Analysis on the problems and countermeasures of enterprise incentive mechanism

● QINGJIN LIN
(The Australian National University Acton ACT, Australia 2601)

【Abstract】Incentive mechanism can be used to mobilize the enthusiasm of employees and cultivate their loyalty to the enterprise. But, there are some problems which cause its ineffectiveness. This paper discusses the problems of enterprise incentive mechanism and gives specific analysis on its countermeasures.

【Key words】Incentive mechanism; Management

I. Problems of enterprise incentive mechanism

(1) Incentive mechanism is single. Simply using material incentive will make them more loyal to material than to the enterprise. Conversely, using excessive mental incentive, such as verbal praise, employees may not get enough satisfaction, so they will betray the enterprise.

(2) Lack of evaluation system. Some enterprises do not release corresponding assessment system when they issued corresponding incentive mechanism, which may appear the phenomenon of unfair reward.

(3) Lack differentiation and pertinence. In the process of building the incentive mechanism, many enterprises just copy the incentive measures of other enterprises, and do not differentiate their own development needs, so their incentive mechanism is not scientific and rigorous.

II. Countermeasures against the existing problems of enterprise incentive mechanism

(1) Adopt diversified incentive measures according to the actual needs of employees. The enterprise’s incentive mechanism should be established according to the actual needs of employees, and the adopted incentive measures should be the mutual combination of material incentive and spiritual incentive.

(2) Establish an objective and fair performance appraisal system to ensure that the implementation process of the incentive mechanism is open and transparent. The enterprise should evaluate the performance appraisal of employees according to the content of the performance appraisal.

(3) Establish a targeted incentive mechanism based on the development of the enterprise. Within the enterprise, different organizational structures can also make appropriate adjustments to the incentive mechanism of the whole enterprise according to their respective organizational development goals and needs.

Reference: