

ANY QUESTION?

HOMEWORK

Write the advantages and disadvantages of each financial and non-financial rewards.



Non-financial rewards

Some people are not motivated by money.
Some workers attach more importance to non-financial rewards.
Financial incentive schemes are not always appropriate for many workers.
Since more people work in teams, individual financial rewards are less appropriate.

Fringe benefits

"The perks of the job."

- Free counselling service
- Use of the company's facilities such as gym
- Discounts when buying the employer's product
- Subsidised meals
- Free or subsidised accommodation
- Free private health insurance
- Employee pension contributions
- Company car

Other non-financial rewards

- Job enrichment
- Job rotation
- Teamworking
- Promotion
- Recognition and praise

Financial and Non-financial rewards

Chapters 23-24

SdP



Financial rewards

Time rates

It's when workers are paid according to the amount of time spend at work



Piece rates

Some workers are paid according to how much they produce.

Commission

Commission, like piece rates, is payment for reaching a target. This method is often used to reward sales staff.

Performance

Performance-related pay (PRP) is designed to reward workers whose output is difficult of measure (non-manual workers).

Profit

One way to reward staff is to give them a share of the profit: PROFIT SHARING.

Shares

Some businesses give employees shares in the company. This means they are entitled to a dividend.

Time rates

It's when workers are paid according to the amount of time spend at work

GROSS PAY:
pay before deductions

NET PAY:
pay after deductions (is what they take home).

Deductions:

- National Insurance
- Pension contributions
- Council Tax
- Trade Union membership fees

OVERTIME
When workers work overtime they get a higher hourly rate for working extra hours.

SALARY
Salary is expressed in annual terms and is usually paid monthly. Non-manual workers and they are not always paid overtime.

Piece

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GROSS PAY:
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NET PAY:
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Deductions:

- Income tax
- National insurance contributions
- Pension contributions
- Contributions to an employer savings scheme
- Trade Union membership fees



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Subsidised
meals

Free or
subsidised
accommodation

Free private
health
insurance

Employee
pension
contributions

Company
car

Fringe benefits

"The perks of the job."



A diagram illustrating various non-financial rewards. It features a large teal circle at the bottom with the text "Other non-financial rewards". Above this circle are five smaller yellow circles, each containing a reward type: "JOB ENRICHMENT", "JOB ROTATION", "TEAMWORKING", "PROMOTION", and "RECOGNITION AND PRAISE". The background includes abstract orange and green shapes in the top left corner.

JOB
ENRICHMENT

JOB
ROTATION

TEAMWORKING

PROMOTION

RECOGNITION
AND PRAISE

Other
non-financial rewards

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JOB ENRICHMENT

RECOGNITION AND PRAISE

PROMOTION

JOB ROTATION

TEAMWORKING

Other non-financial rewards