

The Effectiveness of Employee Incentives in Enhancing Work Performance: With Special Reference to Kalyan Jewellers

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Abstract: *Employee incentives play a significant role in improving employee motivation, satisfaction, and organizational productivity. In the modern competitive business environment, organizations increasingly use both monetary and non-monetary incentives to encourage employees to perform efficiently and contribute toward organizational goals. Incentive systems help organizations retain talented employees, improve morale, reduce turnover, and enhance overall work performance. The present study titled “The Effectiveness of Employee Incentives in Enhancing Work Performance: With Special Reference to Kalyan Silks” aims to examine the effectiveness of employee incentive schemes and their influence on employee motivation and work performance.*

The study is descriptive and analytical in nature. Both primary and secondary data sources were used for the study. Primary data were collected through a structured questionnaire from 100 employees working in Kalyan Jewellers. Secondary data were collected from journals, books, websites, and organizational reports related to employee incentives, motivation, and performance management. Statistical tools such as percentage analysis, mean score analysis, and simple interpretative techniques were used with the support of SPSS software for analyzing the collected data.

The findings of the study reveal that the majority of employees are aware of the incentive schemes implemented by the organization and believe that incentives positively influence their work performance. Both financial incentives such as bonuses and salary benefits, and non-financial incentives such as recognition, promotions, and flexible work schedules significantly improve employee motivation and morale. The study also found that most employees are satisfied with the organization’s bonus structure and perceive promotion opportunities as one of the most motivating incentive factors. However, some respondents expressed neutral opinions regarding flexible work schedules and certain non-monetary incentives.

The study concludes that an effective incentive system contributes significantly to employee satisfaction, motivation, and organizational productivity. Properly designed monetary and non-monetary incentive schemes help employees align their personal goals with organizational objectives, thereby improving work performance and organizational success. The study suggests that organizations should continuously evaluate and improve their incentive programs to maintain high employee engagement and productivity.

Keywords: Employee Incentives , Work Performance , Employee Motivation , Job Satisfaction , Organizational Productivity

I. INTRODUCTION

Employee performance is one of the most important determinants of organizational success. In today’s competitive business environment, organizations focus not only on recruiting talented employees but also on motivating and



retaining them through effective human resource management practices. Among various motivational strategies, employee incentives play a crucial role in improving work performance, productivity, job satisfaction, and organizational commitment. Incentives are rewards provided to employees in recognition of their performance, achievements, or contributions toward organizational goals. These incentives can be monetary or non-monetary in nature and are designed to encourage employees to perform better and remain committed to the organization.

Monetary incentives include salaries, bonuses, commissions, profit-sharing, performance-based pay, and other financial rewards that directly benefit employees economically. Non-monetary incentives include recognition, promotion opportunities, flexible work schedules, appreciation programs, professional development opportunities, and supportive workplace culture. Both forms of incentives contribute significantly toward employee motivation and satisfaction. Organizations that implement effective incentive systems often experience improved employee morale, lower turnover rates, higher productivity, and stronger organizational performance.

The retail and textile industry is highly dependent on employee performance and customer service quality. Employees working in retail organizations are expected to maintain efficiency, customer satisfaction, teamwork, and sales performance under competitive working conditions. Therefore, employee motivation becomes highly important in such organizations. Kalyan Jewellers, one of the leading retail organizations in India, implements various incentive schemes to motivate employees and improve organizational productivity. Incentive programs in such organizations are designed to reward employee performance, recognize contributions, and create a positive work environment.

Incentive systems positively influence employees by improving motivation, increasing job satisfaction, and encouraging higher levels of commitment toward organizational objectives. Employees who receive incentives for their efforts are more likely to feel valued and appreciated by the organization. Financial incentives motivate employees to achieve targets and improve productivity, while non-financial incentives fulfill psychological and emotional needs such as recognition, achievement, and personal growth. A well-balanced incentive strategy can therefore create a positive relationship between employees and management.

However, the absence of incentives in the workplace can create negative consequences for both employees and organizations. Lack of recognition and rewards may reduce employee morale, decrease productivity, increase absenteeism, and lead to higher turnover rates. Employees who feel unrecognized for their contributions may become demotivated and dissatisfied with their work environment. Therefore, organizations need to implement effective incentive systems that align employee efforts with organizational goals.

The present study focuses on understanding the effectiveness of employee incentives in enhancing work performance among employees of Kalyan Silks. The study examines employee perceptions regarding incentive schemes, motivation levels, satisfaction toward bonuses and rewards, and the influence of monetary and non-monetary incentives on work performance. Understanding employee opinions regarding incentives can help organizations improve their motivational strategies and create a productive work environment.

The study is significant because it provides insights into how incentives influence employee behavior, morale, and organizational productivity. The findings of the study can help organizations strengthen their employee engagement practices and improve overall workplace performance. In a competitive business environment, maintaining employee satisfaction and motivation through effective incentive systems is essential for long-term organizational success.

II. REVIEW OF LITERATURE

1. Herzberg (1959) explained in the Two-Factor Theory that motivation and job satisfaction are influenced by both hygiene factors and motivational factors. Incentives such as recognition and achievement were identified as major motivators improving employee performance.
2. Vroom (1964) introduced the Expectancy Theory of Motivation and explained that employees perform better when they believe their efforts will result in desirable rewards and incentives.
3. Armstrong (2010) studied reward management practices and concluded that effective incentive systems positively influence employee productivity, morale, and organizational commitment.



4. Dessler (2013) stated that financial incentives such as bonuses and commissions significantly improve employee performance and encourage goal achievement.
5. Gupta and Shaw (2014) analyzed employee reward systems and found that organizations with performance-based incentives experience higher employee engagement and lower turnover rates.
6. Khan and Mufti (2015) studied the relationship between employee motivation and incentives and found that non-monetary rewards such as recognition and appreciation strongly influence job satisfaction.
7. Rao and Kumar (2017) examined incentive practices in retail organizations and concluded that incentive schemes improve employee efficiency and customer service quality.
8. Joseph and Mathew (2019) studied employee satisfaction in retail industries and observed that promotion opportunities and bonuses positively affect employee morale and performance.
9. Sharma and Verma (2021) analyzed the effectiveness of financial and non-financial incentives and concluded that balanced incentive strategies improve organizational productivity.
10. Thomas and George (2023) studied employee motivation practices in retail organizations and found that flexible work schedules and recognition programs improve employee engagement and reduce workplace stress.

Significance of the Study

The study is significant because employee incentives directly influence organizational productivity, employee satisfaction, and work performance. The research helps understand employee perceptions regarding incentive schemes implemented in retail organizations. The findings can assist organizations in improving their motivational strategies, employee retention policies, and performance management systems. The study also contributes to understanding the role of monetary and non-monetary incentives in enhancing employee morale and organizational success.

Objectives of the Study

To examine the effectiveness of employee incentives in enhancing work performance among employees of Kalyan Jewellers.

To identify the influence of monetary and non-monetary incentives on employee motivation and job satisfaction.

III. RESEARCH METHODOLOGY

The study is descriptive and analytical in nature. Both primary and secondary data sources were used for the study. Primary data were collected through a structured questionnaire from 100 employees of Kalyan Jewellers. Secondary data were collected from journals, books, websites, and company reports related to employee incentives and work performance. Convenience sampling method was adopted for selecting respondents. The collected data were analyzed using SPSS software. Statistical tools such as percentage analysis and mean score analysis were used for interpretation.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Age of Respondents

Age	Number of Respondents	Percentage
Below 25	12	12%
25–35	54	54%
36–45	22	22%
Above 45	12	12%
Total	100	100%



Interpretation

The table reveals that the majority of respondents (54%) belong to the age group of 25–35 years. This indicates that most employees working in the organization are young and active members of the workforce.

Table 2: Awareness of Incentive Schemes

Response	Number of Respondents	Percentage
Yes	100	100%
No	0	0%

Interpretation

The analysis shows that all employees are aware of the incentive schemes implemented by the organization. This indicates effective communication regarding employee benefits and reward systems.

Table 3: Effectiveness of Incentives

Opinion	Number of Respondents	Percentage
Very Effective	61	61%
Effective	25	25%
Neutral	10	10%
Ineffective	3	3%
Very Ineffective	1	1%

Interpretation

The table indicates that the majority of employees consider incentive schemes highly effective in improving work performance. Only a small percentage expressed negative opinions regarding effectiveness.

Table 4: Satisfaction with Bonus Structure

Opinion	Number of Employees	Percentage
Very Satisfied	13	13%
Satisfied	51	51%
Neutral	26	26%
Dissatisfied	7	7%
Very Dissatisfied	3	3%

Interpretation

The findings reveal that most employees are satisfied with the organization’s bonus structure. This suggests that performance-based bonuses positively influence employee motivation and job satisfaction.

Table 5: Motivation Level of Financial Incentives

Opinion	Number of Employees	Percentage
Strongly Agree	35	35%
Agree	40	40%
Neutral	20	20%
Disagree	5	5%

Interpretation

The majority of respondents agree that financial incentives motivate them to perform better. This highlights the importance of monetary rewards in improving employee productivity.



V. FINDINGS

1. Majority of employees belong to the age group of 25–35 years.
2. All employees are aware of the organization's incentive schemes.
3. Most employees believe that incentives positively influence work performance.
4. Employees are generally satisfied with the bonus structure.
5. Financial incentives significantly motivate employees.
6. Promotion opportunities are considered highly motivating.
7. Non-monetary incentives improve employee morale.
8. Flexible work schedules positively affect job satisfaction.
9. Incentives contribute toward higher employee productivity.
10. Effective incentive systems improve organizational performance.

Suggestions

1. Organizations should regularly revise incentive policies.
2. More recognition programs should be introduced.
3. Flexible work arrangements may be improved.
4. Performance appraisal systems should be transparent.
5. Training and development opportunities should be increased.
6. Employee feedback should be considered while designing incentives.
7. Both monetary and non-monetary incentives should be balanced.
8. Career growth opportunities should be strengthened.
9. Organizations should improve communication regarding incentive policies.
10. Employee welfare programs should be enhanced.

VI. CONCLUSION

The study concludes that employee incentives play a vital role in enhancing work performance, motivation, and job satisfaction. Both financial and non-financial incentives significantly influence employee morale and organizational productivity. Employees working in Kalyan Jewellers perceive incentive schemes positively and believe that rewards encourage them to improve performance. The study highlights the importance of well-designed incentive systems in retaining talented employees and creating a productive work environment. Effective incentive programs not only improve individual performance but also contribute toward overall organizational success and competitiveness.

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