

**IE**

PPT6

- Incentive Schemes:

It is an inducement or reward which is normally given to a worker for his efficiency or hard labor.

Incentives motivate and encourage workers for raising their performance. Incentive is in addition to normal wages and are in proportion to workers contribution to production.

## Incentive scheme:

- Requirements
- Objectives
- Drawbacks

- General classification of incentive Plans:
  - A) Time bound plans:
    - i) Halsay Plan, advantages and limitations
    - ii) Rowan plan, advantages and limitations
    - iii) Emerson Plan, adv and limitations
  - B) Production based plan:
    - i) Taylor's differential piece rate plan, Adv and limitations
    - ii) Gnatt's Task and Bonus Plan, limitations

## C) Group Incentive plans: Suitability and method

- Types of group incentive schemes:
  - i) Priestman's Plan
  - ii) Scalon Plan
  - iii) Co-partnership
  - iv) Profit sharing: Objectives
- Advantages and limitations