

**Original Research Article** 

# Analysis on the Key Points of the Incentive Theory in Modern Enterprise Management

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**Abstract:** In the implementation of management, people find that adopting the encouragement method of incentive theory can make the implementation of enterprise management work more smoothly, and get remarkable results in the end. Therefore, this paper expounds the incentive theory, points out the practical application value of the incentive theory to modern enterprise management. And the corresponding specific implementation strategies are studied and summarized, hoping to provide effective reference. **Keywords:** Incentive theory; Enterprise management; Implementation strategies

# **1. Introduction**

The so-called enterprise management means that the relevant leaders of the enterprise adopt certain strategies in the actual operation and carry out the production and operation activities of the enterprise in a planned and organized way. Through the implementation of relevant strategies and the formulation of certain rules and regulations, determine the current business purpose and future development direction of the enterprise, continuously promote and improve the production efficiency of the enterprise, and establish a good corporate image in the society at the same time, so as to achieve the ultimate goal of improving the market competitiveness of the enterprise and seeking long-term and healthy development. While modern enterprises continue to strengthen their understanding of management, they also strengthen their understanding of incentive theory<sup>[1]</sup>.

## 2. Incentive Theory

From the essence of incentive theory, it is a category in the field of psychology. It mainly stimulates people's subjective motivation and vitality through psychological encouragement, encouragement and a series of stimulation, and enables people to stimulate their potential internal potential and show their optimistic and positive psychological state and mental outlook in life and work activities through the adoption of corresponding means<sup>[1]</sup>. With the deepening of the research on people's psychological consciousness in management, many enterprises pay more and more attention to the role of incentive theory in the production and development of enterprises, and the incentive theory also tends to mature in the continuous development. There are three main incentive theories at present.

### 2.1 Process Incentive Theory

Process incentive theory is typical among many theories of current incentive theory. It takes the relationship between employees' psychology and related behaviors under specific psychology as the main starting point. This research on the relationship between employees' psychology and behavior coincides with Frum's expectation theory. The main content of Frum's expectation theory is the realistic analysis of individuals, that is, when people have a vision of the beautiful things they expect, their desire for such things is expectation. Only when people's expectations are met, can effective incentive effect be produced<sup>[2]</sup>. On this basis, enterprises carry out a series of actions to stimulate employees to recover this psychological imbalance, so as to produce "incentive".

#### **2.2 Content Incentive Theory**

The same as the research object of Frum's expectation theory, the content of content incentive theory is also the relationship between employees' psychological needs and their related behavior activities. The successful and representative research in this field is Maslow's introduction to the hierarchy of needs. In the research, the introduction mainly divides the demand degree of employees from low to high. The research shows that people need to give priority to meeting people's low-level needs, promote them to continuously improve their own needs, move forward to high-level, and adopt a step-by-step way of incentive. In other words, when people's high-level and low-level needs are not met, people will turn their attention to the lowest level needs<sup>[3]</sup>. When corresponding measures are taken to effectively meet the needs of employees, they will continue to encourage employees to work harder to create wealth for the enterprise.

### 2.3 Behavior Transformation Incentive Theory

The research content of behavior transformation incentive theory is to analyze and study the psychological state of human body based on some behaviors produced by human body, so as to effectively promote the good operation and current development of

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enterprises through the research of change and the adoption of corresponding measures. Corresponding to Skinner's reinforcement theory, which is the representative of behavior transformation incentive theory, and this reinforcement theory is mainly divided into two different types: positive reinforcement and negative reinforcement. Positive reinforcement is positive incentive in enterprise management measures, namely praise, medal, promotion and so on. Negative reinforcement is reverse negative incentive, that is, criticism, demotion and deduction of part of salary. The comprehensive application of positive reinforcement and negative reinforcement with rewards and penalties for enterprises, enable employees to constantly reflect on themselves at work and create benefits for enterprises.

# **3.** The important Role of Incentive Theory in Modern Enterprises 3.1 Effective Improvement of Employees' Comprehensive Quality

To some extent, the comprehensive quality of employees can determine the survival and development of the enterprise, because it is the fundamental driving force for the enterprise to continue to grow in the future development. Modern enterprises will attach great importance to the strengthening and improvement of employees' comprehensive quality in operation and management. However, in many current enterprises, due to the differences between individuals, the working ability and state of employees are very different. There are many employees with poor enterprising spirit in the enterprise. Such employees muddle along in the business activities of the enterprise with the mentality of mixed base salary, are tired of dealing with work, and their working attitude is extremely careless. The incentive theory is particularly targeted for this type of employees.

### 3.2 Strengthening the Centripetal Force and Cohesion of Enterprises

In the process of operation and development of modern enterprises, the centripetal force and cohesion of enterprises are indispensable if they want to radiate strong life force. If the enterprise does not have a certain centripetal force and cohesion, employees are likely to put their own interests first when completing their work tasks, regardless of the collective interests, and even ignore the development interests of the enterprise when there is a conflict between the interests of the enterprise and their own interests. On the contrary, managers of modern enterprises want to see that the enterprise has strong centripetal force and cohesion, close exchanges and cooperation between employees, and everyone forms a recognition that the whole is greater than the part and the ultimate goal is to create collective interests. Through the application of incentive theory, we can achieve the cognitive promotion of this purpose, closely combine the interests of the enterprise with the interests of employees, enable employees to optimize the completion of their own work tasks, effectively associate the development of the enterprise with themselves, and really pay more hard work and wisdom sweat for the development of the enterprise, so as to greatly enhance the cohesion of the enterprise.

# 4. Relevant Effective Strategies of Combining and Utilizing Incentive Theory in Modern Enterprise Management

Although many modern enterprises have realized the important role of incentive theory in enterprise management, the practical application of theoretical results is not perfect. The realization of the value of incentive theory requires enterprises to start from multiple angles and aspects, and strive for progress in stability. The following are the effective and specific strategies of combining incentive theory in relevant modern enterprise management.

### 4.1 Implementing Differentiated Incentive System

Employees are the basis for the survival and development of enterprises, the main and important part of enterprises, and have far-reaching significance for the development of enterprises. In the process of enterprise management, we also need to pay attention to the subject status of people and the differences of different subject status. This individual difference is mainly reflected in the personality characteristics, behavior and thinking mode of employees and the corresponding working state. It is necessary for the enterprise management class to formulate differentiated incentive systems for different types of employees in combination with the "teaching students according to their aptitude" in teaching methods when making relevant measures for the practical application of incentive theory. Avoid the phenomenon that the unified incentive system is not applicable to some employees, and maximize the role of incentive theory through differentiated and flexible incentive system.

# 5. Conclusion

Combined with the above contents, modern enterprises effectively combine the application of incentive theory in the management of enterprises, and constantly optimize in the implementation process. Adopting the principle of fairness, implementing differentiated incentive systems and measures, and organically combining spiritual reward and material reward will play a positive role in promoting the management and development of the whole enterprise. It is worth noting that the specific application of incentive theory in modern enterprise management is not achieved overnight. We need to take the above measures step by step in practice to achieve the needs of effective enterprise management and promote the healthy and stable development of enterprises in the long run.

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