

SECTION-2

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Significance of incentives:-

Incentive plans have the potential to raise morale and increase job satisfaction in a company. Employees see a direct correlation between their work effort and their earning potentials.

Further incentives are monetary benefits paid to workmen in recognition of their outstanding performance. They are ~~also~~ defined as "variable increased granted according to variations in the achievement of specific rules. Thus, help over variables, & These are tied as much as possible to performance. If an incentive is actually to spur increased performance and effort as a whole.

• Various kinds of gain sharing Plans :-

There are 4 types of gain sharing programs

- The Scanlon Plan.
- Improshare ~~and custom plan~~
- Custom plan
- Rucker Plan.

The plans are same except for the way the bonus is calculated and the level of employee involvement required to support the plan.

A gain sharing plan is simply a group incentive plan under which employees are a group who earns bonuses for co-operating to improve plant performance. On a strategic level, gain sharing is a key motive reward system which emphasizes using employee as an eventual aspect as a whole.