

Subject: Management

A REVIEW ON INCENTIVE SCHEME FOR OF EMPLOYEE IN MANIPUR, INDIA

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Abstract- This paper aims to identify the impact of incentive schemes on factors that affect employee performance. The researcher identified three categories of employees of Singareni Collieries Company Limited such as workers, clerical staff and supervisory staff. The study explores the impact of incentives on several factors like motivation, absenteeism, employee turnover, production and productivity, employee morale, health and working conditions, team work, rewarding and work satisfaction of employees. The data were collected through questionnaire from 120 respondents of all categories. The data analysis were done based on the mean score, independent sample z-test was used to find any difference exist among employees in pursuing incentive schemes, findings and conclusions were drawn from all the three categories of employees. On the whole general satisfaction is found among all categories of employees. The overall analysis revealed that incentives schemes are giving satisfactory results in improving employee performance apart from increasing incomes of the workers and other benefits.

Keywords: Absenteeism, Incentive, Motivation, Performance, Reward

I INTRODUCTION

As competitive pressures increase, companies are forced to consider tactics that will enable them to become more creative, profitable and effective. In view of the need to stay competitive, creative compensation mechanisms, such as reward schemes, are often implemented in an effort to match employee motivations and goals with the objectives of the company.

Tully (1995) found out that workers experience an elevated degree of anxiety, since they do not know from one year to the next whether they will earn a raise in pay or have a job. There is some evidence that businesses are using reward schemes rather than just rising efficiency. Although the degree of socio-economic development varies, the majority of society's social and economic conditions are poor in most developing countries (Diriba, 2013).

Bencivenga (1997) acknowledges the notion among some experts that incentive schemes are often being used to compensate for wage inflation and prevent layoffs during profitable periods. Ichniowski, Shaw and Prennushi (1997) extended the study of the effect of incentive schemes on productivity by looking at productivity in combination with other creative work activities, including flexible task assignments, job protection and teams. They found that the cluster of complementary HR (Human Resource) activities had a positive effect on production. Creating compensation systems that genuinely reward success is also one of the six complementary human resource strategies that companies use (Cantoni, 1997).

Bencivenga (1997) argues that businesses are improving efficiency and becoming more profitable by developing an internal culture of ownership. Banker, Lee and Potter (1996) set out to explore the effect that contextual influences, such as competitive intensity, consumer-focused approach and behavior-based management, had on an outcome-based reward plan focusing on customer service.

Bailey, Brown and Cocco (1998) analysed the effect of unit-rate and target-contingent incentives, relative to

Fixed-pay, which found that both the total and the initial results, but not the rate of change, were higher in incentive-pay classes. Al-Harathi (1999) examines the relationship of financial and moral rewards to improve the productivity of employees in the Department of Civil Defense in Riyadh, Saudi Arabia. He found that financial and moral rewards are unsatisfactory and may lead to a reduction in the quality of performance of employees.

Angari (1999) conducted a field study on reward and its role in increasing employee performance in Riyadh, Saudi Arabia. The findings showed that there was no satisfaction with financial and moral rewards. Alwabel (2005) explores the role of financial and moral rewards in increasing the level of success of the results, which has shown that there are no incentive requirements given to officers, but the level of satisfaction of the officers is very high. A Analysis of Individual Rewards versus Team Performance: Lessons from the Charades Game (Shawn, Patricia and Marlon, 2007) describes a revamped Charades game that has been designed to promote discussion of the basic principles of successful reward system design. Students are grouped into small groups of individuals.

Abang, May-Chiun and Maw (2009) found that firm success has important consequences for workers and the effect of rewards on manufacturing firms in the Malaysian context. Koonmee (2010) explores the advancement of organisational justice in Incentive allocation of the Thai Public Sector found that distributive justice and procedural justice played a more important role in predicting incentive satisfaction and job performance in 2008 than in 2006. Schmidt (2010) stresses the importance of rewards as determinants of employee success.

The aim of the analysis is to assess the effect of incentive schemes on the performance of workers, in particular, to assess the impact of incentives on efficiency, job motivation, absenteeism, turnover, employee morale, rewards for productive employees, health issues and teamwork. It also focuses on analysing the level of satisfaction of workers and employees with the incentive schemes implemented; there are substantial variations in the benefits of incentive schemes between workers, clerical staff and

supervisors. Finally, to recommend steps to strengthen the incentive structure.

II RELATED WORK

Cainarca, G. C., et al. (2019) have addressed various roles of monetary incentives to an employee based on their performance offered by the organization. Here the authors have investigated the distribution of monetary incentives to employees in an administrative role. Generally, in administrative roles, the designation or position gave more privilege to an employee. These premium position or designation mostly based on the merit of an employee. But it was observed that for some administrative role the monetary incentive enhances the involvement and performance of the employee.

Ponta, L., et al. (2020) have also evaluated the role of monetary incentives for the employees in public administration. In particular, the distribution of monetary incentives among the employees was based on the position held, which was compared with a merit approach which tends to recognize and reward individual contributions. Based on the analysis they showed the distribution of monetary incentives according to merit criteria rewards the employee performance and has positive effects on the employee performance in the short term.

Nnubia, A. L. (2020) have examined the effect of monetary incentives on employee's performance in manufacturing firms in Anambra State. Their intension was to evaluate the various remunerations by an organization in terms of wages, salary, bonuses as well as commission. Their analysis outcome suggested that the monetary incentive played an important role in every human resource management. The monetary incentive also enhanced the productivity of the organization.

Khan, A. A., & Roy, I. (2019) have explored the impacts of employee turnover on organizational performance and to determine how employee turnover affects the overall achievement and growth of the organization. The analysis was carried the data, which are collected from private bank in Bangladesh. The study concludes that most of the employees of these banking sectors are fell freedom and satisfied but they felt to leave the job due to high pressure from supervisor, work load and insecure job feeling.

III METHODOLOGY

This research is carried out to analyse the incentive schemes to enhance the growth of an organization. The major hypothesis considered to solve from this research is, (a) identifying various incentive schemes followed in private organization; (b) evaluate the impact of monetary and non-monetary incentive among employees; (c) analysis the outcome of employee with respect to the various incentive schemes. In this analysis employees from two well know manufactures from Manipur, India such as Thangjam Agro Industries Pvt. Ltd., and BLL Enterprise Pvt. Ltd.

The response for the above described questionnaire is obtained from employees of as Thangjam Agro Industries Pvt. Ltd., and BLL Enterprise Pvt. Ltd. Total responders participated in this questionnaire section is 100. Then the IBM SPSS Statistics used to conduct various analysis such as compare mean, factor analysis, and sample paired t test.

Research wants to quantify the mean and variability of different product types across various incentive schemes in organizations. A structured questionnaire designed to understand the employee outcome based on the incentive schemes followed in the organizations. The developed questioner includes major details as, personal information, education detail, job category, kind of incentive they are obtaining and so on.

The overall empirical study is intent to analysis the employee retention, engagement and satisfaction. Then further to observe the outcome of organization in terms of Competitive edge, Productivity, and Customer satisfaction. The overall ranking is measured using a weighted arithmetic average based on Saluja, R. et al. (2018).

IV CONCLUSION

The analysis about impact of incentive schemes on attendance revealed that workers, trained employees and more experienced categories felt that incentive schemes help in improve attendance to the workers. All categories of workers expressed that incentives will have favourable impact to make the employees to stay in the company are low. All categories of employees strongly believe that incentives have definitely helping in improving productivity. Workers category and experience category of employees expressed that as a result of incentive payments employees have a tendency

of working overtime which causes health problems. Regarding developing team spirit among employees it is found that majority of the employees perceive improvement in team work as a result of individual and group incentives. The analysis on reward revealed that majority employees believed that incentives will help in rewarding efficient workers. An attempt was made to find whether workers and employees are satisfied with implementation of incentive schemes found that highest satisfaction is indicated among supervision staff. The overall analysis by independent sample z-test between workers and clerical staff, between workers and supervisory staff revealed that incentives schemes are giving satisfactory results in improving workers performance apart from increasing incomes of the workers and other benefits. To make the incentive schemes more effective and beneficial to the workers, Clerical staff and supervisors Incentives bonus can be paid on weekly basis instead of paying them fortnightly basis. Incentives should be based on shift average production of the team in order to promote team work.

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