

Good Practices Incentive Schemes

Incentives (or reward systems) can be a very effective way of increasing worker performance and job satisfaction. There are many different types of incentives, from simple acts of praise to financial rewards. Studies show that good incentive systems increase workers' motivation, happiness, and performance. For companies, incentives can often be easy and very cost effective to implement.

Good practices for worker incentive systems

- **Group incentive.** Display production performance for the best group each month. Make sure that it is easy to see which group was best and their efficiency rate (Figure 1).
- **Individual incentive.** Recognise good performance by giving a certificate of recognition to good workers. Display copies of certificates in the show room (Figure 2).
- **Group incentive.** Provide cash rewards or other benefits (such as prizes or tickets to a movie) to groups of workers when the group has achieved performance goals (Figure 3).
- **Individual incentive.** Give cash rewards or other benefits for good performance.

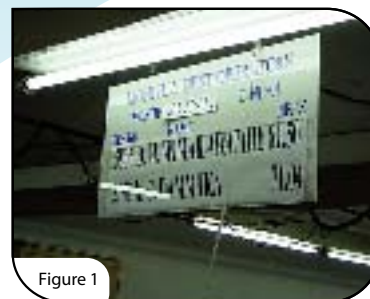


Figure 1



Figure 2

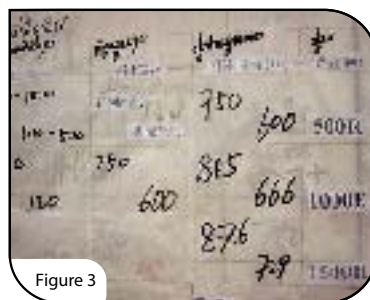


Figure 3

Benefits:

- ✓ Improves productivity
- ✓ Links worker performance to goals of factory
- ✓ Improves work satisfaction

How:

- ✓ Created by the factory's management

Cost:

\$

\$ Low cost

\$\$ Moderate cost

\$\$\$ High cost