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## **A STUDY ON IMPROVING THE INCENTIVE SYSTEM TO ENHANCE EMPLOYEE ENGAGEMENT**

### *Abstract:*

With an ever-evolving corporate landscape emphasizing the significance of engaged and motivated employees, this research aimed to explore and assess various incentive strategies to ascertain their impact on overall employee engagement levels by examining the current stage of incentives in a Chinese real estate company.

### *Keywords:*

Human Resources management, Incentives, Dedication, Employee Needs, Monetary and Non-monetary Motivation

China's real estate industry has grown rapidly over the past few years, creating a highly competitive market for small and medium-sized businesses. Attracting and retaining talented employees is a major challenge for these companies, and providing effective incentives is critical to employee engagement and retention.[1]

In addition, China's workforce has undergone significant changes in recent years, with younger workers demanding more flexible work arrangements and a greater focus on employee well-being at work.[2] The contradiction between employee expectations and company goals makes the topic of optimizing incentives highly relevant and interesting. Companies need to balance the needs of their employees with their own goals, which requires a well-designed incentive system.

This paper takes CJ Real Estate Development Company as an example, which is a typical small and medium-sized real estate company, after years of market operation, the company has achieved certain market development results, but after a period of rapid growth, the market development speed has gradually slowed down this year, and there have been difficulties in personnel recruitment, low enthusiasm and engagement of old employees, and high employee turnover rate.

Although enterprises have begun to pay attention to the incentive problem of employees, they still only use traditional "material incentives" such as salary increases and bonuses, and the incentive effect has not met expectations, and the actual rewards issued by the company have not reached the promised number, but have increased the turnover rate of employees. Therefore, the incentive mechanism of enterprises needs to be improved.

According to the 2021 Chinese employee engagement research report released by Beisen, the engagement rate of Chinese enterprises is basically the same as last year, with an overall score of 68.53%, an annual increase of 0.88%. [3]

As for small and medium-sized real estate companies, how engaged their employees are at present? One of the research tasks of this paper is to identify the key factors affecting employee engagement and retention rates in small and medium-sized real estate companies in China, so that subsequent research can be carried out on how to improve employee engagement.

Here are some initial guesses that are drivers of engagement.

The incentive mechanism is based on the strategic goals of the enterprise and the needs of employees, using a combination of certain incentives and punishment measures to stimulate employees' work initiative and enthusiasm, stimulate potential in an effective way, promote the realization of corporate goals and meet personal needs of the management mode.[4]

But can the incentive policy at this stage really meet the needs of employees and achieve the strategic goals of the enterprise?

Based on this problem, we will collect the operational evaluation of the current incentive mechanism at different levels and positions, and the ultimate goal of the incentive mechanism expected after the upgrade.

According to the survey, the incentives used by the company lacked spiritual incentives, making it difficult to truly mobilize employees and stimulate their inner potential. So there are four suggestions as follows:

1. It is necessary to combine material incentives and spiritual incentives, such as corporate culture incentives, honor incentives, communication incentives, etc., the combination of the two is more conducive to mobilizing employees' enthusiasm and initiative.

<b>Compound drivers</b>	<b>Underlying drivers</b>
<b>Work pays off</b>	Work environment
	Work resources
	Match people and positions
	Compensation and benefits
	Work-life balance
<b>Leadership effectiveness</b>	Direct superior
	Senior leadership
	Praise recognition
	Colleague relations
	Communicate and collaborate
	Workflow
	Organizational structure
<b>Cultivate development</b>	Performance management
	Training and learning
	Autonomy
	Challenging
	Career development
<b>Cultural vision</b>	Corporate vision
	Corporate reputation
	Innovations
	Focus on the customer
	Value your employees

2. Establish a fair incentive mechanism suitable for enterprises, and pay attention to clear rewards and punishments.

3. Enhance the targeted incentive mechanism, according to the needs of different employees, formulate corresponding incentives, so as to be fair and differentiated, so as to provide employees with initiative.[5]

4. Pay attention to employee career development, meet the needs of employee development, and realize self-career value.

In summary, a set of scientific, reasonable and perfect incentive mechanisms should be established and improved, such as employee evaluation system, the use of diversified incentive methods, the strengthening of the scientific nature of the incentive mechanism, and the strengthening of effective supervision of incentives to promote the development of enterprises.

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