

## **A STUDY ON ENHANCING EMPLOYEES PERFORMANCE THROUGH MONETARY INCENTIVES IN MNCS AT COIMBATORE.**

**Corresponding Author:**

**SAKTHIVEL.P.S.,  
14, Jai Maruti nagar,  
Police quarters, Ganapathy,  
Coimbatore-641006.**

## **A STUDY ON ENHANCING EMPLOYEES PERFORMANCE THROUGH MONETARY INCENTIVES IN MNCS AT COIMBATORE.**

**Dr. D.S.S. MURUGANANDAM M.Com., M.Phil., MBA., (Ph.D.), Professor, Department of Commerce,**

**Dr. N.G.P. Arts and Science College, Coimbatore.**

**SAKTHIVEL.P.S., Third Year B.Com., Dr.N.G.P. Arts and Science College, Coimbatore.**

### **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 analyses 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.

### **1.2 SIGNIFICANCE 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 purpose of the study critically focuses on the monetary incentive point below:

- Relationship between monetary incentives and employee performance
- Importance of monetary incentives to enhance employee performance
- Benefits for an employee through financial rewards
- Effect of monetary incentive in the competitive business market

### **1.3 OBJECTIVE OF THE STUDY:**

The objective of the study about monetary incentives and their importance to enhance employee performance is an active role in the business market. The monetary incentive for an employee is a direct effect on the market chain. The way of rewarding employees changes the work morale of an employee. This positive mentality affects business productivity which is the most important part of any business organization. The main object of this study or analysis paper understands the importance of the system of monetary incentives for employees to enhance their performance in an organization and the process of competitive market exploration using a monetary incentive. . As per an economic report, using employee monetary rewards various positive changes came in the business environment. Examples are provided below:

- Increase the quality of work and business productivity through an incentive system
- Build a good relationship between colleges as well as a customer for business productivity.
- The incentive method appreciates a positive attitude among business employee performance.
- Employee active mentality enhancing business productivity through incentive process.

### **1.4 METHODOLOGY:**

Monetary incentives as well as a financial reward system holding an active way to motivate organization employees based on their business performance and also based on business productivity. To increase business productivity in a competitive market chain one of the important parts is to increase employee performance. An enhanced employee performance incentive or reward option is a great step to motivate staff. This analysis paper on monetary incentives and the importance of incentives to enhance employee performance is described in this whole study paper. The area of methodology describes major tools or processes to analyses critically to find proper results

### 1.5 TOOLS USED:

- Percentage Analysis
- Ranking Analysis:
- Weighted Average Method
- Chi Square Test

## REVIEW OF LITERATURE

1. The study investigated the Impact of Monetary and Psychological Incentives on Employees' performance. The problem of the study that is there is any statistically significant impact of the monetary incentives on employees' performance. Is there any statistically significant impact of the psychological incentives on employees' performance? The study aimed to examine the impact of monetary incentives on employees' performance. To determine the impact of psychological incentives on employees' performance. (Sameh Abdelhay, Siham Haider, 2023)
2. This study examined the effect of monetary incentives on employee's performance in manufacturing firms in Anambra State. The objectives of the study were basically to ascertain the relationship between salary, wages, fringe benefits bonuses and commission and workers' performance in manufacturing firms under study. The study formulated four research questions and four hypotheses in line with objective of the study. Related literature was reviewed under conceptual framework, theoretical framework, empirical review. The study adopted survey research design. (Amara Lovina Nnbia, 2020)

### Monetary and non-monetary incentives:

#### What Is a Monetary Incentive?

Monetary incentives are financial incentives used in the workplace, which help encourage employees to increase their performance and meet their targets. It's a given fact that most people are not motivated to work unless money is involved. So, using money as an incentive in the workplace can be highly effective to motivate employees to work harder and boost worker retention.

#### What Are Non-Monetary Incentives?

Non-monetary incentives are perks that do not involve money and can be just as powerful as money. In the workplace, non-monetary incentives can include extra time off, flexible working hours, rewards, recognition and praise, just to name a few. These rewards have a powerful psychological effect on employees, stimulating their desire to work harder or achieve more.

**Types of monetary incentives:**

- Increase in Pay or a Raise
- Piece-Rate Pay
- Cash Rewards
- Gift Cards
- Profit Sharing

**Types of Non-monetary incentives:**

- An Extra Day Off
- Flexible Work Arrangements
- Autonomy
- Providing Extensive Training Offers
- Recognition is all that matters

**HOW TO PAY MONETARY INCENTIVES LEGALLY:**

Monetary incentives and bonuses are considered to be “supplemental wages,” meaning they are not part of an employee’s regular income. The IRS legally holds the employee responsible for paying taxes on monetary bonuses, paid incentives and commissions or tips.

**MONETARY INCENTIVE PROGRAM:**

A monetary incentive program is a plan that outlines the privileges and rewards a company intends to give to employees. There are two main types: monetary and nonmonetary. A monetary incentive is money that an employee receives in addition to their base pay, while a nonmonetary incentive is something other than money.

**How to start an employee incentive program:**

Before introducing an incentive program, consult a lawyer to ensure compliance with labour and tax laws.

**Follow these steps to create an employee incentive program:**

1. Define clear goals for your incentive program
2. Determine the types of incentives you can afford
3. Get opinions from your employees
4. Be transparent and track performance

## DATA ANALYSIS AND INTREPRETATION

In this chapter the analysis and interpretation of the data from an analysis of enhancing employee's performance through monetary incentives in MNCS at Coimbatore based on the information supplied by the sample of 125 respondents is shown. We have used the percentage analysis, ranking analysis, weighted average method and chi square test to analyse the obtained data.

### 4.1 PERCENTAGE ANALYSIS

**TABLE 4.1.1 – AGE**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
20 - 30	39	31.2
30 – 40	50	40
40 - 50	29	23.2
Above 50	7	5.6
Total	125	100

#### INTREPRETATION

The above table shows that 39 (31.2%) of the respondents are between the age group of 20-30, 50 (40%) of the respondents are between the age group of 30-40, 29 (23.2%) of the respondents are between age group of 40-50, 7 (5.6%) of respondents are from age group of above 50 years.

**TABLE 4.1.2 – EDUCATIONAL QUALIFICATION**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
School	14	11.2
Diploma	31	24.8
Under graduate	59	47.2
Post graduate	21	16.8
Total	125	100

#### INTREPRETATION

From the above table, it is observed that the 14 (11.2%) of the respondents are in the category of school, 31 (24.8%) of the respondents are in the category of diploma, 59 (47.2%) of the

respondents are in the category of under graduate and 21 (16.8%) respondents are in the category of post graduate.

**TABLE 4.1.3 – EMPLOYMENT STATUS**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Employed	23	18.4
Self Employed	37	29.6
Profession	36	28.8
Student	10	8
Other	19	15.2
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the 23 (18.4%) of respondents are in category of employed, 37 (29.6%) of the respondents are in the category of self-employed, 36 (28.8%) of the respondents are in the category of profession, 10 (8%) of the respondents are in the category of student and 19 (15.2%) of the respondents are in the category of other.

**TABLE 4.1.4 – MARITAL STATUS**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Married	61	48.8
Unmarried	64	51.2
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the 61 (48.8%) of the respondents are in the category of married and 64 (51.2%) of the respondents are in the category of unmarried.

**TABLE 4.1.5 – ANNUAL INCOME**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Rs.100000 - Rs.300000	23	18.4
Rs.300000 – Rs.500000	28	22.4
Rs.500000 – Rs.700000	56	44.8
Above Rs.700000	18	14.4
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 23 (18.4%) of respondents are in category of income between Rs.100000 – Rs.300000, 28 (22.4%) of the respondents are in the category of income between Rs.300000 – Rs.500000, 56 (44.8%) of the respondents are in the category of income between Rs.500000 – Rs.700000, 18 (14.4%) of the respondents are in the category of income Above 700000.

**TABLE 4.1.6 – TYPES OF FAMILY**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Nuclear Family	61	48.8
Joint Family	64	51.2
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the 61 (51.2%) of the respondents are in the category of nuclear family and 64 (48.8%) of the respondents are in the category joint family.

**TABLE 4.1.7 – SIZE OF YOUR INDUSTRY (MSME)**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Micro industry	32	25.6
Small industry	59	47.2
Medium industry	34	27.2
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the 32 (25.6%) of the respondents are working in micro industry, 59 (47.2%) of the respondents are working in small industry, 34 (27.2%) of the respondents are working in medium industry.

**TABLE 4.1.8 – EFFECTIVENESS OF MONRTARY INCENTIVES IN ENHANCING EMPLOYEES PERFORMANCE IN YOUR COMPANY.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Very effective	31	24.8
Somewhat effective	51	40.8
Neutral	41	32.8
Ineffective	2	1.6
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 31 (24.8%) of respondents are claiming it is very effective, 51 (40.8%) of the respondents are claiming it is somewhat effective, 41 (32.8%) of the respondents are claiming it is neutral, 2 (1.6%) of the respondents are claiming it is ineffective.

**TABLE 4.1.9 – TYPE OF INCENTIVE, WHICH IS MOST MOTIVATING.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Cash bonuses	30	24
Stock options	38	30.4
Profit sharing	42	33.6
Commission	15	12
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 30 (24%) of respondents are in the category of cash bonuses, 38 (30.4%) of the respondents are in the category of stock options, 42 (33.6%) of the respondents are in the category of profit sharing, 15 (12%) of the respondents are in the category of commission.



**TABLE 4.1.10 – FREQUENCY IN PROVIDING MONETARY INCENTIVES TO EMPLOYEES.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Annually	27	21.6
Semi-annually	51	40.8
Quarterly	32	25.6
Monthly	15	12
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 27 (21.6%) of respondents are in the category of annually, 51 (40.8%) of the respondents are in the category of semi-annually, 32 (25.6%) of the respondents are in the category of quarterly, 15 (12%) of the respondents are in the category of monthly.

**TABLE 4.1.11 – MONETARY INCENTIVES SHOULD BE TIED TO INDIVIDUAL, TEAM PERFORMANCE OR BOTH.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Individual performance	35	28
Team performance	38	30.4
Both	41	32.8
Neither	11	8.8
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 35 (28%) of respondents are in the category of individual performance, 38 (30.4%) of the respondents are in the category of team performance, 41 (32.8%) of the respondents are in the category of both, 11 (8.8%) of the respondents are in the category of neither.

**TABLE 4.1.12 – TRANSPARENCY IN THE CRITERIA FOR RECEIVING MONETARY INCENTIVES.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Completely transparent	27	21.6
Somewhat transparent	54	43.2
Neutral	32	25.6
Not transparent	12	9.6
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 27 (21.6%) of respondents are in the category of completely transparent, 54 (43.2%) of the respondents are in the category of somewhat transparent, 32 (25.6%) of the respondents are in the category of neutral, 12 (9.6%) of the respondents are in the category of not transparent.

**TABLE 4.1.13 – MONETARY INCENTIVES TO BE TIED TO SHORT-TERM OR LONG-TERM GOALS.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Short-term goals	17	13.6
Long-term goals	55	44
Both	42	33.6
Neither	11	8.8
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 17 (13.6%) of respondents are in the category of short-term goals, 55 (44%) of the respondents are in the category of long-term goals, 42 (33.6%) of the respondents are in the category of both, 11 (8.8%) of the respondents are in the category of neither.

**TABLE 4.1.14 – IMPORTANCE MONETARY INCENTIVES COMPARED TO NON-MONETARY INCENTIVES IN DRIVING EMPLOYEES PERFORMANCE.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Muchmore important	31	24.8
Somewhat more important	42	33.6

Equally important	41	32.8
Less important	11	8.8
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 31 (24.8%) of respondents are in the category of much more important, 42 (33.6%) of the respondents are in the category of somewhat important, 41 (32.8%) of the respondents are in the category of equally important, 11 (8.8%) of the respondents are in the category of less important.

**TABLE 4.1.15 – ASPECT OF MONETARY INCENTIVES THAT NEEDS IMPROVEMENT IN YOUR ORGANIZATION.**

CATEGORY	No. OF RESPONDENTS	PERCENTAGE
Clarity of criteria	23	18.4
Frequency of distribution	42	33.6
Amount of incentives	45	36
Alignment with company goals	15	12
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 23 (18.4%) of respondents are in the category of clarity of criteria, 42 (33.6%) of the respondents are in the category of frequency of distribution, 45 (36%) of the respondents are in the category of amount of incentives, 15 (12%) of the respondents are in the category of alignment with company goals.

**TABLE 4.1.16 – SATISFICATION OF CURRENT MONETARY INCENTIVE SYSTEM IN YOUR COMPANY.**

CATEGORY	No. OF RESPONDENTS	PERCENTAGE
Very satisfied	25	20
Satisfied	47	37.6
Neutral	40	32
Dissatisfied	13	10.4
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 25 (20%) of respondents are in the category of very satisfied, 47 (37.6%) of the respondents are in the category of satisfied, 40 (32%) of the respondents are in the category of neutral, 13 (10.4%) of the respondents are in the category of dissatisfied.

**TABLE 4.1.17 – ADJUSTMENT IN MONETARY INCENTIVES BASED ON ECONOMIC CONDITIONS AND COMPANY PERFORMANCE.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Yes	22	17.6
No	41	32.8
It depends	51	40.8
Unsure	11	8.8
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 22 (17.6%) of respondents are in the category of yes, 41 (32.8%) of the respondents are in the category of no, 51 (40.8%) of the respondents are in the category of it depends, 11 (8.8%) of the respondents are in the category of unsure.

**TABLE 4.1.18 – FAIRNESS OF THE CURRENT DISTRIBUTION OF MONETARY INCENTIVES WITHIN YOUR ORGANIZATION.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Very fair	19	15.2
Somewhat fair	59	47.2
Neutral	38	30.4
Unfair	9	7.2
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 19 (15.2%) of respondents are in the category of very fair, 59 (47.2%) of the respondents are in the category of somewhat fair, 38 (30.4%) of the respondents are in the category of neutral, 9 (7.2%) of the respondents are in the category of unfair.

**TABLE 4.1.19 – MONETARY INCENTIVES THAT ENCOURAGES COLLABORATION AND TEAMWORK THE MOST.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Team based bonuses	21	16.8
Profit sharing	40	32
Individual performance bonuses	47	37.6
Others	17	13.6
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 21 (16.8%) of respondents are in the category of team-based bonuses, 40 (32%) of the respondents are in the category of profit sharing, 47 (37.6%) of the respondents are in the category of individual performance bonuses, 17 (13.6%) of the respondents are in the category of others.

**TABLE 4.1.20 – EFFECTIVENESS OF MONETARY INCENTIVES IN RETAINING TOP TALENT WITHIN COMPANIES.**

<b>CATEGORY</b>	<b>No. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Yes	25	20
No	31	24.8
It depends	56	44.8
Unsure	13	10.4
Total	125	100

**INTREPRETATION**

From the above table, it is observed that the of the 25 (20%) of respondents are in the category of yes, 31 (24.8%) of the respondents are in the category of no, 56 (44.8%) of the respondents are in the category of it depends, 13 (10.4%) of the respondents are in the category of unsure.p

#### 4.2 RANKING ANALYSIS

**TABLE 4.2.1 – RANKING THE MONETARY INCENTIVES BASED ON THEIR EFFECTIVENESS IN FOSTERING CULTURE OF INNOVATION IN INDUSTRIES.**

CATEGORY	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	RANK
Festival bonus	63	28	16	9	9	125	<b>I</b>
	315	112	48	18	9	502	
Profit sharing scheme	63	21	18	14	9	125	<b>II</b>
	315	84	54	28	9	490	
Project based bonus	49	34	16	13	13	125	<b>III</b>
	245	136	48	26	13	468	
Performance bonus	47	27	21	21	9	125	<b>IV</b>
	235	108	63	42	9	457	
Stock options	46	31	19	17	12	125	<b>V</b>
	230	124	57	34	12	457	

#### INTREPRETATION

From the above table, it is found that Festival bonus (rank I) is the most preferred monetary incentive in fostering culture of innovation in industries by the respondents and Stock options (rank V) is the least preferred monetary incentive in fostering culture of innovation in industries.

#### 4.3 WEIGHTED AVERAGE METHOD

**TABLE 4.3.1-WEIGHTED AVERAGE OF MONETARY INCENTIVES BASED ON THEIR EFFECTIVENESS IN FOSTERING CULTURE OF INNOVATION IN INDUSTRIES.**

CATEGORY	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	MEAN
Festival bonus	63	28	16	9	9	125	<b>4.01</b>
	315	112	48	18	9	502	
Profit sharing scheme	63	21	18	14	9	125	<b>3.92</b>
	315	84	54	28	9	490	

Project based bonus	49	34	16	13	13	125	<b>3.74</b>
	245	136	48	26	13	468	
Performance bonus	47	27	21	21	9	125	<b>3.65</b>
	235	108	63	42	9	457	
Stock options	46	31	19	17	12	125	<b>3.65</b>
	230	124	57	34	12	457	

**INTREPRETATION**

From the above table Festival bonus has the highest mean score - 4.01

**4.4 CHI SQUARE TEST**

**TABLE 4.4.1 – RELATIONSHIP BETWEEN AGE AND PREFERANCE IN FLEXIBILITY OF RECEIVING MONETARY INCENTIVES**

<b>CATEGORY</b>	<b>20-30</b>	<b>30-40</b>	<b>40-50</b>	<b>ABOVE 50</b>	<b>TOTAL</b>
<b>YES</b>	<b>12</b>	<b>17</b>	<b>9</b>	<b>1</b>	<b>39</b>
<b>NO</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>2</b>	<b>27</b>
<b>IT DEPENDS</b>	<b>17</b>	<b>18</b>	<b>10</b>	<b>3</b>	<b>48</b>
<b>UNSURE</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>11</b>
<b>TOTAL</b>	<b>39</b>	<b>50</b>	<b>29</b>	<b>7</b>	<b>125</b>

**TABLE 4.4.2 CHI-SQUARE ANALYSIS**

<b>FACTOR</b>	<b>CALCULATED VALUE</b>	<b>DEGREE OF FREEDOM</b>	<b>TABEL VALUE</b>	<b>REMARKS</b>
AGE & AWARENESS ABOUT CREDIT SCORE	6.31	9	16.92	ACCEPTED

## INTREPRETATION

The above table reveals that, calculated value is 6.31. The calculated chi square value is (6.31) lesser than the table value (16.92). So, the null hypothesis is accepted. Hence, there is significance relationship between the age and preference in flexibility of receiving monetary incentives. The chi-square statistic is 6.31.

## FINDINGS, SUGGESTIONS AND CONCLUSION

### 5.1 FINDINGS

- We have conducted this survey with 125 respondents through structured questionnaire and out of which:
- 39 (31.2%) of the respondents are between the age group of 20-30, 50 (40%) of the respondents are between the age group of 30-40.
- 59 respondents (47.2%) have completed under graduation
- Out of 125 respondents, 31 respondents have only diploma as their educational qualification with 24.8%
- Annual income level Rs.5000000 - Rs.7000000 are majority with 44.8% respondents and 14.4% are being with Above Rs. 700000 income level
- Marital status of the respondents is being 48.8% as married and 51.2% are unmarried.
- 37 (29.6%) of the respondents are self-employed, 10 (8%) of the respondents are student.
- 64 (51.2%) of the respondents re in joint family, 61 (48.8%) of the respondents are in nuclear family.
- Among 125 respondents, 59 respondents (47.2%) are working in small industry.
- 51 (40.8%) of the respondents are claiming that monetary incentives are somewhat effective in enhancing employee's performance in their companies.
- 42 (33.6%) of the respondents are claiming that profit sharing is the most motivating type of incentive.
- 51 (40.8%) of the respondents are expecting semi-annually of frequency in providing monetary incentives to employees, 15 (12%) of the respondents are expecting monthly of frequency in providing monetary incentives to employees.
- 41 (32.8%) of the respondents are claiming that both individual and team performance should be tied to monetary incentive
- 54 (43.2%) of the respondents are expecting somewhat transparency in the criteria for receiving monetary incentives.
- Out of 125 respondents, 55 (44%) of the respondents are claiming that long-term goals should be tied to monetary incentives



## 5.2 SUGGESTIONS

- Performance-based bonuses: Offer bonuses tied directly to individual or team performance metrics. This could be hitting sales targets, completing projects ahead of schedule, or achieving customer satisfaction goals.
- Profit sharing: Implement a profit-sharing program where employees receive a percentage of the company's profits. This incentivizes employees to work towards the overall success of the organization. Commission structures: For sales roles, establish commission structures that reward employees for exceeding sales targets. This provides a direct incentive for driving revenue.
- Merit-based raises: Offer merit-based salary increases for employees who consistently perform at a high level. This recognizes and rewards individual contributions to the company.
- Stock options: Provide employees with stock options or equity grants as part of their compensation package. This aligns their interests with the long-term success of the company.
- Performance based stock grants: Grant shares of stock based on performance milestones or achievements. This encourages employees to strive for excellence and take ownership of their work.
- Spot Awards: Implement a program where managers can give on-the-spot monetary rewards for exceptional performance or going above and beyond in their roles.
- Referral Bonuses: Offer monetary incentives for employees who refer qualified candidates to the company. This can help attract top talent and incentivize employees to actively participate in the recruitment process.
- Retention Bonuses: Provide bonuses or financial incentives for employees who stay with the company for a certain period of time. This can help reduce turnover and retain top performers.
- Education and Training Stipends: Offer financial assistance for employees to pursue further education or training relevant to their roles. Investing in employee development can lead to improved performance and job satisfaction

## 5.3 CONCLUSION

Enhancing employee performance through monetary incentives is a multifaceted process that requires careful consideration of organizational goals, employee motivations, and the dynamics of the work environment. This comprehensive approach necessitates a combination of theory-driven strategies and practical implementation tactics to achieve desired outcomes. In conclusion, the successful implementation of monetary incentives to enhance employee performance requires a holistic approach that considers the unique needs and preferences of employees, aligns incentives with organizational goals, and fosters a culture of performance excellence. By leveraging insights from research and best practices, organizations can effectively harness the power of monetary incentives to drive employee engagement, satisfaction, and ultimately, business success