

AMOGHVARTA

ISSN : 2583-3189



A Comparative Study of Monetary and Non-monetary Incentives in State Government Offices of Chhattisgarh

ORIGINAL ARTICLE



Authors

Dr. Shobha Agrawal

Asst. Prof., , Commerce Department
Agrasen Mahavidyalya,
Raipur, Chhattisgarh, INDIA

and

Nishi Thakur

Research scholars, Commerce Department
Agrasen Mahavidyalya,
Raipur, Chhattisgarh, INDIA

Abstract

The most valuable asset in an organization are the employees of that organization. Any organization can derive maximum benefit by efficient handling of human resources. Motivated employee reaches new goals, meet customers' demands and needs, develop new and innovative products and make massive efforts to achieve organization's objectives. This paper shows the importance of monetary and non-monetary incentives in State Government offices in Chhattisgarh. Paper shows that how monetary and non-monetary incentives enhance employee's performance and also presents a comparative study between both incentives in Government offices. For the study primary and secondary data has been used. For primary data 120 employees were selected from three Government offices of Chhattisgarh and secondary data is collected from books, news papers, websites etc. And the result was found that in Government offices monetary incentives affect the employees more then non-monetary incentives.

Key Words

Incentives, Monetary Incentives, Non-monetary Incentives, Employee Satisfaction, Employee Performance.

Introduction

The term "Incentive" refers to monetary and non-monetary benefits that are given to encourage an employee in addition to his or her normal pay. It is generally seen that the performance of the employee either individually or as a group is low when their work is compared to their abilities. The purpose of incentive planning is to understand the employee's mood and provide proper motivation so that he/she makes the expected contribution to the organization's goal. Incentives are both explicit and Implicit, which increase the performance level and courage level of the employee. Monetary incentives linked to salary that are given in the form of additional funds and non-monetary incentives related to benefit plans, permanent benefits, awards and recognition certificates etc.

Review of Literature

Pareek Shiksha (2016) "Impact of monetary and non-monetary incentives on employee's performance with special reference to selected banks in Rajasthan" The study shows that well paid employees perform better than those who get the recognition or award or leadership. Monetary incentives are much liked by the employees rather than non-monetary incentives.

Twinkle (2022) "Enhancing employee performance through monetary incentives" Monetary incentives definitely enhance the employee performance. But only monetary incentives are not enough to motivate employee. Company should create both incentives monetary as well as non-monetary.

Yadav Pooja and Saini Ravi (2022) "Enhancing employee performance through monetary and non-monetary incentives" According to authors both incentives play great role in enhancing performance of employee and to do better perform in any organization.

Objective of the Study

Objectives of this research paper are:

- To find out the impact of monetary and non-monetary incentives on employee's performance.
- To know the employee's approach towards monetary and non-monetary incentive.
- To know which incentive impacts more on the employees mind.

Research Methodology

Research Design

Sample Size

Universe	Employees of Government office
Sample method	Random
Sample size	120 Respondend
Survey Area	Raipur, Chhattisgarh

Data Collection

This paper is based on primary and secondary data. Primary data is collected through 120 employees from three Government offices of Chhattisgarh Government. Primary data is collected through interview, discussion and observation method. Secondary data is collected through books, magazines, journals, newspapers and websites.

Hypothesis of the Study

1. H_1 : Monetary Incentives are more effective in Government Offices.
2. H_{01} : Non-Monetary Incentives are not effective in Government Office.

Limitations of the Study

- The area of Chhattisgarh State Government sector is very large. Thus only three offices have taken for this study.
- Only 120 respondents are selected for the study.

Importance of Incentives

1. Incentive removes fear of insecurity in the minds of employees which helps to reduce employee turnover.
2. Incentive gives motivation to worker for higher efficiency and greater output that increase the productivity of organization.
3. Higher productivity reducts total as well as unit cost of production because of incentive.

4. Earning of employees would be enhance due to incentive that increases employee engagement in work place.
5. Incentive payments reduce supervision, help to better utilization of equipment, reduces scrap, loss time, and absenteeism. These things improve completion of objectives.
6. Incentive boosts employee morale and motivation. An organization with motivated employees grows in positive direction.

Classification of Incentives

There are two types of incentives:

- A. **Monetary incentive:** Monetary incentives are cash or gifts or facilities with monetary value, provided by employer to employee. Some example are given below of monetary incentives:
- Merit pay
 - Increase in pay
 - Profit sharing
 - Provident fund benefits
 - Meal facility
 - Cash rewards
 - Bonus
 - Medical facilities
 - Gifts
 - Housing benefits
 - Loan facility
- B. **Non-monetary incentives:** Non-monetary incentives do not take the form of cash but it design to recognize an achievement or the completion of some objectives that enhances an employee's value and performance. Example of non-monetary incentives are given below:
- Formal recognition
 - Training
 - Praise
 - Awards
 - Healthy environment
 - Job stability
 - Leadership
 - Stable job
 - Involvement in managerial decision

Data Analysis

For the study three offices have been selected form the Government offices of Chhattisgarh state and through personal interview with 120 respondents of those offices, primary data has been collected regarding monetary and non-monetary incentives.

SN	Offices	Total no. of employees	Respondents	% of respondents in total employees
1.	C.G. Minor Forest Produce (T&D) Co-operative Federation Ltd.(H.O.Nawa Raipur)	120	60	50.0%
2.	Text Book corporation.(H.O. Nawa Raipur)	40	25	62.5%
3.	Public Health And Welfare development (Nawa Raipur)	35	35	100.0%
		195	120	

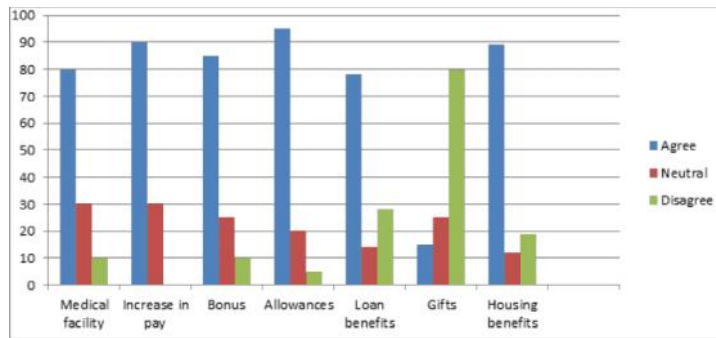
(Source: Primary Data)

Interview method has been used for data collection. Respondents has been asked that monetary and non-monetary incentives would have some or significant effect on their interest, ability and productivity. The results are given below:

Monetary Incentives

No.	Incentives	Agree	Neutral	Disagree	Total	Agree %	Neutral %	Disagree %
1.	Medical Facility	80	30	10	120	66.77%	25.00%	8.33%
2.	Increase in Pay	90	30	00	120	75.00%	25.00%	0.00%
3.	Bonus	85	25	10	120	70.83%	20.83%	8.33%
4.	Allowances	95	20	05	120	79.17%	16.67%	4.17%
5.	Loan Benefits	78	14	28	120	65.00%	11.67%	23.34%
6.	Gifts	15	25	80	120	12.50%	20.83%	66.67%
7.	Housing Benefits	89	12	19	120	74.10%	10.00%	15.83%

(Source: Primary Data)

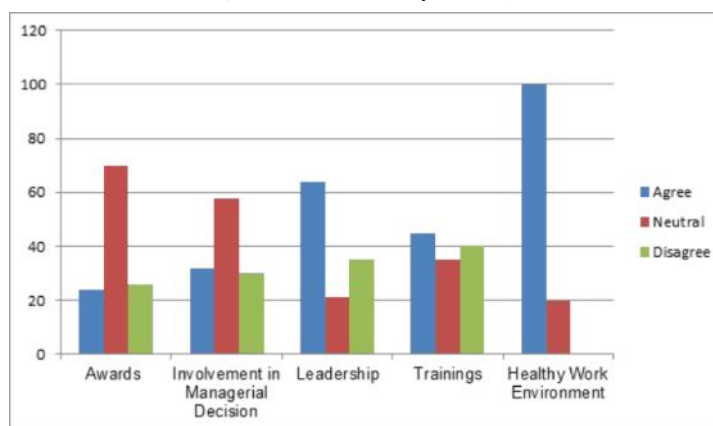


It has been concluded that 66.67% respondents are agree that medical facility is important, 25% respondents are neutral and 8.33% respondents are disagree with medical facility. 75% respondents are agree that money matters first, 25% are neutral and 0% of respondents disagree with increment in pay. 70.83% are agree that bonus is actually need of them, 20.83% are neutral and 8.33% respondents are disagree with bonus. 79.17% respondents are agree that allowances enhance their performance, 16.67% are neutral and only 4.17% respondents do not agree with the relation between performance and allowances. 65% respondents are agree that loan benefits give security to them, 11.67% are neutral and 23.34% respondents are disagree with loan benefits they think it is an extra burden for them. Only 12.5% respondents think that gifts are important to motivate them, 20.83% are neutral and 66.67% disagree that gifts motivate them to do better because they are getting gift only one or two times in a year. 74.1% respondents are agree with getting house facility because they feel secured with this facility and with this secured feeling they can work better, 10% are neutral and 15.83% are disagree who are having their own home.

Non-Monetary Incentives

No.	Incentives	Agree	Neutral	Disagree	Total	Agree %	Neutral %	Disagree %
1	Awards	24	70	26	120	20.00%	58.30%	21.60%
2	Involvement in Managerial Decision	32	58	30	120	26.67%	48.33%	25.00%
3	Leadership	64	21	35	120	53.34%	17.50%	29.16%
4	Trainings	45	35	40	120	37.50%	29.17%	33.33%
5	Healthy Work Environment	100	20	00	120	83.33%	16.67%	0.00%

(Source: Primary Data)



Conclusion of study of non-monetary incentives is that only 20% of respondents are agree that award make them motivated to work better, 58.3% of respondents are neutral because they do not get any awards and 21.67% are disagree with awards. Only 21.67% respondents are agree that if they will be involved in

managerial decision they feel proud and get motivate to work better, 48.33% are neutral and 25% are disagree. 53.54% respondents are agree with getting leadership, 17.5% are neutral and 29.16% respondents are disagree with leadership because they don't want to take extra burden of work. Only 37.5% respondents are agree with training, 29.17% are neutral and 33.33% are disagree because employees who are old and experienced do not want any training, only new employees are having interest in training. 83.33% respondents are agree that a healthy environment of work really affects their performance, 16.67% are neutral they think work should be done, environment does not matter to them.

After the study it can be concluded that the hypothesis H_1 Monetary Incentives are more effective in Government offices is accepted and H_{01} Non-monetary Incentives are not effective in Government offices is also accepted.

Conclusion

From the above study it was found that monetary incentives are effective than non-monetary incentives in Government Offices. The percentage of non-monetary incentives as compared to monetary is also very less given to the employees. It has been found that employees are more attracted by the monetary incentive. It has also been absorbed that there is no significant impact on the performance of employees even after receiving non-monetary incentives in Government Organization. Through this study it can be sad that more monetary incentives are given in Chhattisgarh Government offices and their efficiency is increased more by monetary incentives, which plays an important role in enhancing the productivity of Chhattisgarh State Government.

References

Books

1. Ahmed Jameel, "Business Management and Leadership Strategies" Nation press, 2021
2. Gupta Shashi K and Joshi Roy "Human Resource Management" Kalyani publication, 2018
3. Kothari C.R. and Garg Gaurav, "Research methodology methods and Techniques," New Age International Pvt. Ltd. Publishers, 2019
4. Mangal S.K. and Mangal Shubhra, "Research Methodology in Behavioral Science" PHI Learning Pvt. Ltd., 2019.
5. Mishra Baidynath, Satapathy Ashok Kumar and Mishra Sujata, "Research Methodology (Methods, Approaches & Techniques)," Chaukhambha Orientalia, Varanasi, 2018.
6. Mukharjee Ravindra Nath, "Methods of Social Research" SBPD Publication, 2020 Prasad L.M. "Human Resource Management" S.Chand Publication, 2018
7. Prasad L.M. "Human Resource Management" S. Chand Publication, 2018
8. Saksena S.C. "Principles of Business Management" Sahitya Bhawan Publication, 2020
9. Tiwari Ravishankar, "General Management" Pramesh universal India, 2021
10. Vasishth Neeru and Vasishth Vibuti "Fundamentals of Human Resource Management," Taxmann Publication, 2017

Research Journals, Magazines and Newspaper

11. Yadav Pooja and Saini Ravi, "Enhancing Employee Performance Through Monetary and Non-Monetary Incentives" *International Journal of Advanced Research in Commerce, Management and Social Science*, Volume 5, September 2022.
12. Twinkle "Enhancing Employee Performance Through Monetary Incentives" *International Journal of Novel Research and Development*, Volume 7, December 2022.

13. Navbharat Newspaper.
14. Dainik Bhaskar Newspaper.

Webliography

15. www.cglive.Com , 20.2.2023
16. www.thebetterindia.com , 1.3.2023
17. www.chhattisgarh.nic.in, 5.3.2023
18. www.achievers.com, 8.3.2023
19. www.businessmanagementideas.com, 14.3.2023
20. www.hrmpractice.com, 14.3.2023

---==00==---