



# A STUDY ON EFFECTIVENESS OF MOTIVATIONAL INCENTIVES ON MOTIVATIONAL INCENTIVES ON EMPLOYEE PERFORMANCE AT K7 COMPUTING PVT LTD

Dr. NITHYA S., Assistant Professor, School of business administration, Sathyabama Institute of Science and Technology, Chennai

TONY. J, MBA Student, School of business administration, Sathyabama Institute of Science and Technology, Chennai

**ABSTRACT** - The current study was conducted on the Effectiveness of Motivational Incentives on Employee Performance. The main purpose of this study was to determine the level of incentives and to evaluate the impact of these incentives on employee performance. Research has developed a variety of ways in which employees are motivated including incentives based on financial and non - financial recognition. Research suggests that financial incentives alone were not enough. Capacity building programs should be implemented for employees that will not only make their job challenging but also increase their commitment to their organizations. The information from this study can be used effectively by companies to review their staff policies and other researchers for future studies.

**KEY WORDS** – Employee performance, Incentives, Financial, Motivation, Efficiency, Satisfaction, Cyber Security.

## I. INTRODUCTION

Employees play a vital role in the day-to-day running of any organization, especially when markets are highly competitive and have a flexible environment supported by most theorists. The destiny of an organization is usually determined by its employees so it sounds reasonable to understand how employees can be motivated. Depending on the motivation for the work, employee incentive programs have been found to be the most acceptable approach among organizations. The aim of this program is to reward productive performance, strengthen morale and inspire employees' work and how it can be improved is at the heart of industry and organizational concerns, so many union scientists are keenly interested in various programs and their work-related strategies and growth incentives are among those used in the workplace.

required performance.

Money is considered a global incentive even though some non-financial benefits and benefits create a very special relationship between the organization and the employees. Employees organize specific activities to achieve goals by exchanging money and other incentive packages. Other types of incentive strategies are available in industries where bonuses, distribution grants, medical grants, salary increases, monthly leaves, promotions, recognition are included. These incentives motivate employees and therefore productivity is improved by affecting performance, efficiency, satisfaction, responsibility, efficiency and commitment of employees.

In any organization, employees need something that will ultimately work. In many cases an employee's salary serves as an incentive even though it may keep him or her active in the organization. An employee must be encouraged to work for the company, otherwise that level of work or all of the work will normally decrease and therefore the necessary and compulsory need for modern competitive time to provide separate incentives and benefits to employees to maintain their work ethic - directed at the track. Therefore, incentives can work to achieve organizational goals.

## II. OBJECTIVES OF THE STUDY

- The major aim of the study is to examine the impact of motivational incentives on employee performance.
- To examine the relationship between motivational incentives and employee day to day performance.
- To identify the satisfaction level of employees on their motivational incentives.
- To identify whether employees are given incentives fairly for the work they do.

## III. REVIEW OF PAST STUDIES

- Pritchard et al, (1988) study indicated that group-level feedback increased productivity an average of 50% over baseline, group goal setting increased productivity 75% over baseline, and group incentives increased productivity 76% over baseline.. In addition, work attitudes such as job satisfaction, turnover intentions, and morale were better after the interventions.
- Jenkins et al, (1990) studied whether financial incentives were related to quality and quantity of performance or not. Results showed that financial incentives were not related to the quality of performance rather it had a correlation with quantity of performance.
- Bonner et al (2000) findings suggested that the type of task being performed and the type of incentive scheme being employed affected the efficacy of financial incentives and therefore influenced the design of management accounting and control systems.
- The results of the study conducted by Stajkovic & Luthans (2001) showed that the money intervention based on the O.B. Model outperformed routine pay for performance (performance increase = 37% vs. 11%) and also had stronger effects on performance than social recognition (24%) and performance feedback (20%).

- Condly et al (2003) studies 600 studies which revealed that the overall average effect of all incentive programs in all work settings and on all work tasks were a 22% gain in performance.
- Milne (2007) research results revealed that reward and recognition programs had positive effects on motivation, performance and interest within an organization.
- Weibel et al (2009) study demonstrated (a) that motivation was the key influence on the effect of performance related pay on performance, and (b) that pay for performance was generally more costly as it appeared to have hidden costs of rewards.

#### IV. METHODOLOGY

The research design that was used for the study is descriptive study design. A descriptive study collects data in order to answer questions about current status of the subject. The researcher believed that a descriptive research design was appropriate for this study because this study was concerned with finding out what are the factors that influence the employee performance on the motivational incentives.

A research population is also known as a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have a common, binding characteristic or trait. The overall population is 350 employees. This study uses the Simple random sampling technique.

Primary data is the original data collected by the research first hand. It is collected for the first through field survey. These are those that are gathered specifically, for the problem at hand. Secondary data is the information which is already availed in published or unpublished form. When the needed information is collected from the census of population available in library means then it is a secondary data. It is also used for collecting historical data.

A questionnaire consists of number of questions printed or typed in a definite order on a form or set of forms. The respondents have to answer the question on their own. The questionnaire should be comparatively.

This study on effectiveness of motivational incentives on employee performance was undertaken for a period of about three months. It was carried out from the month of January, 2021, to the month of March, 2021.

#### V. DISCUSSIONS

For more in depth analysis, analytical tools such as Anova and Correlation and T - test have been used with the help of the SPSS software by IBM. The purpose of this is to find whether there are any statistical relationships between certain factors and to draw more apt conclusions from the study.

##### 1. CORRELATION

##### HYPOTHESIS:

H0: There is no significant relationship between motivational incentives of K7 employees and their day to day performance.

H1: There is significant relationship between motivational incentives of K7 employees and their day to day performance.

TABLE 1

**TABLE SHOWING RESPONDENTS FOR EMPLOYEE RECEIVING MOTIVATIONAL INCENTIVE WORKS GREATER THAN OTHER EMPLOYEES VS MOTIVATIONAL INCENTIVE ON DAY TO DAY PERFORMANCE.**

Correlations		Employees who receives motivational incentives works greater than other employees	Incentives motivates employees on their day to day performance
Employees who receives motivational incentives works greater than other employees	Pearson correlation	1	.642**
	Sig. (2-tailed)		.000
	N	121	121
Incentives motivates employees on their day to day performance	Pearson correlation	.642**	1
	Sig. (2-tailed)	.000	
	N	121	121

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## INTERPRETATION

From the above table it is observed that the p-value .000 is less than 0.05. Hence  $H_0$  is rejected and  $H_1$  is accepted. It is shown that there is a significant relationship between motivational incentives of K7 employees and their day to day performance.

## 2. ANOVA TEST

### HYPOTHESIS:

$H_0$ : There is no significant difference between marital status of K7 employees in regard to their satisfaction level on their motivational incentives.

$H_1$ : There is significant difference between marital status of K7 employees in regard to their satisfaction level on their motivational incentives.

TABLE 2

**TABLE SHOWING RESPONDENTS FOR MARITAL STATUS VS SATISFACTION LEVEL ON THEIR MOTIVATIONAL INCENTIVES**

**ANOVA TEST**

Marital status	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.952	4	.488	2.280	.065
Within Groups	24.825	116	.214		
Total	26.777	120			

**INTERPRETATION**

From the above chart it is observed that the significant level is 2.280 which is greater than 0.05 (table value). Hence H<sub>0</sub> is accepted and H<sub>1</sub> is rejected. So, there is no significant difference between marital status of K7 employees in regard to their satisfaction level on their motivational incentives.

**3. T – TEST**

**HYPOTHESIS:**

H<sub>0</sub>: There is no significant difference between gender of K7 employees in regard to the given incentives for the work they do.

H<sub>1</sub>: There is significant difference between gender of of K7 employees in regard to the given incentives for the work they do.

TABLE 3

**TABLE SHOWING RESPONDENTS FOR GENDER VS INCENTIVES FOR THEIR WORK THEY DO**

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Employees are rewarded fairly for the work they do	Male	94	3.18	1.303	.134
	Female	27	3.41	1.279	.246

## Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		
Employees are rewarded fairly for the work they do	Equal variances assumed	.037	.847	-.799	119	.426	-.227	.283	-.788	.335
	Equal variances not assumed			-.808	42.759	.424	-.227	.280	-.792	.339

**INTERPRETATION**

From the above chart it is observed that significant level is -0.799 which is lesser than 0.05 (table value). Hence H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. Thus there is significant difference between gender of K7 employees in regard to given incentives for the work they do.

**VI. CONCLUSION**

This study was made aware of the incentive performance of K7 computing pvt ltd. Research was done and analysis was done by respondents. Based on the findings of the study, it can be concluded that not all financial incentives affect employees but there are those employees who are motivated by internal factors such as the need for recognition, job development and human resource management. However, most employees were concerned about the adequacy of the Incentives and salaries to meet their basic needs. As a result, it can be concluded that incentives increase the morale of employees but in order for them to fully comment on the effects of incentives on their performance other studies must be conducted. Although there is a link between incentives and employee performance.

The results show that respondents have even a wide range of ideas and there is no such compelling evidence to build a positive relationship between Motivational motivation and employee performance. It varies greatly from person to person and can have many physical, cognitive, and psychological factors that affect the individual. The information and suggestions presented by this study can be used effectively by the company to review their Incentive policies. It can also be used as an effective reference in future studies and future research by researchers.

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