
FINANCIAL INCENTIVES IMPACT ON EMPLOYEE MOTIVATION: A STUDY IN UNIVERSITY OF SRI JAYEWARDENEPURA SRI LANKA

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Abstract

This study conducted to find out the various financial incentives that Sri Jayewardenepura University use to motivate the employees. And incorporate with how organization motivate their employees, the role of incentives on the employee motivation in the organization and to discover the relationship between financial incentives and employee motivation. The study comprised an exploratory contextual analysis outline with both quantitative and quantitative strategies. It utilized sampling strategy amid the procedure of information gathering from the study respondents that was totaling to 25 individuals.

The study concludes that the Sri Jayewardenepura University use distinctive motivational tools in motivating its employees, that employees are motivated for some reasons like; reasonable wages, allowances, etc. to empower collaboration and enhancing the employees resolve at their work places to perform better for an enhanced authoritative performance.

The study recommends that organization ought to join in obtain of motivational needs through altering in the work laws, that there ought to an important coordination between employees' needs and hierarchical needs.

In conclusion, that adequacy of financial incentive on employee motivation in associations are suggested for further studies.

Key words: Financial Incentives, Employee motivation, Motivational tools and Respondents

Introduction

Employee motivation is a worker's crucial enthusiasm about and drive to accomplish exercises identified with work and it is the inside effort that causes a person to choose to make a move (Susan, 2015). Similarly, Lawer, (1969) states, motivation is a mental force that chooses the course of a man's behavior, level of effort, level of diligence even with hindrances. Furthermore, Nohria, Groysberg and Lee (2008) clarifies persuading worker begins with distinguishing that to do their most significant work, representatives must be in a climate that meets their essential enthusiastic motivations to get, guarantee, comprehend, and secure.

Miller, (2015) characterizes, the foreseen effect of financial incentives on human behavior is a sharp theoretical parceling line amidst financial viewpoints and different humanistic systems, particularly mind research. Moreover, Patrick, (2003) mentioned that, giving financial incentives

powers to contender to record or demonstrate certain practices are connected with competitor accomplishment.

This study is conducted to assess "Impact of financial incentives on employee motivation in Sri Jayewardenepura University." Specifically the fundamental expectation is to perceive the connection between financial incentives and employee motivation.

Problem statement

To identify the importance of different financial incentives utilized by Sri Jayewardenepura University to distinguish their commitment towards employee motivation.

Objectives

- To comprehend the relationship between financial incentives and employee motivation.
- To make recommendations for the top administration

Impact of Financial incentives towards Employee motivation

Impact characterizes in exploration as, Miller (2015) as for advancement connections fought that motivation is a key accomplishment part and from this time forward they need to give incentives remembering the deciding objective to energize inventive thinking and sustain high motivation. Moreover, Hetzel (2011) states that, financial incentives strengths are required with a particular final objective to incentive workers to extend the performance of exercises. Likewise, Kinetics, (2010) mentioned incentives give motivation to laborers. Therefore, incentives have demonstrated to build interest in wellbeing of projects.

In contrast, Kohn (1993) as cited in Fryer (2010) explains that, workers will have decreased motivation and that their achievement will be negative once the incentive strengths are taken away. Besides, Cameron and pierce (1994) as cited in Shaw and Gupta (2015) propose that incentives are without a doubt solidly and completely related to individual performance and further, that sparks appeared to have no negative bearing on motivation. Thus, Heathfield (2015) state that, the nonappearance of motivator powers in private connections ought to attract workers who are unmotivated and most contradicted to applying effort. Moreover contended, despite when incentives are slight and non-existent some considerate specialists emit motivation of being significantly fiery to give an administration to society.

However, financial incentives are vital, and the issue of low pay rates must be tended to, particularly in circumstances where wage is inadequate to meet even the most fundamental needs. In any case, the proof recommends that expanded pay rates are in no way, shape or form adequate to take care of the issue of low motivation. More cash does not naturally infer higher motivation (Biomed central, 2006)

Perry, Mesch and Paarlberg (2006) elaborated that the utilization of financial incentives in the employee execution worldview is construct principally in light of the imaginary positions of support theories. Reinforcement theories concentrates on the relationship between the objective conduct and motivational tools. Besides, The Motivation Crowding Effect proposes that outer mediation through financial incentives or disciplines may undermine, and under various identifiable conditions fortify, inherent motivation (Frey and Jegen, 2001).

Finally, Osa (2014) mentioned that the financial incentives can motivate worker to perform well

on their occupation. Administrators persistently look for approaches to make an encouraging domain where workers will work at their discretionary levels to accomplish the authoritative objectives. Work place motivators largely incorporate with financial incentives where it can be different while similarly affecting partners. The reason for financial incentives is to compensate workers for amazing occupation execution through cash. Research demonstrates that pictured financial incentives vary for workers in view of profession stage and generation.

Nevertheless Shaheen and Farooqi (2014) have presumed that for individuals with acceptable financial incentives, some nonfinancial helpers are more compelling than additional trade out building long haul worker engagement in most divisions, work capacities, and business connections. Numerous monetary remunerates basically create short-lived supports of vitality, which can have harming unintended outcomes.

Methodology

In this study author use deductive approach to identify the financial incentive factors that affect to employee motivation as well as used a descriptive methodology to analysis the data.

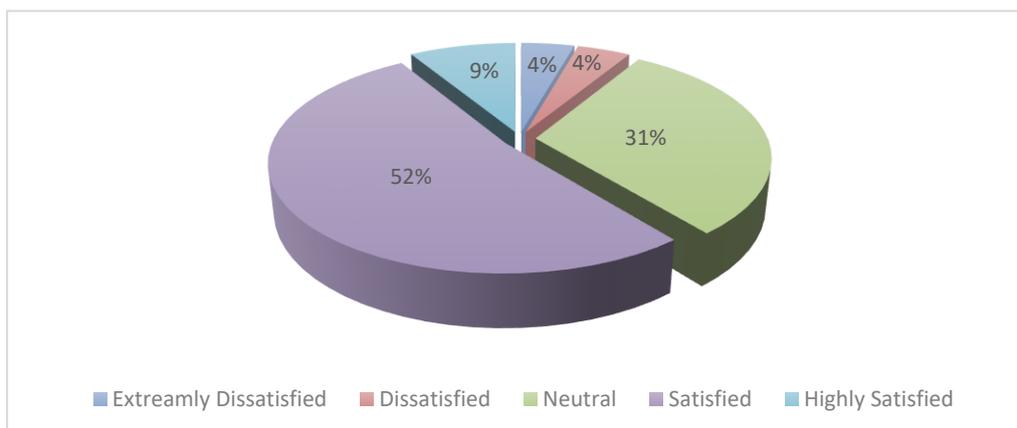
Meanwhile, author consider 25 staff individuals from Humanities and Social Sciences Faculty as the population and there are 15 staff individuals from top level administration as the target sample. Whereas, there are several questions that have asked from the respondents and according to their response, the discussion has been made.

Data collection

In this study as the primary data collection technique, author will utilize close ended questionnaires to gather information. Also, used academic and commercial abstract, journal articles and online books as the recourses for the secondary data.

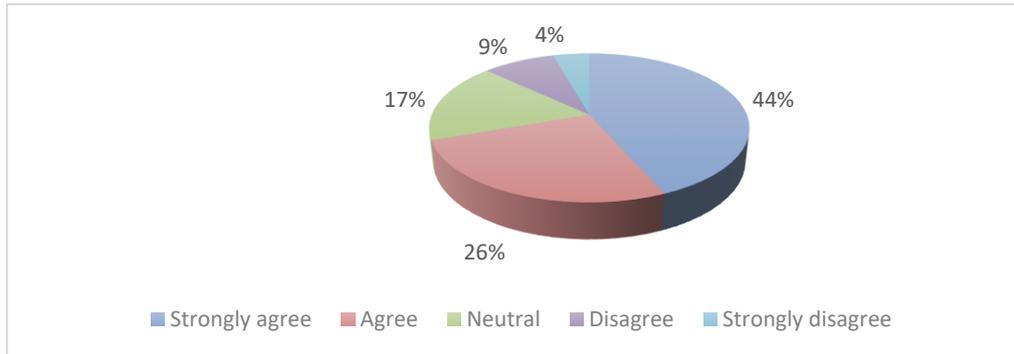
Findings and Discussion

Question No.1 - Do you think Sri Jayewardenepura University motivate the employees?



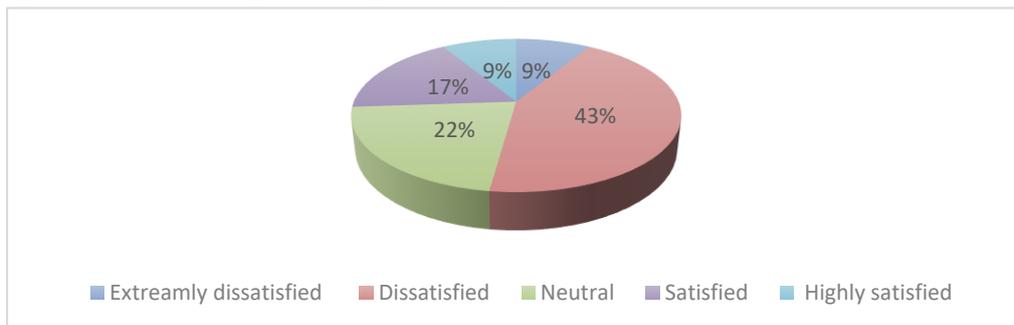
According to the collected data most of the respondents as a percentage of 61 (52%+9%) said the university inspire the employees. And 8% (4%+4%) of respondents are dissatisfied. However by greater percentage these responses are line in with the arguments of Ahamad, Wasay and Malik (2012) the employee motivation is influenced by both individual qualities and additionally work place environment.

Question No.2- Do you think motivated employees are more productive?



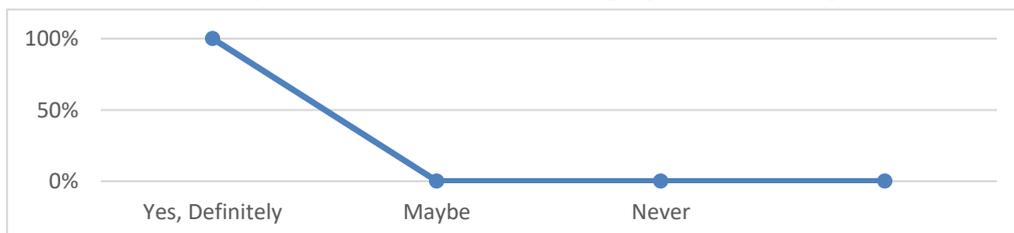
Gomes, Asseiro and Rebeiro (2003) elaborate that motivated workers are more productive. Proving this fact the questionnaire has collected the information from the 44% of respondents strongly agreed that, the motivated employees are more productive. In addition, only 4% of respondents have strongly disagreed.

Question No.3- Do you satisfy with the given motivation?



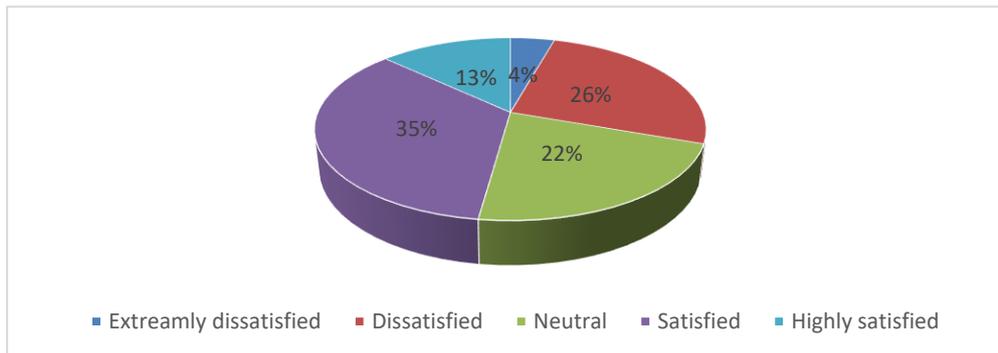
According to the study, it has reported the 52% (43%+9%) of respondents have dissatisfied with the given motivation. And only 26% (17%+9%) of respondents have satisfied with the given motivation. As a result this would be affect the efficiency and the productivity of the university. To a solution of this matter, Gafoor (2011) as cited in Qayyum and Sukirno (2012) employee motivation is the best approach to various leveled suitability and is an indication of execution and job satisfaction.

Question No.4- Do you think that motivated employees would impact the University's efficiency?



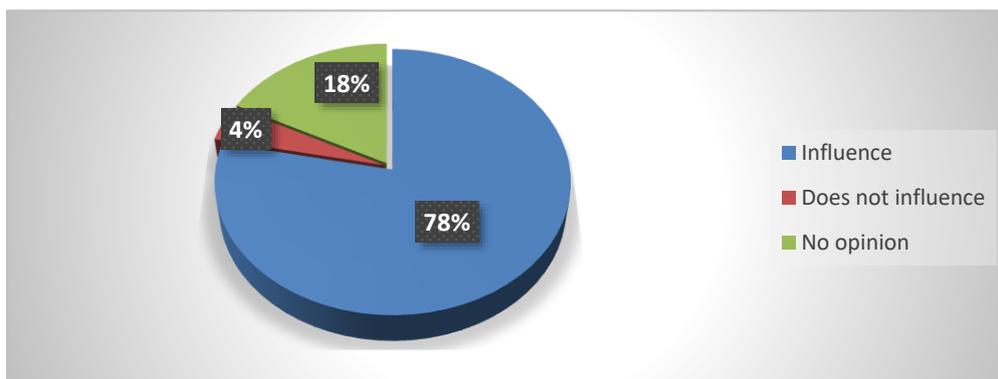
It is indicated that total number of respondents, in other words 100% of respondents have agreed that motivated employees would impact the university's efficiency. Responses are proving the argument of Messmer (2001) that nonappearance of employee motivation can basically impact your organization's efficiency.

Question No.5- Are you motivated with your salary?



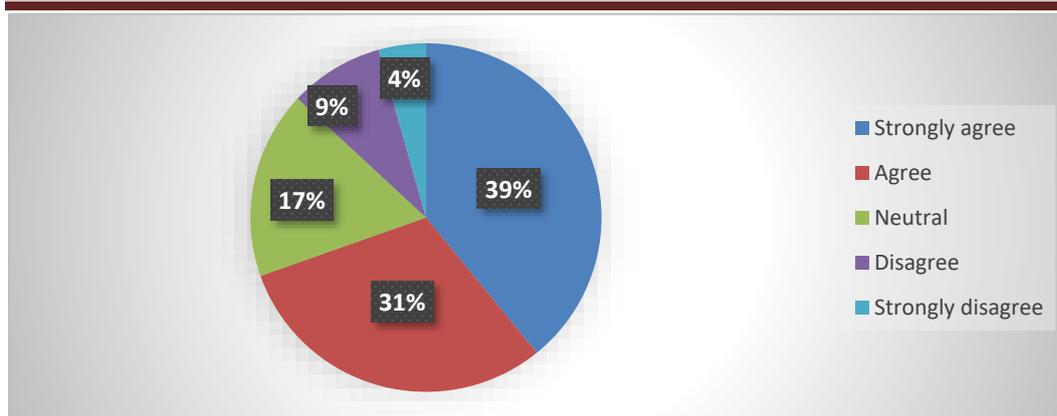
As per the above question, it shows 35% of respondents are satisfied with their salary whereas 26% of respondents are dissatisfied with their salary. Reason for this contrast is job title. Because salary range vary according to the seniority. Experienced respondents which has higher seniority have been paid highly whereas newly joined or less experienced respondents have been paid comparatively less. Therefore every employee has to satisfy with their pay in order to achieve high. Thus, the question is line in with the arguments of Ude and Coker (2012).

Question No.6- Do you think financial incentives influence the employees in Sri Jaywardenepura University?



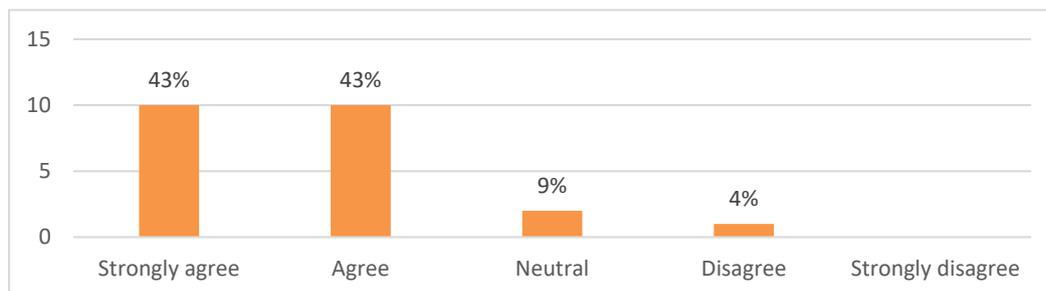
Osa (2014) contends that if the financial incentives detract from the representatives, the motivation of the association won't compelling. To justify the fact, 78% of the respondents have reported that financial incentives influence the employees in the university. If it detract from the employees it would be hard to survive and influence the employees.

Question No.7- Do you think financial incentives motivate employees to work better in their occupation?



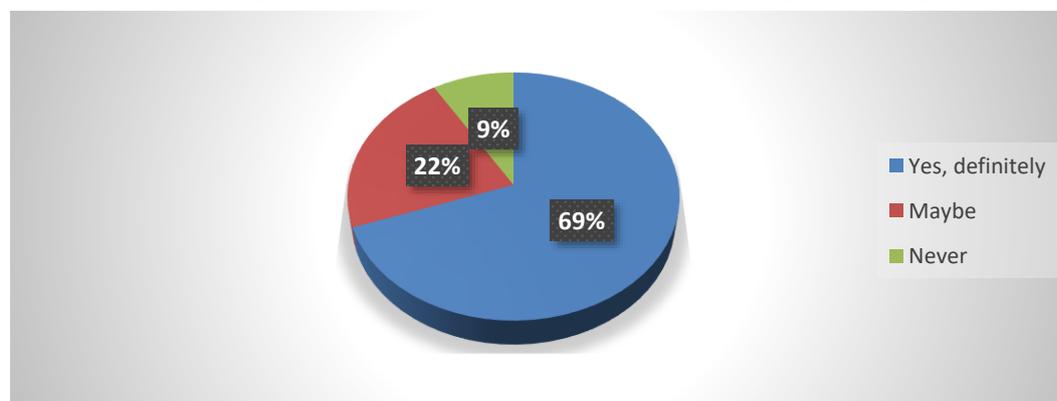
Most of the respondents agreed that financial incentives motivate employees to work better in their occupation. Where 39% strongly agreed and 31% of respondents said agree. Only 4% of respondents have said that they are strongly disagree. Thus, with the greater percentage of agreed employees it has proven the arguments of Osa (2014) the financial incentives can motivate worker to perform well on their occupation.

Question No.8- Do you think financial Incentives improves the motivation of employees?



According to the study, equal percentage of respondents which is 43% have agreed and strongly agreed with the question. Whereas only one respondent has disagree. Responders have answered by proving the arguments of, Bennett et. al, (2000) as cited in Kabene and Stefane (2010) that financial incentives are the absolute most mediation that can improves motivation.

Question No.9- Do you think insufficient incentives would impact on employee motivation?



According to the question 69% of the respondents have said yes, definitely. Whereas 22% was not confirmed about their answer and rest 9% think that insufficient incentives would not impact on

employee motivation. These responses are in line with Kohn (1993) as cited in Fryer (2010) that, workers will have decreased motivation and that their achievement will be negative once the incentive strengths are taken away.

Limitations of the study

The major limitation is that the author experienced was issuing a nearby close ended questionnaires to the employees of Sri Jayewardenepura University and consequently, gaining extra data was confined to the author. This constraint could have avoided through issuing both close-ended and open-ended questionnaires to the employees to get more information.

Another obstacle faced by the author was the quantity of respondents picked up by the author was generally low and these few respondents cannot represent to the entire hierarchical chain. Therefore, this limitation could have executed by increasing the population.

Conclusion and recommendations

This study was conducted to distinguish the impact of financial incentives towards employee motivation in Sri Jayewardenepura University and the fact proven through the academic and non-academic staff, that there is a positive impact on financial incentives towards the employee motivation. As indicated by the finding and analysis the author has made a few proposals that may upgrade the employee motivation in Sri Jayewardenepura University as well as in every other organization. This study evidently shows that financial incentives has been utilized to hold their key employees and balance out their employee motivation. The issue that the author explored is that the motivation of Sri Jayewardenepura University is basically more centered on the higher administration area which could reduce the motivation of the employees who are in the assisting or lower levels of the organization.

In addition, the author is recommending that it is better to introduce an incentive plan for the employees in the organization. Therefore, it would help to enhance the motivation of the employees.

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