

Incentives and Its Role in Modern Human Resource Management

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Abstract. As a strategic resource of the modern organization, HR has become the most crucial factor in organizational development. And the incentive mechanism is an important means of modern human resource management. It plays the role of strengthening, stimulating and promoting and it guides or leads behavior to the target. Scientific and rational management of human resources require us not only to establish a positive and effective incentive mechanism, but also to continue exploring new ways and perfecting the incentive mechanism. Only in this way can we achieve the transformation of human resource management from traditional old type to modern science-based type.

Introduction

The essence of management is dealing with interpersonal relationships, and the core is to motivate subordinates. Incentive is a process using a variety of management tools and strategies to stimulate the motivation of human behavior, in order to mobilize the enthusiasm of people, to achieve organizational goals [1]. The basic system of innovative enterprise is constantly improving. In order to adapt to the development of modern businesses, many enterprises have established a human resource management system, whose core is the mechanism to motivate employees, which provide a security system for the development and growth of enterprises. Under the influence of the financial crisis, companies are also constantly seeking new incentive mechanisms and methods, optimizing enterprise incentive mechanism and mobilizing motivations of corporate employees on the basis of traditional human resource management incentive mechanism, providing adequate human resources guarantee for the development of enterprises.

Incentives, on its significance for psychology, refer to the process of inspiring people's motives and mentalities [2]. When applied to the management, it refers to the psychological process in which manager strengthen the behavior of the members in accordance with the strategic objectives of the organization and take the way of leading and guiding to encourage self-management in members of the organization so that their acts can be accelerated to reach the intended target. In short, incentive is a whole process that stimulates intrinsic motivation of people and makes them move forward towards the intended target. Thus, incentives are linked with people's behavior.

Incentive is to achieve the organization wishes by a high level of efforts which are at the conditions of being able to meet certain individual needs and motivations. Incentive theory is mainly studying incentive issues from the perspective of psychology and organizational behavior. In accordance with the relevant incentive theory opinion, to form an effective incentive, the key is to determine the appropriate inducements [3]. The inducements should be determined correctly according to the length of the incentive duration, incentive objects 'nature of work, job level, and personal wealth status. Only the right incentives can make the requirements to transform into a strong incentive and trigger the behavior. For low-income ordinary employees with families' financial difficulties, the stimulating impact of the material reward is greater than the mental reward, and high-income senior management personnel, the effect of appropriate mental stimulation is often greater than that of a slight change of material reward. Focus and methods of short-term incentives and long-term incentives should also be different.

The principle of seeking truth from facts incentives for businesses is the principle of seeking truth from facts for survival. The principle of seeking truth from facts is very important to encourage the survival and development of enterprises [4]. No matter material incentive to workers, or spiritual, all should adhere to the principle of seeking truth from facts. For example, there exist too high expectations in the enterprises, namely high requirements for employees even more than their ability, so it will increase their psychological burden, make them panic, even rebellion.

The principles are of fairness and justice. When employees make honor for business or harm the interests of the enterprise, regardless of whether he is a leader or backbone, or the general staff, and regardless of what his past performance is or fault, should be fair to be given incentives so that employees are morale, companies have vitality, and incentives will be effective.

An overview of the basic principles of incentive mechanism

Incentive mechanism and its main features

Incentive mechanism refers to that in the organization systems, the main incentive systems make use of a variety of incentives to make it standardization and relative immobilization, and the sum of the mutual restraint structure, methods, relationships, and the evolution of the law interacted with incentive issues. Incentive mechanism has the following characteristics:

The purpose of the incentive mechanism is to motivate the subject inspired to work hard to achieve the expected goals of incentive topic [5]. Incentive mechanism itself is neither the desired target of the incentive body, nor the result of the action of the object. It refers to the mediation that transforms the subject's expectations into action of incentive object. Once set, under certain conditions, incentive mechanisms play a role automatically according to certain rules and lead to certain consequences. But automaticity does not necessarily mean that it can achieve the desired results of the subject automatically. The influence of incentive mechanism is dual that it has the role of facilitation and weakness [6]. Facilitation of incentive mechanism refers that a definite incentive mechanism has the role of repeatedly reinforcing and strengthening for the objects 'some behaviors conformed to the desired behavior in the organization. Thus, the incentive mechanism is a system to ensure that the incentive process is complete.

Traditional human resources incentive mechanisms

Representative of incentive theories mainly are content-based incentive theory, process-based incentive theory, behavior reformed incentive theory and comprehensive incentive theory. The theory of incentive problems made a more thorough and accurate research, which has a very important guiding significance for the practice of human resource management.

Content-based incentive theory is to study the causes of motivation and incentives from the explicit content of factors. Marlow's hierarchy of needs, Al Devils of ERG theory, Herzberg's two-factor theory and McClelland's achievement motivation theory are the most typical types of incentive theory focused on content.

Behavior reformed incentive theory mainly studies how to reform and transform people's behavior, and change the negative into positive, in order to achieve the desired goal[7]. Reinforcement theory--promoted by BF Skinner, professor of psychology, Harvard University, is the most typical of the behavior of reformed incentive theory.

These types of incentive theories are starting from different points of view to study the incentive problem, so inevitably there are problems one way or another, and a comprehensive theory of motivation is trying to consider various factors, from the system's point of view to understand and explain the incentive problems. This theory mainly is Lewin's initial comprehensive incentive theory, Porter and Lawler's comprehensive incentive theory.

Emerging equity incentive system

As a tool to reward employees with shares in the company, equity incentive is an advanced method of motivation. It can make up for the shortage of the traditional incentives; link the employees and the

company together closely; Bond and stabilize the staff. Thus to fully mobilize the enthusiasm of the staff. It is an unconventional, long-term incentive.

The so-called human resource management, which is the modern personnel management, refers that companies achieve the stated objectives of enterprises through the use of scientific, technical and systematic approach to carry out all relevant planning, organizing, leading and controlling activities, in order to acquire, develop, maintain and effectively utilize the essential human resources in the production and management process. In short, the human resource is to achieve the stated objectives for the purpose of the enterprise.

Hawaii Basic Law on human resource management objectives are summed up: "The basic purpose of human resource management is to establish a large contingent of high-quality, high-level and highly united team, as well as the creation of a self-motivation, self-discipline and talents to promote mechanisms to provide protection for the company's rapid growth and efficient operation.

The goal of human resource management should be understood from the two levels of the ultimate goal and objective[8]. The ultimate goal of human resource management is to help achieve the overall objectives of enterprises, and human resource management is an integral part of business management, which is subordinate to the management of the entire enterprise, and for the purpose of enterprise management is to achieve the established enterprise target, so the target of human resource management should obey and serve this purpose. It should be noted that, although in different companies the contents of its overall goals may be altered, the basic goal is the same, which is to create value to meet the needs of stakeholder groups. Under the ultimate goal, human resource management also needs to reach a series of specific objectives, which include:

Numerous studies about psychology show that people's behavior is determined and dominated by motivation, and the motivation is generated on the basis of need. Therefore, the meaning of human resource management determines the importance of incentive in contemporary human resource management. Incentives, as the magical weapon for enterprises to win, play an important role in human resource management.

James, a famous American psychologist found in a research on incentive to staff that the hourly wage employees can only play 20% to 30% of its capacity and if the employees are adequately motivated, its ability can play up to 80% to 90%. That just says, after a man is fully motivated, he can play up to 3-4 times than that before.

Optimizing incentives and mobilizing the enthusiasm

Enthusiasm is a trend of people within the force and an initiative, which the series of cerebral activity driven by profit stimulates, is reflected in actions. The incentive measures to mobilize the enthusiasm of workers for different business leaders have something in common and differences. What kind of incentives the most scientific, the most effective, is to see whether this mean can make interests lever to drive, and maximize compliance with work characteristics and psychological characteristics of the enterprise employees [9]. As a business leader, it is necessary to understand the incentive mechanisms in modern management theory and take effective measures based on this, giving full play to the role of incentive mechanisms in order to mobilize the enthusiasm of workers. Modern management theory holds that people's work performance depends on both the ability and motivation, which in fact are the incentive level. Therefore, the incentive can make the following definition: it refers to the person's motivation, make the person has an intrinsic motivation, working towards the desired goal of psychological activity process, also can be regarded as the process of mobilizing zeal. Thus, the incentives have a very important role in achieving goals and improving worker efficiency in the organization. Organizational Behavior believes that motivation is a systematic process. For different types of people, enterprises should adopt different motivational factors and incentives fit their requirements, so as to organize effectively and take full advantage of human resources, expertise and resources to achieve the purpose of men. For the separate stages of development, enterprises must adopt variable, appropriate incentive factors and measures. The maintenance of long-term effectiveness and efficiency of incentives makes the inaugural staff fully play its skills and talents. In practice, the enterprise should through the following means, the implementation of incentive mechanism, arouse the enthusiasm of staff.

Take effective action to stimulate their sense of social responsibility, to "culture" to motivate people

Enterprise culture is the concept of corporate culture, group consciousness and behavior guidelines gradually formed in the long-term production management practices, and modalities in enterprises and business environments for enterprise staff. Modern business enterprises should promote and emphasize mutual learning and cooperation with each other for each individual, so that new knowledge can continue to be introduced and corporates can implement innovation. The enterprises should pay attention to guide employees to realize their own value of personal goals with enterprise collective goal, making staff establish correct outlook on life, ethics and values, establishing organizational goals to complete the sense of historical responsibility and mission, so to provide a good foundation for them to work in a strong entrepreneurial spirit and play to the enthusiasm of knowledge innovation [10]. Only when employees can clearly see their future development in the enterprise can he have an incentive to contribute to the best of his own strength for the enterprise and from a long-term business cooperation and partnership sharing weal and woe. Creating a united and progressive corporate culture gives full play to each person's wisdom and the spirit of innovation, training employee ownership type of thinking. Also through the publicity of enterprise slogan and purpose, enterprise culture can truly be blended in every employee's personal values, so that they feel they are engaged in a career that can provide enough space to display his ambitions, they can take the goals of the enterprise as their own goals, thus taking enthusiasm into the construction of enterprise's business.

Through these measures, we can inspire anyone who has set some shared attribute that is social responsibility and this also reflected a positive corporate culture. Of course, in addition to put it in corporate slogan, purpose, etc., there are many additional forms of realization.

The establishment of multi-level incentives to have a lasting effect

According to Maslow's hierarchy of needs, people have physical, safety, social, esteem, self-realization levels of demand. And these needs are slightly increasing. Relatively backward in our country, for example, in the last century, life level is low, the enterprise by adopting some simple economical means, such as a small amount of bonus equals reward, can have a better incentive to employees. In the new century, social and material living standards have improved and the demand for course materials is on the increase. If the companies do not provide a tempting remuneration, it is difficult to guarantee the attraction to the best people[11]. It's easy to understand that lucrative rewards are viable only when the young people are not very rich. But as the diversification of people's needs and material incentive of diminishing marginal utility, people are not merely content with the material incentives increasingly, hoping to get from the psychological comfort, get more affirmation and recognition from others and be able to get the respect and attention, so the nonphysical that is also salary incentive gradually is be taken seriously and widely adopted.

To create a warm atmosphere of corporate interpersonal sentiments

If the enterprise wants to effectively mobilize the enthusiasm of employees, it must provide a fair working environment of hardware and software for employees. The safe working environment of hardware is relatively easy to achieve, but the software environment requires a long-term building that is a full range of horizontal and vertical construction within the organization. For example, some companies enhance emotional communications between workers, between employees and management by organizing a birthday party for the staff. Another example is a Shanghai IT company, in the company, employees of the restaurant have a wall dedicated for employee comments, signatures communication links, to form their own unique corporate culture. Workers in this environment are easier to release their energy and create greater value. In addition, when the employees completed a remarkable job tasks, some companies specially convened staff do a celebration for the workers. The celebration will probably be very small and the situation is not very formal, such as allowing employees to send him a bouquet of flowers, but we can imagine, so taking measures like these can have a great help to the employee to make a greater contribution and to the formation of a good corporate incentive culture[12]. All these ultimately make human relations, work environment and other software environments have a positive impact on worker productivity and well completion of team goals.

Incentive measures should vary from person to person, vary over time

Corporate incentives for workers cannot be stereotyped. Corporation should take appropriate incentives for different types of employees, in order to achieve the purpose of motivating employees. Need is the base of incentive, and the need for diverse staff is different. For example, female employees value remuneration more relative, while men are more focused on business and self-development. There are differences in terms of age. Employees between the ages of 20 to 30 have a strong self-consciousness, requiring relative much for all aspects of working conditions, so the "quit" phenomenon is more serious, while employees between the ages of 31 to 45 is relatively complacent because of family and other reasons, and is relatively stable. In culture, higher educated people are generally more focused on self-realization, including aspects of material interests, but they pay more attention to spiritual satisfaction, such as work environment, work interests, working conditions, etc., because they can get basic needs on the basis of security instead pursue spiritual level meet. The relatively less educated people's primary focus is to meet the basic needs. As for duties, the demand between management and general staff is also different, so in the development of incentives for companies must take into account the characteristics of enterprises and employees individual differences, so as to receive the maximum incentive effect. Therefore, the ability to understand and grasp the needs of employees is the key challenge facing managers. For a detailed analysis of different people should take different incentive methods. For the uniform employee companies also need to change to a different incentive method. People's needs often change, so managers must be able to understand the needs of staff changes in order to achieve the incentive effect. Furthermore, when the development of enterprises goes into different stages, the geographical focus of the work shift may occur. Therefore, the need for business incentives should be adjusted accordingly followed by the most appropriate incentives to motivate employees to give energy and to accomplish the next step of organizational goals together.

Summary

Management is a science, but an art, human resource management is the art of managing people and is to use the most scientific methods, more flexible system to arouse people's emotions and motivation art. No matter what kind of enterprise development is inseparable from the people's creativity and motivation, so companies must pay attention to incentives for workers. Incentive mechanism is an open system forever, varying with time, environment and market form. The corporate must use a variety of incentive mechanisms based on the actual situation, innovate constantly, combine motivation with purpose of the means and change thought patterns to really establish open incentive system adapting to business characteristics, the characteristics of the era and employee needs, continuously optimizing incentive mechanisms, mobilizing the enthusiasm of the staff, thus enabling enterprises to remain unbeaten in the fierce market competition.

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