

Performance Pay vs Fixed Pay (vsdiff.com)

Feature	Performance Pay	Fixed Pay
Definition	Compensation based on individual or organizational performance	A predetermined salary that is consistent monthly regardless of performance
Incentives	Motivates employees to achieve targets	Provides stability and predictable income
Risk	Higher risk and potential for variable income	Lower risk with stable income
Employee Satisfaction	Can lead to mixed satisfaction levels	Typically leads to higher job satisfaction due to predictability
Performance Measurement	Requires clear performance metrics	No performance metrics needed
Adaptability	Flexibility to increase pay based on high performance	Less flexible; pay is predetermined
Common Industries	Sales, finance, and tech	Education, healthcare, and non-profits

Source: <https://vsdiff.com/performance-pay-vs-fixed-pay/>