

A STUDY ON EFFECT OF MONETARY INCENTIVES TOWARDS WORKERS PERFORMANCE AT EVER BLUE APPAREL PRIVATE LIMITED IN DODDABALLAPUR

Author - Priya A

2nd year MBA, Department of Management Studies,
Sai Vidya Institute of Technology, Rajanukunte, Bengaluru.

Co-Author -

Prof. Ningambika G Meti Assistant Professor,
Department of Management Studies,
Sai Vidya Institute of Technology, Rajanukunte, Bengaluru.

I. ABSTRACT: This study investigates the impact of monetary incentives on the performance of workers at Ever Blue Apparel Private Limited. Through empirical analysis and data collection, the study examines how various forms of monetary rewards influence the motivation, productivity, and overall performance of employees within the company. By assessing the correlation between incentive structures and key performance indicators, the research aims to provide valuable insights into the effectiveness of monetary incentives in driving enhanced work performance and contributing to the organization's success.

Keywords: Monetary Incentives, Workers performance, Employee Motivation, Productivity Enhancement, Reward Structure .

II. Introduction

A comprehensive study that delves into the intriguing realm of organizational dynamics – "A Study on the Effects of Monetary Incentives on Worker Performance at Ever Blue Apparel Private Limited." In the ever-evolving landscape of business management, the relationship between monetary incentives and employee performance remains a critical focal point. This study aims to unravel the intricate interplay between financial motivation and workforce productivity within the context of Ever Blue Apparel Private Limited, shedding light on how varying incentives impact employee engagement, job satisfaction, and overall organizational success. As we navigate through the intricacies of this research, we embark on a journey to uncover valuable insights that hold the potential to shape strategies for a more effective and

harmonious work environment.

Importance of workplace environment:

- **Enhanced Productivity:** The promise of financial rewards encourages employees to increase their productivity levels, leading to higher output and improved efficiency in tasks and projects.
- **Attraction and Retention:** Competitive monetary incentives make a company more appealing to potential candidates, aiding in attracting top talent. Additionally, such incentives contribute to employee retention by fostering a sense of loyalty and commitment.
- **Job Satisfaction:** The prospect of earning higher rewards can enhance job satisfaction, as employees feel valued for their contributions and efforts, leading to increased morale and a positive work atmosphere.
- **Employee Engagement:** Financial incentives can spark greater engagement as employees become more invested in their work, seeking opportunities to maximize their earnings through improved performance.
- **Skill Enhancement:** The pursuit of higher incentives may encourage employees to develop new skills or enhance existing ones, leading to a more skilled and versatile workforce.

Factors affecting workplace environment:

- **Employee Tenure:** Long-serving employees may be eligible for loyalty-based incentives to acknowledge their commitment and contributions over time. These incentives can enhance retention and reward institutional knowledge.
- **Performance Consistency:** Consistency in an employee's performance over time can influence the frequency and size of monetary incentives. Those who consistently meet or exceed targets may enjoy more regular rewards.
- **Ethical Considerations:** Ensuring that monetary incentives are aligned with ethical standards and do not encourage undesirable behaviors is essential. Incentives should promote positive and ethical workplace practices.
- **Cultural Factors:** Different cultures may have varying attitudes toward monetary incentives. Some cultures might value intrinsic motivators more, while others prioritize financial rewards.

III. Literature review

1. Monetary incentives motivates employee's on organizational performance Author:

Igbaekemem Goddy Osa

Publication: European centre for research training & developments UK

Journal: Global Journal of Arts Humanities & Social Sciences

Year: 2018

The goal of study is establish a link between financial incentives and the performance of employees. The main idea or goal is also to confirm that financial incentives are an effective motivating factor for employee performance in a society like ours where the cost of living is extraordinarily high. Additionally, it serves to emphasize the idea that no one sort of employee has been sufficiently motivated to perform better on the job through monetary benefits alone. To insure that everyone is on board and contributing to achievements of organizational goals, employees must be inspired and motivated. Offering incentives is one way management encourages motivated workers.

2. The effect of regulatory incentives on individual and organisational performance in on Italian public institute.

Authors: Gian carlo cainarca, Francesco Delfino

Publication: administrative sciences

Year: 2019

This essay explores the relationship between financial incentives and organizational and employee success. The distribution of financial incentives among public administration employees has been the subject of investigations. The usual bureaucratic method, which pays a premium to each worker depending on the job held, contrasts with a merit system, which tends to identify and reward individual achievements. A value index and a task advice centrality indicator have both been established to assess employee performance. The findings show that persons behaviors have changed, in line with theoretical justifications and expressed predictions.

3. The effect of monetary incentive on task performance. Author: Michael Robinson

Publication: Emerald Publishing Limited

Year: 2021

Discussions over the effectiveness in financial incentives in improving employee performance are ongoing. By examining individual and combined effects of task attractiveness and financial incentives on the allocation of effort and on performance, this study contributes to the management accounting literature on pay-for-performance. It is

motivated by theoretically dubious and incongruous study findings. this study, two distinct groups of participants execute a complicated activity for either incentive compensation or flat pay. The experiment is conducted online over multiple periods. Members can choose how much effort to put into each activity regardless of how difficult the tasks are to complete. The results show that task factors and individual preferences affect how incentives affect performance, and that further study is needed to uncover effective ways to lessen the effects of poor performance in subsequent periods. However, the results might not be applicable in extremely complex work environments with several tasks and/or group projects.

4. Effects of monetary rewards on the performance of legal practitioners at the attorney general's office in nairobi.

Author: Paulina Warinda Anyanga and Dr. Lawrence Wainaina

Journal: International journal of research and Innovation in Social Science (IJRISS)

Year: 2021

There is lot of pressure on the attorney's office to fulfill its mandate. The Attorney General's Office is constrained by number of obstacles from establishing and improving performance- enhancing policies. The Attorney General's Office spends lot of money on hiring qualified personnel and other staff, but little thought has been given to how the employees perceive their performance there. The study came to the conclusion that financial compensation significantly affects employee motivation and teamwork, which will greatly enhance organizational performance and help the firm meet its goals. According to report, a financial incentive system should be implemented to improve performance of legal professionals by providing better salary, bonuses, allowances, insurance, incentives, promotions, and job security.

5. Monetary incentives and employee performance at barclays bank. Author: Apoorva Mahathre

Publication: Emerald Publishing Limited

Year: 2022

Finding the relationship between financial incentives and worker performance at Barclays Bank was the study's main objective. The study's three major objectives were to determine the level of employee performance, relation ship between financial incentives and employee performance, and the financial incentives used by Barclays Bank. including increasing pay to assist employees in meeting their financial obligations and encouragement a stronger sense of commitments to the bank, properly implementing employee development initiatives like training and promotions, and enhancing working conditions by, for instance, easing supervisors' strict attitudes toward lower- level employees and making punishments proportionate to errors committed. Employee grievances should be addressed.

Research gap

There has been lot of research on how financial incentives affect employees. Several research have also taken the flow, but few empirical studies have examined how these incentives affect employee motivation and work satisfaction over the long term. It will take further research to discover whether financial incentives can drive employees in a sustainable way over time or if their effects are temporary and require constant reinforcement. Only a few research have also taken note of the such as risk of encouraging a culture of entitlement or eroding intrinsic motivation. This study aims to fill this research gap by examining the long-term effects of financial incentives on employee motivation, job satisfaction, and overall organizational success.

Objectives of the study:

- To ascertain the kind of monetary incentives used at Ever Blue apparel private limited.
- To identify factors that affect effectiveness of monetary incentives.
- To Examine the relationship between the amount of monetary incentives & the level of employee performance.
- To assess the best practices for efficient monetary incentives programmes that can boost employee performance.

IV. Research design:

This study utilized the descriptive research methodology to collect the data.

Descriptive research

Descriptive research is a prominent research approach for determining what, when, who, where, and how. In my study, descriptive research is used because we are neither doing tests nor offering new meaning.

Data collection

To obtain information, sources of both primary & secondary data are utilised. The following is a more detailed list of them:

1. Primary sources

The primary resources of information collecting are structured, undisguised surveys, questionnaires and observation techniques. The questionnaires include demographic information such as age, gender, and experience, over and above experience and satisfaction levels.

2. Secondary sources

Secondary data collected sources include journals, company websites, and many other websites relating to

Human Resource Management, books on the subject of education, newspapers, magazines, preceding year's report and so on.

Tools for analysis

The data collected is analysed through the following tools:

- A. Charts
- B. Tables

Sampling

For collecting samplings we used the Simple Random Technique, 114 employees are picked as sample units from a total of 195 population.

Questionnaires

In the Total 45 questions were asked for the survey questionnaires, in that there are 5 demographic questions (Ordinal questions), based question and other 40 questions are nominal questions based on objectives were asked to the respondents.

Types of hypothesis

- 1. Null Hypothesis
- 2. Alternative Hypothesis

For this study we requires these hypothesis,

- **H0:** There is no discernible correlation between financial incentives and employees' performance,
- **H1:** The achievement of employees and financial rewards are significantly correlated.

V. Analysis

Data analysis and interpretation were done using SPSS software.

1. Chi – square analysis:

Table 5.1

Gender * Commission-based pay structure are commonly used in industry to motivate workers.

Chi - Square Tests			
	Value	df	asymptotic Significance (2-sided)
pearson Chi- Square	4.864 ^a	4	.302
Likelihood Ratio	5.285	4	.259
Linear-by-Linear Association	.525	1	.469
No of Valid Cases	116		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.43.			

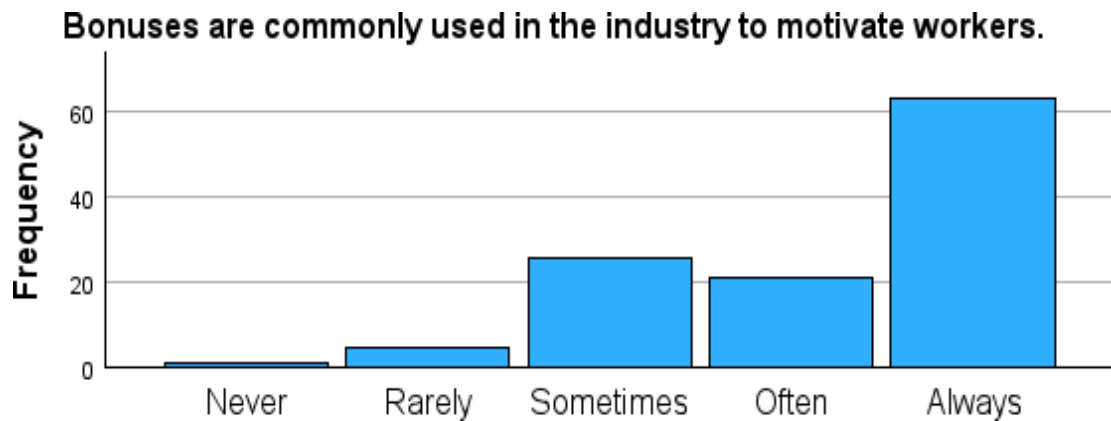
Interpretation:

Overall based on findings of this Chi-Square test, it can't be concluded that gender and commission based pay structure are used in industry to motivate the workers are significantly co related. Null Hypothesis is accepted and Alternative hypothesis is rejected.

2. FREQUENCY

Table 5.2

Bonuses are commonly used in industry to motivate workers.				
		Frequency	Percent	Cumulative Percent
Valid	Never	1	.9	.9
	Rarely	5	4.3	5.2
	Sometimes	26	22.2	27.6
	Often	21	17.9	45.7
	Always	63	53.8	100.0
	Total	116	99.1	100.0
Missing	System	1	.9	
Total		117	100.0	



Data Interpretation:

From above table 54.3% of employees says that bonuses are used in industry to motivate workers. 4.3% of employees rarely accept this statement. And 0.9% of employees Never accept this statement.

Data Inference:

The mentioned graph shows that inference can be made like majority of employees tell's that always bonuses are used in industry to motivate the workers. They is no more importance to consider employees that never accept the bonuses are used in industry that may be because of unawareness leads to tell them.

3. One way anova:

Table 5.3

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Bonuses are commonly used in the industry to motivate workers.	Between Groups	2.327	3	.776	.785	.505
	Within Groups	110.708	112	.988		
	Total	113.034	115			
Commission-based pay structure are commonly used in industry to motivate workers.	Between Groups	3.028	3	1.009	.724	.540
	Within Groups	156.170	112	1.394		
	Total	159.198	115			

Interpretation:

The study found no significant differences between groups in workplace environment factors, equipment availability, and social interaction and collaboration among employees. So that we can conclude that the

ANOVA results show there is no statistically significant difference in employee motivation between various bonus systems and typical industry commission-based compensation structures.

4. T – test analysis:

Table 5.4

Paired Samples Correlations					
		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	Bonuses are Commonly used the industry to motivate workers. & Commission-based pay structure are commonly used industry to motivate workers.	116	.234	.006	.012
Pair 2	The level of monetary incentives directly influences the performance of employees. & Monetary incentives play a significant part in motivating employees to achieve their target.	116	.227	.007	.014
Pair 3	The level of monetary incentives influence the speed and efficiency of employee task completion. & The amount of monetary rewards influence employee willingness to take on additional responsibilities.	116	.235	.005	.011
Pair 4	The monetary incentives program rewards employees for achieving stretch goals. & The monetary incentives program is flexible enough to adopt to changing organisational needs.	116	.188	.021	.043

Interpretation:

Except for Pair 3, the data show a statistically major positive correlation between the paired statements about use and impact of financial incentives in the industry, indicating that while these incentives are

frequently used to motivate employees and directly affect employee performance, they may not have a significant impact on task completion efficiency or program flexibility response to organizational needs.

3. Limitations:

- The approach technique for gathering the study's information was difficult because of their demanding work schedules.
- The study's trial size is too tiny. 0.28
- It was difficult to get responses to the questionnaire from employees when the study was being conducted.
- Although it was assumed throughout the research procedure that the respondents' answers were honest.

VI. Findings

- 34.5% workers firmly believe that their job is positively impacted by their satisfaction with financial incentives.
- 11.2% of workers dispute the assertion on commission-based pay systems. 47.4% of workers concur that performance-based compensation motivates employees well.
- Employees who are given monetary advantages have a propensity to be more motivated and dedicated their work than persons who are not.
- Bonuses and commission-based pay are two examples of financial incentives that have various effects on employees' performance and range in effectiveness and impact.
- When compared to workers who don't receive incentives, those who do typically exhibit better levels of commitment and motivation towards their work.

VII. Suggestions:

- Align incentives with organizational objectives make sure that rewards provided are straight related to attaining organizational goals.
- To increase ownership and happiness, provide employees the chance to participate in creation and assessment of incentive programs.
- Make surefire all staffs are aware of and understand the requirements for receiving cash incentives.
- Take into consideration the duration of performance Choose whether to reward short-term success or long-term success with incentives.

- Its my suggest that organisation need to communication clearly explain the incentive program to staff members, including eligibility requirements and payment schedules.

VIII. CONCLUSION:

In conclusion, this study shedding important light on how monetary rewards affect employees' performance. The results show that giving employees financial incentives might boost their enthusiasm and productivity. However, it is crucial to take into consider a number of variables, including the kind and size of incentives, personal preferences, and the nature of the tasks carried out. While financial rewards have the potential to boost performance in the near term, they may not always ensure sustainable and long-term improvements. In addition, it's important to remember that non-financial aspects like a positive work the environment, recognition, and possibilities for advancement can have a big impact on performance and general job satisfaction.

REFERENCES:

- Human Resource Management - BL Mathur, Sage publication India pvt ltd, 19/e 2015
- CV Kothari. (2018,2017).Research Methodology. New AGE international publishers
- Dr.Renuka murthy T P (2012) HRM, Himalaya Publication House Pvt Ltd
- K Ashwathappa. (2017). HRM Mcgraw Hill
- <https://everblue.in/>
- <https://in.linkedin.com/company/everblue-apparel-limited-a-raymond-group-company->