participants – encourage “thinking smarter”
- Attract Quality Employees – Get the better / the best
- Gain sense of ownership – become stakeholders
- Establish a sense of pride in being part of something
- Create confidence in oneself and the organization
Positive & Negative Incentives

• Positive Incentives – The Carrot
  • Create environment for fulfilling needs and wants
  • Incentives inspire employees to perform
  • Serve to create a pull in the organization to increase overall group performance

• Negative Incentives – The Stick
  • Serve as a punishment to negative behavior
  • Must be used in only the most extraordinary circumstances as the last step before termination.
Types of Incentives

• Non-Monetary
  • Praise, Recognition, and Respect; People will not leave for 5% or 10% more pay – but they will leave if they do not feel they belong or are a respected member of the team.
  • Perks and Allowances; Small tokens of appreciation that do not cost much, but have big impact; ie. personal time.

• Monetary
  • Bonuses, Raises, Promotions; Always greatly appreciated.
  • Risk! An employee could come to count on the extra money as part of their income. Also reduces company maneuverability when times are difficult. Demotivating.
Open Discussion

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