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European Financial and Accounting Journal 2011/3

Evaluating the Quality of Rewards Systems

Editors, Advisory Board

[full text (PDF)]

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This paper deals with the issue of desired characteristics of rewards systems and outlines possible ways of their evaluation. Aims of the rewards systems are analyzed and desired properties, components and updating procedures that should be put in place are identified. Rewards system is understood as a tool for supporting business' s goals, attracting, motivating and retaining competent employees. It is stressed that rewards system is an important but not the only tool for reaching the mentioned goals and it should be used congruently with other tools (e.g. proper job design, recruiting, training, creating positive workplace). An encyclopedic preview of rewards types is given, their various classifications are introduced and it is underlined that type of chosen reward should match with the objective that is supposed to be accomplished. Finally, the impact of rewards on motivation and behavior is addressed and a framework for analyzing of incentives (variable payments for performance) is proposed.

Keywords: Motivation, Performance, Rewards

JEL Classification: M52

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