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A Study of Enhancing Employee Performance Through Monetary Incentives

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Abstract

The notion of a high-performance work system (HPWS) constitutes a claim that there exists a system of work practices for core workers in an organisation that leads in some way to superior performance. In this article, we dissect this fuzzy notion and examine its companion terminology: high-involvement work systems and high-commitment management. We argue that a focus on the high-involvement stream usefully grounds HPWS studies in an important area of workplace change in the current context and takes us away from eclectic and contentious selections of 'best practices. We review research models and findings in this stream. The path to better research lies in examining the underpinning processes experienced by workers when management seeks to pursue high-involvement systems, and charting their links to employee and operational outcomes.

Keywords*:* Employee motivation, monetary incentive, Factors affecting employee motivation, Shinas College of Technology, Impact of monetary incentives, Technical Colleges in Oman.

Introduction

Shinas College of Technology (Shatt) was established in the year 2005, and it is the popular one amongst the seven colleges of technology in Oman functioning directly under the directives of the Ministry of Manpower. The College falls under the jurisdiction of public sector institutions, which caters to the higher educational needs of Omani youth, offering diploma programs in Business Studies, Engineering and Information Technology. Presently there is 396 staff - academic and non-academic serving various departments, centers, and different units. The college encourages the staff to realize the vision and achieve the goals. The college also provides all resources to the staff to improve the quality of their efforts.

Financial incentives have long been thought, both theoretically and practically, to affect employee motivation and performance. Yet there are few systematic examinations of the relationship of financial incentives to employee behaviors, and little effort is devoted to assessing this relationship in the cumulative scientific knowledge base. This is perhaps because studies of the impact of financial incentives are complex. They must address the different meanings, literal and symbolic, of money, other outcomes that might deliberately or inadvertently be associated with financial incentives, differences in utility of money, social comparisons that financial incentives evoke, group norms, organizational structure, and so on. An estimate of the overall association of financial incentives and performance is necessarily affected by a multitude of factors. It can nevertheless provide baseline information against which to assess the utility of specific financial treatments in work settings. This article is designed to develop such baseline information.

What makes the employees of any organization "go the extra mile" to provide excellent service? he answers to this question lies in this self-conducted research paper. Motivation is actually a combination of factors that operate within each individual and requires a combination of approaches. In general sense, motivation can be referred as a combination of motive and action. Vroom has suggested that performance can be thought of a multiplicative function of motivation and ability the model of motivation is based upon a definition of motivation as "a process governing choices made by persons or lower organisms among alternative form of voluntary activity" . Also, research reveals that an employee's ability only partially determines his output or productivity. he other major determinant is his motivation level. "Psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence". Jones and George from the book "Contemporary Management." Employee motivation plays a vital role in the management field; both theoretically and practically. It is said that one of the important functions of human resource manager is to ensure job commitment at the workplace, which can only be achieved through motivation**.** here is general agreement that people are motivated in situations where they can participate, they can feel accomplishment and receive recognition for their work, where the communication is frequent and there are opportunities for career and knowledge growth. "A central concern of industrial relations is the identification and measurement of factors associated with individual differences in employee job performance." And this identification and measurement are the basic function of motivational factors or tools. Motivation is crucial for good performance and therefore it is increasingly important to study what motivates employees for better performance, so the author of this journal urges that more and more research should be conducted to end out the factors that affects employee performance significantly.

To achieve and sustain improved financial performance are among the proposed benefits identified by BSC advocates, yet no study has established a strong causal link between BSC usage and improved financial performance. Using quasi-experimental field-based research methods consistent with, we gain insights into the effectiveness of the BSC by comparing the performance of BSC implementers to the performance of BSC non-implementers. The data set is unique because we have a designed experiment setting (experimental and control groups with pre- and post-test data) in the context of a field study. Our study contributes to current literature by directly examining an actual BSC program and its ability to improve financial performance in an organization. A primary tenet of the BSC is that success must be achieved on key non-financial measures (NFMs) prior to realizing success on key financial measures. Employing the BSC method aids managers in identifying those key KFMs that are linked to success on selected financial measures. Previous studies seeking to establish linkages between specific NFMs and improved operational and financial performance have mixed results. This study differs from these prior studies in four fundamental ways. First, although earlier research examined relationships between NFMs and performance, few sought to establish an association between the implementation of a BSC performance measurement system that places more emphasis on a group of NFMs and improved financial performance. Second, many studies relied on survey and archival research methods to obtain information about performance measurement practices and organizational performance. This study utilizes a quasi-experimental approach to investigate the effects that a program focusing on NFMs has on organizational performance. Third, many studies relied on self-reported measures of organizational performance that asked respondents to rate a firm's performance as above or below industry averages. Other studies used company-wide financial performance measures rather than self-reported measurement assessments. This study benefits from the use of actual financial performance data for individual business units (BU) within the organization as a means to determine changes in financial performance—the objective identified by the scorecard designers as its dependent variable. Finally, most studies used cross-sectional analysis to compare performance and NFMs at a point in time. This study uses a longitudinal approach to determine if changes in financial performance are achieved with the implementation of a BSC program.

Financial performance is operationalized as a branch's rating on a composite measure of nine key financial performance measures. Because this composite measure is used for bonus calculations, both groups of branches at the field site (experimental and control) seek to improve their performance on this measure. We compare performance levels for a period before implementing the BSC with a period two years after implementing the program. The Wilcoxon rank test reports a significant increase in performance occurred during the observation period for the experimental branches. A similar performance comparison for control branches revealed an insignificant change in performance during the observation period.

We also compare the change in financial performance for the experimental division and the control division over the same time period. Results indicate the experimental division realized greater improvement in financial performance than the control division . Thus, we provide evidence supporting the proposition that the implementation of the BSC program resulted in superior financial performance compared to what would have been achieved if the BSC program had not been implemented.

Review of literature

(Nabi et al. 2017) studied "Arabian Journal of Business and Management" found that and Employees are the heart of any organization. For any organization to operate smoothly and without any interruption, employee cooperation cannot be replaced with anything else. It is of utmost importance that the employees of an organization not only have a good relationship with the top management, but also, they maintain a healthy and professional relationship with their co-workers. The following study is self-conducted research on how motivational tools impact the performance of employee for betterment. The study also focused on de-motivation factors affecting employee performance negatively. A sample of individuals was selected and was interviewed with self-administrated questionnaire to obtain primary data. The data were analysed using descriptive statistical analysis methods. The results obtained indicate that if employees are positively motivated, it improves both their effectiveness and efficiency drastically for achieving organizational goals.

(Jenkins et al. 1998) studied "Are Financial Incentives Related to Performance? A Meta-Analytic Review of Empirical Research" found that and financial incentives have long been thought, both theoretically and practically, to affect employee motivation and performance. Yet there are few systematic examinations of the relationship of financial incentives to employee behaviors, and little effort is devoted to assessing this relationship in the cumulative scientific knowledge base. This is perhaps because studies of the impact of financial incentives are complex. They must address the different meanings, literal and symbolic, of money, other outcomes (e.g., promotions, co-worker resentment, turnover) that might deliberately or inadvertently be associated with financial incentives, differences in utility of money, social comparisons that financial incentives evoke, group norms, organizational structure, and so on. An estimate of the overall association of financial incentives and performance is necessarily affected by a multitude of factors. It can nevertheless provide baseline information against which to assess the utility of specific financial treatments in work settings.

Conclusions

Researchers can increase response to postal question- nares by using the strategies shown to be effective in this systematic review. Some strategies will require additional materials or administrative time, whereas others can be implemented at little extra cost. We have presented odds ratios for methodological reasons,7 but the practical implications of the odds ratio for a strategy may be difficult to interpret without knowing the response at baseline without the strategy. If the size of the effect that would be expected if a specific strategy were used is an important consideration for researchers, the data used in this review may be accessed through the *Cochrane Library*, where they wile updated regularly. We thank Peter Santrock, Iain Chalmers, and Catherine Peckham for their help and advice with the study. Contributors: MC, CDG, PE, and IR contributed to study design, record screening, reviewing reports, data extraction, and drafting the report. PE and IR analysed the data. SP and IK con- tributed to data searches and data extraction. Reconducted the electronic searches. PE and IR are guarantors. Funding: The study was supported by a grant from the BUPA Foundation and a Nuffield Trust short term fellowship. Competing interests: None declared. Leadership was not discussed explicitly as part of the high-performance cycle but clearly leaders play a major role in creating and maintaining the cycle. A number of recent studies of effective leaders and high-level managers have found that one of their most important functions is the development of a vision or overarching goal for their organizations and translating this vision into explicit goals, agendas and plans. Effective leaders also take pains to reward those who help the organization to attain its goals and punish those who do not. The usefulness of the high-performance cycle, we believe, goes beyond the confines of work organizations. The basic ideas are also applicable, for example, to the process of self-management that has been shown to be effective in clinical as well as work settings . Self-management procedures involve setting a goal for what one wants to accomplish, measuring progress toward the goal, developing strategies to attain it, and rewarding oneself for success. Satisfaction and self-efficacy increase as one succeeds in attaining proximal goals and this in turn increases commitment to the program.

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