



Incentives And Motivational Measures Among The Employees In Vintek Casting Private Limited Coimbatore

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Abstract

This study explores the role of incentives and motivational measures in enhancing employee performance and organizational productivity. It examines both monetary and non-monetary incentives, including bonuses, recognition programs, career development opportunities, and workplace environment improvements. Through a mixed-method approach involving surveys, interviews, and performance data analysis, the research investigates how different incentive strategies impact employee satisfaction, engagement, and retention. The findings aim to provide insights for managers and HR professionals on designing effective motivational frameworks that align with organizational goals and employee needs. The study also highlights potential challenges in implementing incentive programs and offers recommendations for sustainable motivational practices.

Keywords: Employee motivation, Incentive program, Performance based rewards, Monetary incentives, Non monetary incentives, Work place culture, Career development and Job satisfaction.

Introduction

In today's competitive business environment, private sector organizations face significant challenges in attracting, retaining, and maximizing the potential of their workforce. As employee expectations evolve, traditional motivators such as job security and fixed salaries are no longer sufficient. Instead, employees seek meaningful incentives and opportunities that align with their personal and professional goals. This research explores the critical role of both monetary and non-monetary incentives in enhancing employee motivation, performance, and loyalty. By examining key motivational strategies and their impact, the study aims to provide practical insights for organizations to foster a motivated, engaged, and productive workforce.

Statement of the Problem

Organizations worldwide face challenges in maintaining high levels of employee motivation and productivity. While incentives and motivational measures are widely recognized as effective tools to enhance employee engagement, their effectiveness varies across industries, demographics, and workplace cultures. This study seeks to explore the impact of different types of incentives financial and non-financial on employee performance, job satisfaction, and retention. It also aims to identify potential gaps between employee

expectations and the motivational strategies implemented by organizations, providing insights into optimizing these measures to align with workforce needs and organizational goals.

Scope of the Study

This study focuses on evaluating the effectiveness of incentives and motivational measures among employees within selected organizations. It examines both financial incentives (such as bonuses, salary increments, and profit-sharing) and non-financial incentives (including recognition programs, professional development opportunities, and work-life balance initiatives). The research targets employees across different levels, departments, and demographics to understand diverse perspectives on motivational strategies. This study focuses on employees at different hierarchical levels within Vintek Casting Private Limited. It examines financial and non-financial incentives, motivational techniques, and their influence on performance, job satisfaction, and employee retention. The research is limited to the policies and strategies adopted by the company within the past five years.

Objectives of the Study

- To understand the incentives provided by the company.
- To identify the factors influencing employee motivation within the organization.
- To evaluate the satisfaction level of employees on their motivational incentives.
- To suggest ways to improve incentives for better employee motivation and retention.

Research Methodology

1. Research Design

The research adopts a descriptive design to systematically examine and analyse incentives and motivational measures among the employees in Vintek casting private limited Coimbatore. This design helps to identify, describe, and evaluate key factors such as salary and bonuses, recognition, career development, better work life balance and job security that influence employee satisfaction and perceptions.

2. Sampling Size

A sample size of 203 employees is selected for the study.

3. Methods of Data Collection

Primary Data:

- Primary data is original and first-hand information collected directly from the source for a specific research purpose.
- The various sources for collecting primary data are questionnaire, observation, interview, consumer panels etc. The primary sources used for this study is questionnaire.

Secondary Data:

- Secondary data is the information which is already availed in published or unpublished form.
- It is also used for collecting historical data. The various sources of secondary data are books, periodical, journal, magazines, statistical data sources etc

4. Tools for Data Analysis

For analysing the data, the appropriate statistical tools were used such as follows:

- Simple Percentage analysis
- Likert scale analysis

Review of Literature

Jyoti Todkar, Dr. Mangesh Wanegaokar, (2022) "To Study Effect of Performance Incentive on Employee Motivation and Turnover, Study of CBSE Schools in Pune Region, The study examines the influence of performance incentives on employee motivation and turnover in CBSE schools in Pune. It reveals that performance incentives significantly boost motivation, but favoritism in distribution leads to dissatisfaction and increased turnover intent, particularly among teaching staff. While employers recognize that incentives enhance productivity, they often lack formal incentive policies or budgets. Both monetary and non-monetary

incentives are essential, yet mismanagement erodes employee morale. The research underscores the need for transparent, fair incentive policies to maintain staff motivation and reduce turnover, suggesting that such frameworks are crucial for organizational effectiveness in the education sector.

Osifoh Ozoya Austin and Musah Ishaq, (2022) Financial Incentive a Motivation Tool for Enhancing Employee Performance in a Recessed Economy: A Case Study of Selected Hotels in Awka Metropolis It identifies financial incentives, such as sales commissions, as critical in boosting employee commitment, productivity, and reducing turnover. Using a survey of 41 employees, the study found a strong positive correlation between financial incentives and performance, supported by Vroom's expectancy theory. Recommendations include aligning incentives with performance and addressing employees' financial needs to enhance job satisfaction and organizational efficiency. The findings emphasize monetary rewards as vital, especially during economic recessions.

Dr. C K Gomathy, Mr. Pusuluri sai Venkata Akshay, Mr. Kalyan Tantravahi, et al, (2022) "The Impact of Motivational Incentives on Employee Performance, The study examines the impact of motivational incentives on employee performance, using a case study of an Indian packaging organization. It highlights challenges like poor working conditions, delayed payments, and a lack of managerial focus on employee satisfaction, which result in low morale and performance. The research underscores the importance of incentives both monetary and non-monetary in enhancing motivation and productivity. Findings reveal that employees value financial rewards more than other forms of recognition. The study emphasizes implementing effective motivational strategies to boost performance and organizational success, benefiting managers, researchers, and students in related fields.

Dr. C K Gomathy, Mr. B. Saimadan Reddy, Mr. B. Munendra et al (2022) "The Effect of Incentives on Job Performance in An Organization Incentives, both monetary and non-monetary, significantly influence job performance and organizational productivity. Financial incentives like salaries, bonuses, and allowances improve job satisfaction, loyalty, and efficiency. Non-financial incentives, including recognition, flexible work environments, and professional development, enhance employee morale and engagement. This study analyzed 15 banks in Mumbai, revealing that incentive programs boost performance by rewarding productivity and fostering positive behaviors. Effective incentive systems cater to employee needs, encourage motivation, and align individual and organizational goals, making them essential for achieving sustainable growth and enhanced performance.

Dr. M.R. Vanithamani and S. Kayalvizhi, (2023) A Study on the Impact of Reward System on Employee Motivation @ RVS Export The study examines the impact of reward systems on employee motivation at RVS Export, emphasizing monetary and non-monetary rewards. Key motivators include salaries, bonuses, recognition, flexible working conditions, and development programs like training. While monetary incentives address basic needs, non-monetary rewards, such as daycare facilities and recognition, enhance morale and commitment. The study highlights a positive correlation between rewards and motivation, finding that well-structured reward systems foster employee satisfaction, loyalty, and performance. Recommendations include tailored reward policies to optimize employee engagement and organizational success, underscoring the strategic importance of balanced incentives.

Irmohizam Ibrahim and Norhasni Zainal Abiddin, (2023) The Impact of Incentives on Employee Productivity: Review of Past Literatures", the article highlights the critical role of incentives in boosting employee productivity and motivation across various sectors. Incentives, both financial (bonuses, salary increments) and non-financial (recognition, flexible work conditions), significantly impact job satisfaction and performance. Effective incentive programs align with organizational goals, ensuring fairness, transparency, and regular evaluation. Studies reveal a positive correlation between incentives and productivity, emphasizing that well-designed incentives enhance motivation, engagement, and workplace satisfaction. By fostering innovation and continuous improvement, incentives drive higher performance and organizational success. Proper planning and management of these programs are essential to create a motivated and efficient workforce.

Godfrey E. I. T, (2023) Role of Incentives in the Management and Retention of Employees among SMEs The document examines the role of incentives in managing and retaining employees in SMEs. Employee retention is critical as high turnover impacts productivity, skills, and business continuity. Incentives, both monetary (e.g., bonuses) and non-monetary (e.g., recognition), are crucial in motivating employees and reducing turnover. Motivated employees are more productive, innovative, and likely to stay. SMEs face unique

challenges such as limited budgets for incentives and higher turnover rates. Recommendations include designing effective incentive programs tailored to employee needs to enhance motivation, retention, and organizational success.

Mahjabin Banu1 Urvi Bhardwaj, (2023) "A Study on Impact of Incentives on Employee Performance in Private Schools of Delhi, The study investigates the impact of incentives on employee performance, focusing on private schools in Delhi. It emphasizes that both monetary and non-monetary incentives enhance productivity, motivation, and job satisfaction. Financial incentives ranked highest, while non-financial incentives like recognition and growth opportunities significantly improved morale and commitment. The study highlights the importance of a balanced approach to maintain intrinsic and extrinsic motivation, avoiding negative effects like unhealthy competition. Regression analysis confirmed a moderate correlation between incentives and performance, underscoring the need for effective incentive programs to foster employee growth and organizational success.

Dr. K. Ramesh, (2023) "How the Monetary Incentives Increase the Motivation of The Employee's Performance? A Conceptual Analysis The research highlights how monetary incentives influence employee motivation and performance. It concludes that monetary rewards, such as bonuses and financial compensation, serve as strong motivators, especially in high-cost living environments. While monetary incentives boost motivation and productivity, they alone cannot fully inspire all employees. A combination of financial and non-financial rewards, including recognition and career development, effectively enhances satisfaction, loyalty, and overall performance. Organizations must carefully balance incentives to ensure they align with employee needs and goals, fostering a productive and motivated workforce while avoiding over-dependence on financial rewards.

Megren Abdullah Altassan, (2024) Exploring non-financial incentives for employee motivation in small and medium enterprises in Saudi Arabia The study explores the role of non-financial incentives in motivating employees in Saudi Arabian SMEs, emphasizing recognition, skill development, career growth, and work-life balance. Surveying 365 employees in Jeddah, it found that non-financial incentives significantly enhance job satisfaction, engagement, and commitment. This research offers actionable insights for SMEs to adopt balanced incentive strategies for workforce motivation and organizational success.

Analysis and Interpretation

1. Simple Percentage Analysis

Simple percentage analysis is a statistical tool used to analyze and interpret data in terms of percentages.

Table 1: Type of incentives that the company provides

Types of Incentives	Number of Respondents	Percentage
Salary bonuses	31	15.3%
Performance promotions	54	26.6%
Employee recognition awards	63	31%
Health and wellness benefits	33	16.3%
Flexible work hours	14	6.9%
Non-monetary rewards	8	3.9%
Total	203	100

(Source: Primary data)

Table 1 shows that [15.3% (31)] of the employees moderately valued salary and bonuses, [26.6% (54)] of employees chose performance promotions as key incentives, [31% (63)] chose employee recognition award as an incentive, [16.3% (3) valued health and wellness benefits incentive, [6.9% (14)] chose flexible work hours and only [3.9% (8)] valued as non-monetary rewards.

Table 2: Perception of incentives' impact on work performance

Perception of Incentives Impact on Work Performance	Number of Respondents	Percentage
Yes, significantly	43	21.2%
Yes, to some extent	108	53.2%
No, it has no impact	46	22.7%
No, it negatively affects my performance	6	3%
Total	203	100

(Source: Primary data)

Table 2 shows that [21.2% (43)] of the respondents feel incentive significantly impact their performance, [53.2% (108)] of the employees believe incentive impact their performance to some extent, [22.7% (46)] of the respondents feel that incentives have no impact on their performance and only [3% (6)] believe that incentives negatively affect their performance.

2. Likert Scale Analysis

A Likert Scale is a widely used rating scale that measures people's attitudes, opinions, or perceptions toward a specific topic. It consists of a set of statements where respondents indicate their level of agreement or disagreement on a scale of 5 or more points.

Table 3: Additional incentives to improve motivation and retention

Effectiveness of Incentives to Keep Employees Motivated	Number of Respondents	Likert Scale Value	Rank
Very effective	37	5	185
Effective	77	4	308
Neutral	64	3	192
Ineffective	21	2	42
Very ineffective	4	1	4
Total	203		731

(Source: Primary data)

$$\begin{aligned}
 \text{Likert Scale} &= \sum fx / \text{Total Number of Respondents} \\
 &= 731 / 203 \\
 &= 3.6
 \end{aligned}$$

Table 3 shows that [18.2% (37)] of respondents find the incentives to be very effective in keeping them motivated, [37.9% (77)] of respondents believe the incentives are effective in motivating employees, [31.5% (64)] of respondents were neutral, [10.3% (21)] of respondents feel that incentives are ineffective and only [2% (4)] of the respondents think the incentives are very ineffective.

Table 4: Impact of non-monetary incentives on daily performance

Impact of Non-monetary Incentives on Daily Work Performance	Number of Respondents	Likert Scale Value	Rank
Strongly agree	29	5	145
Agree	111	4	444
Neutral	40	3	120
Disagree	17	2	34
Strongly disagree	6	1	6
Total	203		749

(Source: Primary data)

$$\text{Likert Scale} = \sum fx / \text{Total Number of Respondents}$$

$$= 749 / 203$$

$$= 3.6$$

Table 4 shows that [14.3% (29)] of respondents strongly believe that non-monetary incentives such as recognition and career development opportunities positively impact their daily work performance, [54.7% (111)] were agreed non-monetary incentives, [19.7% (40)] are neutral, [8.4% (17)] are disagree with the statement and only [3% (6)] respondents strongly disagree, indicating that they do not feel non-monetary incentives affect their work performance.

Findings

- Majority [15.3% (31)] of the respondents identified employee recognition award as most common incentive.
- Majority [53.2% (108)] of respondents believe that incentives impact their performance to some extent.
- Likert scale value is 3.6 which is greater than the mid value (3), thus the employees believe they are effective in motivating employees.
- Likert scale value is 3.6 which is greater than the mid value (3), that the non-monetary incentives positively affect their daily performance.

Suggestions

- Improve transparency in incentive communication through multiple channels like emails, meetings, and dashboards.
- Conduct workshops or training sessions to educate employees on incentive structures.
- Consider salary revisions and performance-based bonuses to address concerns about low salary and incentives.
- Implement periodic salary reviews to remain competitive in the industry.
- Increase non-monetary incentives such as employee recognition programs, flexible work arrangements, and professional development opportunities.
- Strengthen mentorship programs, skills training, and clear promotion pathways to enhance career development.

- Organize engagement programs like team-building activities and mental wellness support to boost employee morale.
- Implement more frequent appreciation initiatives, including verbal recognition, awards, and appreciation events.

Conclusion

This study concludes that the incentives play a crucial role in enhancing employee motivation and job satisfaction. By recognizing employees' efforts, providing career development opportunities, and improving communication about rewards, organizations can create a more engaged and motivated workforce. When employees believe valued and see opportunities for growth, they become more productive and committed to their roles. Implementing these positive changes will not only boost employee morale but also contribute to the overall success and growth of the organization.

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