# On the Important Role of Enterprise Staff Incentive Mechanism

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**Abstract:** There are many problems and unpredictable influences in the operation of a company. Therefore, in order to make the interests of the owners and the management of the employees coherent, we need to be able to adopt a comprehensive and reasonable motivational tools for the employees of the enterprise, using a comprehensive and effective motivational approach. It is only by using a comprehensive and effective motivational approach that we can maximize the effectiveness of the Chinese motivational theory of organizational behavior and ensure that the employees of the operating companies are maximally engaged in production and industrial innovation. This article is aimed at the implementation of the system of incentives in the exploration of its theoretical basis, the analysis of the role of incentives.

**Keywords:** Incentive system, Incentive role, Incentive measures.

## 1. The Concept and Theory of Incentives

#### 1.1. The concept of incentive

Motivation is the study of how to motivate people to work proactively. The management believes that "need" is the root of motivating and pushing people to work hard, and it is also the main reason of motivating people to work, and it is also a starting point of motivating behavior. Therefore, this kind of management is to study how "need" is the motivation of behavior and how to use "need" to motivate people, which is a theory of motivation foundation and plays a key role in motivation causes and motivation factors. It is the key to the foundation of motivation. When implementing motivation, we should pay attention to the principle of changing according to the time and the situation, and implement motivational tools in a targeted and focused way to maximize the actual effect of motivating management behavior.

#### 1.2. Motivation Theory

Motivation theory is a theory that focuses on how to generate and increase people's enthusiasm for production, meet their demands and increase their motivation. Its main purpose is to find out how to make people work seriously and the reasons, motivation and psychological behavior behind this. By establishing a scientific system of motivation, for modern companies it is necessary to make use of human resources and to improve the value system of the company by tapping the potential energy of resources. It is not difficult to find out that this includes content motivation, process motivation and comprehensive theory by studying domestic and foreign related contents. And the application of motivation process in practice is also very

The application of motivation process in practice is also very complicated.

Content motivation and process motivation have different directions, but they both contain a large number of research works. For example, content motivation includes the famous psychologist Maslow and his theory of needs, as well as a variety of famous writers, and the reward process includes

many theories, such as ideal reward theory and goal reward theory. Cultural incentive and incentive system are actually an incentive mechanism based on the above incentive theories. The purpose is to provide a strong guarantee for the effectiveness of the above incentive by establishing a precise corporate culture and a scientific and efficient system, so as to develop the function of the incentive mechanism of the enterprise to the maximum extent and produce a good incentive effect on the employees.

#### 1.2.1. Cultural motivation

Different from material motivation, spiritual motivation is mainly based on the spiritual needs of employees, focusing on meeting the spiritual needs of employees, and through the psychological influence on employees, it can strengthen or correct certain behaviors of employees in their work. The main means and ways to meet the psychological needs of employees by giving them job promotion, excellent recognition, participation in evaluation, work professional training and learning and other ways to enhance the motivation based on the psychological level of employees.

Cultural motivation is to start from the spiritual level of employees, based on spiritual motivation, through the establishment of corporate culture in line with the strategic positioning of business development, professional ethics education, sports games, exchanges, carnivals and other cultural activities, so that the small partners up and down the company love the company, the company is my home, the key depends on everyone; so that after the formation of the atmosphere of home can strengthen the organic development of enterprise and staff development between the two After the formation of the home atmosphere, we can strengthen the organic combination between enterprise development and staff development, enhance the staff's sense of belonging to the company, sense of professional achievement and meet the spiritual needs of the staff.

#### 1.2.2. Incentive system

Motivation system refers to a specific method and management system to adjust employees' confidence in the organization and work behavior that can provide benefits to the organization, so as to empower the activities that are conducive to maximizing work efficiency and maximize organizational benefits through employees' behavior. At the institutional level, the incentive system is actually an incentive structure and incentive method that is institutionalized and clearly reflected in the organization's operation level in order to make the employees more involved in their work and mobilize their enthusiasm to work actively, so that the incentives can be more evidence-based and evidence-based, and can interact with the employees and constrain each other, which is a kind of incentive effectiveness. A summary of the evolution of the relationship and way theory.

## 2. The Current Situation and Role of Enterprise Incentive System

#### 2.1. Incentive system

#### 2.1.1. Salary assessment system

The company's commission system incentive assessment mechanism is used mainly from the establishment of the company to the rapid development stage, during which the company's performance grows at an average rate of more than 50% per year. In this rapid development process, the company took the incentive mode of commission system in the management, the simple high incentive method gave birth to some star staff individuals, relying on the star staff individual rude pioneering business development way to drive the company to achieve an annual average of 50% natural doubling growth.

The advantage of the early commission system of incentive assessment mechanism is that in the company's industry growth trend is better, management has a better staff drive, and strive to pursue individual high performance at the same time, to promote the company's high growth.

However, as the rapid growth of the start-up phase gradually slowed down, the above problems brought by the commission system accumulated exposure, the continued use of the commission system can no longer support the company to complete the core objectives, so the company carried out organizational and incentive policy reform, adjusted from the original single-armed combat to the market + staff and staff small team combat and the original commission incentive system modified to "target bonus system".

After the reform, the target bonus incentive assessment system began to be implemented, which is based on the consideration of staff ability and experience to delineate the level of staff, according to the level and staff performance goals to match the corresponding annual salary bonus package, and then according to the staff performance results process management requirements for implementation of the assessment score, based on the assessment score evaluation of the staff performance bonus. At the same time combined with this program to adjust the organizational structure of the staff, the original provincial and regional staff to upgrade the provincial and regional managers below with a number of staff, provincial and regional managers are responsible for staff and their performance, such a mechanism is conducive to traction staff focus on long-term strategic layout, strengthen teamwork, and release personal resources. More goals have organizations and people to undertake, staff members in addition to just accounting for the amount of staff, accounting bonuses, but also began to focus on customer breakthroughs, deep plowing, the challenge of greater growth.

#### 2.1.2. Honor incentive system

In enterprise management, honor incentive is an important initiative. In my opinion, having a great reputation is in line with Maslow's theory of needs, which is very good. Many business owners do not just want to be paid and promoted, but also want to be praised and respected. The company's current current is to regularly select outstanding employees within the team, take the team internal selection, departmental selection, branch selection and centralized selection management system, the staff in a certain stage of performance and reach the index level as an important reference basis for the selection of outstanding employees, in the company's annual meeting of the staff for public recognition, and appropriate material and welfare rewards. At present, the company's honor establishment mainly includes technical skills honor items reflecting employees' personal technical ability, management innovation honor items reflecting outstanding contributions in quality control and management methods, advanced collective and individual honor items reflecting the outstanding performance of grass-roots teams and individuals in spiritual civilization and work performance, and advanced collective and individual honor items reflecting excellent performance in various cultural and sports activities held by the company. Other comprehensive honorary projects reflecting the outstanding performance of grassroots teams and individuals in spiritual civilization and work performance. According to the weight of the project and the degree of contribution to the company, the company will give different levels of material rewards and travel and other company benefits.

#### 2.1.3. Work incentive system

The purpose of work incentives is to improve the happiness, vitality and efficiency of employees. In order to make staff have the opportunity to get honor, promotion, organizational recognition and more sense of responsibility. It can be divided into horizontal rewards and vertical rewards incentives. The so-called horizontal incentive is to make staff operate multiple functions at the same level, reduce their aversion to work and open their vision, thus preparing them for the vertical incentive. The so-called vertical incentive is to empower staff to design plans and have a lot of work experience. The company currently uses performance appraisal as an important reference basis for job assignments, and will require each department, and even branches, to conduct occasional performance surveys of employees, with performance surveys serving as an initiative to evaluate whether employees are awesome or not. If it is found that the performance of employees remain in a stable cycle for a long time, it is difficult to make a breakthrough in the long run, the company allows the department to make appropriate adjustments to the positions of employees, the staff will be selected to enter more challenging positions to increase the sense of commitment to work, to awaken the passion of employees. For a part of the staff whose performance has obviously declined, the company will regularly provide appropriate business training to this part of the staff, and if the situation does not improve, the staff will be appropriately transferred or dismissed. 2.2.2 Cultural incentives

Currently, when new employees join the company, the company will instill the core connotation of corporate culture and basic management demands to employees through training meetings and staff group building, and run e-sports competitions to improve employees' happiness to the company and the team and increase their happiness level. In

addition, the company has started to carry out League of Legends competitions on an annual basis since 2017 to enhance team cohesion in the competitions and make each other more familiar to work more smoothly. And at the league party committee level, soccer, basketball, badminton, swimming and fitness competitions are carried out annually to promote physical health, and in individual branches, activities such as running and climbing have been held. At present, according to the requirements of the head office

requirements, since 2018, successively carry out various kinds of sports competitions of enterprises, such as carrying out mountain climbing and hiking, etc., aiming to enhance the health and vitality of employees.

### **2.2.** The role of company incentive system incentive

### 2.2.1. Clearly positioning performance goals and improving management efficiency

Incentive management is the main means to implement incentive system and incentive culture. In the incentive system, incentive culture, usually choose to use the means of incentive management as the effect needed to be achieved by the incentive. And it can change or improve the way of thinking and the basic ability of the employees. At the same time, it can change the governance mode of employees through incentive management, and further integrate and optimize the internal management process of the organization, so that it can achieve the strategic goals of the organization more successfully and effectively. In this process, through the management of performance objectives, the company can also improve the management efficiency to a certain extent and achieve twice the result with half the effort.

### 2.2.2. Accelerate the development plan and increase the profitability of the enterprise

The incentive system and incentive culture have a positive effect on accelerating the realization of the strategic development plan of the enterprise. The construction of incentive system and incentive culture is inevitably separated from the decomposition and analysis of the organization's strategic goals. The decomposition of the organization's strategic goals refers to the use of a variety of calculation methods and approaches, so that the enterprise how to make money, make more money, and how the money is used to the employees. The operation must involve the company, the department and the individual. The purpose is

Under the basis of the strategic objectives of the company, according to the strategic development of the company, and on this content to develop departmental important incentive exercises construction indicators. In the process of developing KPI, first of all, we should refer to the corporate development strategy; then we should determine the key incentive system construction areas that affect the strategic objectives. And it is necessary to consider the impact of different major factors that the enterprise is affected from all aspects and include them in the analysis of KPI. It is the basis for the establishment of incentive management system, and also an important reference for the development of corporate strategy.

# 2.2.3. Facilitate the implementation of comprehensive evaluation and improve organizational performance

Establishing and improving the incentive system has a certain positive effect on the overall evaluation and improving the organizational performance within the organization and

individual employees. In the incentive system, each department within the portfolio and the enterprise employees need to make appropriate assessment and evaluation according to the performance of self departments and individuals, and use it as the measure of incentive factors. The ability to manage the full range of employee evaluations and the ability to make broad judgments about the behavior of the organization's departments and employees as an important measure of incentive rewards. Through the comprehensive evaluation of employees and departments, it can find out the deficiencies of individuals and help companies further improve their core competitiveness and improve the performance of the organization.

#### 2.2.4. It can improve work motivation and efficiency

The establishment of a sound incentive system and incentive culture within the organization plays an important role in improving the motivation of employees to actively participate in their work. In the process of participating in the incentive assessment, employees can clarify the performance goals that the organization, department and individual need to achieve, and take the personal rewards in the incentive system as a direction of orientation in their work. In the process of motivating the employees, the organization can actually help the employees to set a personal short-term goals to achieve or realize. It helps employees to form a more three-dimensional and realistic experience of personal achievement at work. It is important to improve the initiative of employees to actively participate in work, to stimulate the morale of employees to participate in work, and to improve the efficiency of employees.

#### 3. Conclusion

China's market economy is very competitive, and as SMEs develop into large enterprises, they need to actively make coordinated and dynamic adjustments to their personnel assessment directions and incentive mechanisms as the surrounding business environment changes and the company gradually grows. The team in the organization is usually the most obviously associated with the influence of floating incentive elements, about the dynamic adjustment of the incentive mechanism how to do a good job in the process of conversion of guidance and articulation measures is the core key point, the company's empirical research results can provide intuitive logical reference; enterprise management mainly around the spiritual level, business level, security level, implementation level to implement the four levels, the incentive mechanism is part of the organizational security level Incentive mechanism is the core component of the organizational level, which guarantees the completion of the business level strategy and the realization of the spiritual level vision of the company. The management and human resource department should review the incentive mechanism at different times of the development of the company, and adjust it when necessary to ensure that the incentive mechanism keeps the same pulse with the development of the company.

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