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Q.1
Ans

The main purpose of incentive is to tie employees rewards closely to their achievements. This tie is done by providing more compensation for better performance. Individual will generally strive for additional rewards by higher production and their performance depends on higher efforts.

* There are few important significances of incentives which are as follows:

1) Incentive is the inducement and motivation of workers for higher efficiency and greater output.

2) Fixed remuneration removes fear of insecurity in the minds of the employees.

iii) Earnings of employees would be enhanced due to incentives

iv) Reduction in the total as well as unit cost of production through incentives.

v) Production capacity is also likely to increase.

vi) Incentives payments reduce supervision, better utilization of equipments, reduce scrap, reduce loss of time, and also reduce absenteeism and turnover.

Gainsharing is best described as a system of management in which an organization...