



Enhancing Employee Performance through Monetary Incentives

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ABSTRACT:

The purpose of this research is to determine the relationship between monetary incentives and their impact on employee performance. The essence or purpose is also to confirm that monetary incentives are a good motivational tool for employee performance in a society like ours where the cost of living is very high. Employees are a priceless asset when it comes to achieving the company's goals, and to ensure that all employees are on deck, they need to be motivated and inspired, because one of the tools that management uses to motivate inspired employees is incentives.

Keywords: Monetary incentive, employee performance, motivational tool, productivity, financial rewards, inspired, tool.

1. INTRODUCTION

One of the biggest issues facing most employers in both the public and private sectors is how to motivate their employees to improve their performance. Economics largely assumes that monetary incentives improve performance. Monetary incentives, or financial rewards for employee performance, play a critical role in motivating employees in a competitive work environment. According to the economic report, monetary incentives are a very common means of enhancing employee performance in an organization or company through financial rewards. Monetary rewards are important to increase employee performance for several reasons. This particular study analyzes the proper monetary incentives and the importance of monetary incentives to enhance performance in a competitive business environment. The purpose of this study is to determine the importance of understanding monetary incentives, the reasons for introducing monetary rewards in the business market, the nature of monetary rewards, and the benefits they provide to employees. The objective of the study focuses on how the business market has changed as a result of the

monetary incentive system. The literature review in this paper deals with an important aspect of the process of monetary incentive policy to improve employees. The objective of the study focuses on how the business market has changed through the monetary incentive system. The literature review area in this paper deals with an important aspect of the process of monetary incentive policy to improve the employee performance, the methodology area mentions the process of critical analysis of this system and the data or the results of this analysis paper give authentic data about the productivity of the company through the various positive aspects of the monetary incentive system for the employees.

2. SIGNIFICANCE/PURPOSE OF THE STUDY

The analysis of financial reward, the important role of financial reward as well as monetary incentives and the process of increasing employee performance through monetary reward in the competitive market chain is the main area we focus on. The objective of the study is to identify the monetary reward system (Wilson et al.

2018). This area of analysis details the importance of monetary rewards in enhancing employee performance and the benefits that rewards bring to an employee. The purpose of the study critically focuses on the monetary incentive point below.

- **Relationship between monetary incentives and employee performance**

The global economy as well as a worldwide business environment is based on a high level of market competition and employee performance. According to the economic study, monetary incentives or rewards can help motivate employees to perform well in their work. In a large business environment, incentives and rewards build a strong relationship between the business platform and employees. This positive relationship creates a healthy business bond between monetary incentives and an employee's performance.

- **Importance of monetary incentives to enhance employee performance**

The monetary incentive system does a responsible job of boosting employee performance in the global economic market. Rewards make employees happy and motivate them to work. Monetary incentives determine the performance rate and further steps towards career opportunities (Dugre et al. 2018). This mental support generally increases employee performance through monetary incentives.

- **Benefits for an employee through financial rewards**

Monetary incentive provides various benefits to employees that help improve employee performance. For example, monetary incentives improve employee morale and retention, increase employee productivity, motivate employees, and ensure that they are top performers in the marketplace.

- **Effect of monetary incentive in the competitive business market**

The monetary incentive has a positive effect in the globally competitive market. In this way, employee performance is improved in a large sector of the economy. Employee productivity reduces various problems in the business market and creates a positive business atmosphere in the global business market.

3. OBJECTIVE OF THE STUDY

The objective of the study of monetary incentives and their importance in increasing employee performance is to play an active role in the economic market. The monetary incentive for an employee has a direct impact on the market chain. The way employees are rewarded changes the morale of an employee. This positive mentality affects the productivity of the company, which is the most important thing in any business. The main subject of this study or analysis paper is the importance of monetary incentive system for employees to increase their performance in a company and the process of competitive market exploration using a monetary incentive. The area of the subject of this study on monetary incentive system shows the various positive meanings of financial rewards for an employee. And this area of analysis also describes the process of increasing employee performance every year (Qi e al. 2021). According to an economic report, the use of monetary rewards for employees has resulted in various positive changes in the business world. Below are some examples.

- Increase the quality of work and business productivity through an incentive system.
- Build a good relationship between colleagues and customers to increase the company's productivity.
 - The incentive method promotes a positive attitude among employees toward their performance.
 - The active mentality of the employees increases the productivity of the company through the incentive process.

4. LITERATURE REVIEW

The most important resources that an organization has are its people. Therefore, it is also very important that organizations look for ways to foster a positive attitude to strengthen themselves and their profit margin. Organizations need people, and since human nature is very simple, it can also be very complex. This makes it a task for companies to know how to motivate their employees. Understanding human nature is a basic requirement for effectively motivating employees.

The importance of monetary incentives is positive for increasing employee performance.

Monetary incentives are a common desire of every employee. In the globally competitive market, rewarding employees plays a crucial role in motivating them, enhancing their performance, and giving them the opportunity to grow professionally. This process of employee reward promotes an employee's work performance or mentality. The practice of monetary incentives is a bonus or reward for the employees of a company (Oldham et al. 2018). It is a general desire of the employees of a company that motivates the employees to perform well. A monetary incentive is an additional commitment to employees in terms of their future growth, career opportunities, health care, or any kind of reward for employees. So, it can be clearly stated that monetary rewards play a major role in both public and private sectors. We can take the example of Oman College of Technologies, where this kind of method is used to cheer up employees and make them perform at their best.

How important it is to understand the incentive system for employees

Company owners have noticed that most employees, when they achieve something on behalf of the company, expect a financial incentive for their best performance. It is clearly observed that rewards in the form of monetary incentives spur employees to perform at their best and lead to new high performance. It is clear that employees who are rewarded for their outstanding performance remain more motivated and active in their respective roles, which in turn has a strong impact on their daily performance. Thus, it can be clearly stated that monetary rewards play a major role in both the public and private sectors. We can use the example of Oman College of Technologies, where this type of method is used to cheer up employees and encourage them to perform at their best. . Reward in the form of monetary incentives helps to maintain employee satisfaction and has a great impact on their performance in the department. It is observed that reward motivates wage earners only when they have done a certain amount of hard work for an assigned task with pure sincerity.

5. METHODOLOGY

Monetary incentives as well as a financial reward system provide an active way to motivate a company's employees based on their business performance and also productivity. To increase business productivity in a competitive market chain, it is important to increase employee performance. An improved employee performance incentive or reward option is a great step to motivate employees. This analysis paper on monetary incentives and the importance of incentives to enhance employee performance is described in this entire study. The methodology section describes the main tools or processes for critical analysis to find the right results (Cao et al. 2019). The method or process to analyze the importance of monetary incentives to increase employee performance in a company is based on several ways, such as horizontal analysis, vertical analysis, and financial ratio or survey

• Horizontal analysis

This study is based on the understanding of the importance of monetary incentives to increase employee performance in business. The way of horizontal analysis is an analysis system based on financial reports and historical data. The methodology of this paper describes the process of understanding the importance of financial rewards for an employee. Through the process of horizontal analysis, researchers show how the changes have been in an active organization by monitoring the incentives for employees. This analysis process also provides authentic performance improvement data.

• Vertical analysis

Vertical analysis is a method of analyzing financial reports as well as financial incentives in an organization. This type of business figure is based on incentive opportunities for employees and provides real data on the percentage of business performance of employees

• Financial survey for employee performance based on incentive

A financial report of an organization measures the quality of employee performance based on financial rewards or monetary incentive schemes (Greimel et al. 2018). This report provides realistic data about the

company's productivity, employee performance, and overall incentive systems based on their performance. This type of financial survey can identify the relationship between good performers in a company and their efforts or performance to improve the business.

6. CONCLUSION

Based on the research results, it can be concluded that, as has already been said by various researchers, monetary incentives alone are not enough to motivate employees. Moreover, a maximum of monetary and non-monetary incentives should be used, and as the saying goes, "Variety is the spice of life." Monetary and non-monetary incentives differ in their role, effectiveness and appropriateness. A balance should be struck between monetary and non-monetary incentives to satisfy the different needs and interests of employees. Motivation is a complex and individualistic concept and as such there is no one best approach to it. Research shows that monetary incentives alone are not enough to motivate employees. Wages are important because they provide the basic necessities of life, but they are important primarily for what they symbolize to the recipient. For money to be used as a motivational tool, managers must study their employees, the conditions under which they work, and the task they perform. The value of incentives is determined by what people learn to associate with them. According to Imoisili, high-performing employees do not work just to make money. They are motivated by enjoyment of performance, interest in their work, and success itself.

Low performers, on the other hand, often work for money because it symbolizes something they clearly want.

7. RECOMMENDATIONS

Based on the researcher's findings, the following recommendations are suggested: companies should not be stereotypical in the way they create incentives. Companies should ensure that their employees are well compensated in an economic environment like ours. This can range from a commission to a holiday package. Companies should use cash as often as possible, especially with lower-level employees.

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