

PROJECT REPORT ON
“ENHANCING EMPLOYEE PERFORMANCE THROUGH NON-
MONETARY INCENTIVES IN BANKING SECTOR”

Submitted by

HASNA O S

REG NO: AIAVMCM017

Under the guidance of

Smt. CHITHRA.P

M.Com, M Ed

HOD & Assistant Professor

Research Department of Commerce

In partial fulfillment of the requirement for the award of degree of

Master of Commerce (M. Com) of

University of Calicut



MES ASMABI COLLEGE

P. VEMBALLUR – 680671

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CERTIFICATE ON PLAGIARISM CHECK

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(Affiliated to the University of Calicut)

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This is to certify that the project work entitled “**ENHANCING EMPLOYEE PERFORMANCE THROUGH NON-MONETARY INCENTIVES IN BANKING SECTOR**”, is *a bonafide* record of research work carried out by **HASNA O S**, in partial fulfilment of her Master of Commerce of the University of Calicut.

Smt. CHITHRA.P

M. Com, M Ed

HOD & Assistant professor

Research Department of Commerce

MES Asmabi College, P. Vemballur

Place: P. Vemballur

Date:

CERTIFICATE

This is to certify that the project report entitled “**ENHANCING EMPLOYEE PERFORMANCE THROUGH NON-MONETARY INCENTIVES IN BANKING SECTOR**”, is bonafide record of project work carried out independently by **HASNA O S**, in partial fulfilment of her Master of Commerce of the Calicut University under my guidance and supervision.

Smt. CHITHRA.P

M. Com, M Ed

HOD & Assistant professor

Research Department of Commerce

MES Asmabi College, P. Vemballur

Place: P. Vemballur

Date:

DECLARATION

I, **HASNA O S**, hereby declare that report entitled “**ENHANCING EMPLOYEE PERFORMANCE THROUGH NON-MONETARY INCENTIVES IN BANKING SECTOR**”, is a bonafide record of project work done by me, in partial fulfillment of the requirement for the award of the degree of Master of Commerce, under the supervision of **Smt. CHITHRA.P**, Assistant Professor, Research Department of Commerce, MES Asmabi College P. Vemballur. The information and data given in the report is authentic to the best of my knowledge.

Place: P. Vemballur

HASNA O S

Date:

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HASNA O S

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CHAPTER I
INTRODUCTION

1.1 INTRODUCTION

The effectiveness and productivity of personnel are critical factors in determining the success of financial institutions in the dynamic and fiercely competitive banking business. In the past, banks have placed a significant emphasis on financial incentives including pay increases, bonuses, and commissions to encourage staff members and boost productivity. However, there is growing understanding that non-financial rewards can also have a substantial impact on employee engagement and motivation, leading to improved performance outcomes.

Non-monetary incentives cover a wide range of tactics, such as employee empowerment techniques, flexible work schedules, career development possibilities, and recognition programs. With the ultimate goal of building a happy work environment and promoting higher levels of performance, these incentives seek to fulfil the various needs and goals of employees beyond monetary compensation.

Organisations work to maximise staff performance in the banking industry's competitive environment in order to keep a competitive edge. While financial rewards have traditionally been a key component of employee motivation, it is increasingly clear that non-financial rewards can greatly improve employee performance and overall job satisfaction. These incentives cover a wide range of things, such as recognition, chances for career advancement, adaptable work schedules, and a supportive workplace.

Rapid technology breakthroughs, strong competition, and changing client expectations are all characteristics of the banking industry. To provide outstanding customer service, foster innovation, and keep a competitive edge in this dynamic climate, banks primarily rely on the performance and productivity of their staff.

Employee motivation in the banking sector has historically been primarily achieved through monetary incentives like pay, bonuses, and commissions. But it's becoming more and more clear that non-cash rewards are essential for raising productivity and work satisfaction among employees.

1.1 STATEMENT OF THE PROBLEM

For the banking industry to maintain its competitive edge and provide highest quality customer service, workers' performance and productivity are crucial. While monetary rewards have typically been used to motivate staff, there is growing understanding that non-financial rewards can significantly improve employee performance and work satisfaction. However, a thorough understanding of the effects and efficiency of non-monetary incentives in the banking sector is lacking.

1.2 SIGNIFICANCE OF THE STUDY

It is impossible to overstate the significance of employee performance in the banking industry. For banks to create exceptional client experiences, forge solid customer connections, and accomplish organisational goals, their workforces must be highly motivated and engaged. Despite the fact that financial incentives have historically been the main emphasis of reward systems in banking, there is an increasing need to investigate alternate strategies. By shedding light on the efficiency of non-monetary incentives in raising employee performance within the banking sector, this study will add to the body of knowledge already in existence.

1.3 SCOPE OF THE STUDY

This study's focus is on how non-cash rewards are employed and how well they work to improve employee performance in the banking industry. The study specifically intends to investigate the many non-monetary incentive types that may be used, their influence on employee motivation and engagement, the methods for applying such incentives, and the difficulties and restrictions related to their application. The banking industry, comprising commercial banks, investment banks, and other financial institutions, will be the primary subject of the study. It will take into account both workers in administrative and support positions within the banking industry as well as frontline staff members like tellers and customer care representatives.

1.5 OBJECTIVES OF THE STUDY

- 2 To identify and analyses various non-monetary incentives that can be used to enhance employee performance in the banking sector.
- 3 To identify the role of non-monetary incentives to enhance employee productivity.
- 4 To measure the importance of non-monetary incentives.

1.6 HYPOTHESES

H₀₁: The importance of non-monetary incentives is the same for both female and male bank employees

H₀₂: The importance of non-monetary incentives is not influenced by the age of bank employees

H₀₃: The importance of non-monetary incentives is not influenced by the marital status of bank employees

H₀₄: The importance of non-monetary incentives is not influenced by the period of service of bank employees

H₀₅: The importance of non-monetary incentives is not influenced by the salary of bank employees

1.7 RESEARCH METHODOLOGY

In this study, research that is both descriptive and analytical in character is conducted. Both primary and secondary data are used to support the current investigation. The original data was derived from a survey of 60 Bank customers. The bank's website and the internet were utilised to acquire secondary data, and a well-structured questionnaire was employed to collect the main data.

1.7.1 DATA COLLECTION

Primary data were gathered from respondents using a standardised Google form questionnaire. Appropriate statistical tools were then applied, and the results were then electronically summarised using SPSS.

1.7.2 RESEARCH DESIGN

The study is of a descriptive kind. It consists of several types of surveys and fact-finding inquiries

1.7.3 SAMPLE DESIGN

It is not practical to conduct a study on the entire customers of banking sector. In order to reflect the complete population for the purposes of the study, 60 samples are gathered.

1.7.4 SAMPLE POPULATION

The population for the study is customers in Banking sector.

1.7.5 SAMPLE SIZE

The sample size is 60.

1.7.6 PERIOD OF THE STUDY

The study conducted during the period in between February 2023 to June 2023.

1.8 TOOLS USED FOR DATA ANALYSIS

The following statistical methods are utilised for the analysis and interpretation of the data collected tables, percentage analysis, charts, mean, standard deviation, independent sample tests and ANOVA.

1.9 LIMITATION OF THE STUDY

- This study only included 60 customers; therefore, it cannot be generalised.
- Up to 60 consumers in banking sector have participated in the sample.
- There is not any assurance that all responders will respond.

1.10 CHAPTER SCHEME

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Theoretical Framework

Chapter 4: Data analysis and interpretation

Chapter 5: Findings, Suggestions and Conclusion

CHAPTER II
REVIEW OF LITERATURE

INTRODUCTION

The chapter includes a review of the literature, which is an important component of the current study. It provides the framework for the current research and contributes to reliability of the examiner. This chapter combines many of the data points acquired during previous studies because it is based on those previous researchers.

Muhammad Waqas Maharvi and Subhan Ahmad (2022)

The Study aims to investigate the mediating role of motivation between non-financial rewards and employee performance as well as the impact of non-financial rewards on employee performance more than cash perks. Non-financial Incentives like recognition, Job Security, the possibility for professional growth, employee empowerment, etc. motivate employees. 241 employees of Islamic banks in Pakistan were surveyed online about their opinions. The study's findings demonstrate the beneficial and significant effects that non-financial incentives, career advancement, employee empowerment, and workplace culture have on worker's productivity.

Oluwatoyin Gbenga Bawalla, Ayodeji Samuel Omolawal (2022)

The study looked at the connection between non-monetary incentives and teachers' commitment to their jobs. The association between non-monetary incentives and teachers' deduction to their jobs was investigated through a survey of public secondary school teachers. The outcome demonstrated that non-monetary incentives are a significant factor in teacher's dedication to their job. Therefore, it was advised that the government and other key players in the education sector adopt non-financial rewards to effectively rewarded teachers.

Abdul Khaleq Nader Qader (2021)

The purpose of the study "The effect of non-monetary incentives and work environment on employees job satisfaction" was to look in how the work place environment and non-monetary incentives affect employees job satisfaction. A stratified random sample of 234 academic staff members from Erbil Polytechnic University's population of 601 peoples selected. The analytical, descriptive technique and SPSS were employed to complete the study's goal. The findings which showed a statistically significant positive association between the study's two independent variables (non-monetary incentives and the work environment) suggests that nonmonetary are associated with higher job satisfaction.

Zakkia Uzair, Azim Mahmood (2021)

The study “Impact of non-financial rewards on employee’s motivation in banking sector” Examine the non-monetary incentives that influence employee’s motivation and offers solution to challenges the worker face at work. In the study they use five independent variables. They are career opportunity, Promotion, reward & recognition, participation of employee’s decision making and to identify their impact on the employee's motivation. Likert- Scaled questionnaire was used for effective collection of primary data from 185 employees from seven different banks. In order to find and measure the spearman association among the dependent and independent variables they use SPSS format. All the data are presented using tables. The paper forces the banks manager to consider the problems of employee’s motivation for achieve company’s overall success.

Abdulsalam Ayad A kerdasi and S M Ferdous Azam (2021)

The Study “The impact of non-monetary incentives on employee’s commitment in telecommunication sector in Libya” was to Review the relationship between employer involvement among workers working in the telecommunication Companies in Libya. The main role of this study was to evaluate relationship between non-monetary incentives and employee Commitment. For statistical Analysis, analyses data by using SPSS and PLS – SEM Software.

Dr. Alex Your Adom, Christina Ayitey and Lydia Boateng (2020)

The Study “Effect of non-monetary incentives on employee performance: A case of Selected bank in Sunyani municipality” States that the effect of non-monetary Incentives on employee performance. To Identify the Challenges of non-monetary incentives, to find the effects of nonmonetary incentives on employee performance, to identify the various type of non-monetary incentives, are the specific objectives of the study. This study chooses simple random techniques. This study used to select 63 respondents from Zenith Bank and Agricultural Development bank in Sunyani Municipality. Good working condition, job Security, Staff recognition, job enlargement, participation in goal settings and fringe benefits are the types of non-monetary incentives they discovered from the study.

M Sebyala Nabukeera, Micheal Bwengye, Mohammed Buwembo (2019)

The Study “Non-financial rewards, motivation and employee performance in ministry of internal affairs” aimed to investigate the impact of non-financial rewards on performance and motivation in Mola. The goal of the study was to determine how employee performance at the Mola in Uganda is impacted by motivation from non-financial benefits. The study used a descriptive Survey approach with 152 Mola, Department of citizenship and immigration workers as its target group.

Abdul Gafoor kazi (2019)

The reason for the research “The Impact of Non-monetary benefits on employees Performance in commercial banks” was to analyses the Impact of Non-monetary rewards on employee job performance in Private Banking sector of Hyderabad Pakistan. The Study forced on variable, for example, career development, recognition, employee performance (dependent variable) and flexible working schedule (independent Variable). This relationship between dependent and independent variable are exactly checked through measurable techniques. Data analysis are done through Statistical test like Reliability test and multiple regression statistics. In the Study data are collected through primary method in the form of questionnaire. Here, the data analyses conveys that there was a significant relationship between Non-monetary Incentives and employee commitment.

Peter Richard Msisiri (2018)

The study laid out the connection between non-monetary prizes effect on maintenance of the banking industry representatives in confidential business bank. Non-monetary incentives were one of the two fundamental classification that are included in an all-out remuneration framework by numinous Organization. Through surveys information was gathered from respondents and subjectively investigated to give a precise impression of the reactions. This study investigated the non-monetary compensations to be so productive for the maintenance of the representative in the CRDB bank in Arusha Tanzania.

Olusegun Akinola Elijah, Olorunfemi Yasiru Alimi and Olajide Johnson Alese (2015)

The non- financial incentive component of employee motivation to improve organizational performance in the Nigerian banking Sector is examined in this research. The distribution of a questionnaire in Lagos state, primary data on the characteristics and operational system of a sample of 192 regular employees and 75 experts from five commercial banks were gathered.

The data were examined using the T-test and analysis of Variance Test. According to empirical data, non-monetary incentives have a greater psychological impact on employees than financial incentives. It demonstrates how non-monetary rewards, have a positive impact on intrinsic Job motivation.

Justin Gabriel, Lawrence Nwaeke (2015)

The study “non-financial incentives and job satisfaction among hotel workers in port Harcourt” Conveys the association of non- financial Incentives and employee’s Job Satisfaction of hotel workers in Port Harcourt. Data collected through Questionnaire and the data were presented using Pie chart, frequency tables, Simple percentage. Hypotheses were tested through the Spearman’s Rank order correlation coefficient that was powered by SPSS. The result of the study conveys that, there was a significant relationship between promotion and Employee job Satisfaction, there was a significant relationship between job enrichment and job satisfaction, there was a significant relationship between job autonomy and employee satisfaction.

Tahani Mohamed Sheikh Ahmed, Bernard Oyagi and Ondabu Ibrahim Tirimba (2015)

The study’s objective was to ascertain whether employee productivity was impacted by recognition. To evaluate the impact of training on employee productivity to look at impact of working condition on Employee productivity, to ascertain whether there are any additional factors that might encourage an employee to perform their duties. According to the study’s findings, employee productivity is influenced by working conditions, training and recognition.

Tek Leong Lim and wei ying chong (2014)

The study's goal was to evaluate the relationship between workers Performance and non-cash rewards used at SEGI University as a motivating factor. The result showed that non-monetary incentives had a consistent, long-lasting effect on employee's performance. The author recommended that SEGI University adopt non-financial rewards as a component of their human resource strategy because they can improve employee's performance.

Nathaniel kiplating (2013)

The main objective of the study was to relate non-monetary motivation and employee performance which was a case of eldorate poly-technic. The main objective of the study to determine the Influence of training on employee performance, to find out the results of targets on workers Performance, to establish the outcome of advancement on workers performance and to determine the outcome of team building on Worker performance in eldorate Polytechnic. Population of the study was 364 employees at work in the educational institution. The sample of the study was taken from 109 respondents. Questionnaires was collected from primary data in the research. From the study it was concluded that eldorate polytechnic had put in place, promotion, team building, training, targets as non-monetary incentives and to determining employee Performance these variables were important. It was recommended that, to enable employees improve on their performances, the management should ensure education on performance should they carried.

Alkhaliel adeeb Abdullah (2013)

The paper "Relationship of non-monetary incentives, job satisfaction and employee job performance" conveys that direct linear relationship between Non-monetary Incentives and Job Satisfaction as independent variables and Job performance as dependent variable. The main objective of the study to present the empirical and theoretical evidence conceptually in between non-monetary incentives and job Satisfaction that effect job performance. Here, the study used theoretical and empirical studies for job performance through non-monetary incentives and job satisfaction. The study concludes that there was a positive relationship between non-monetary incentives and job satisfaction.

CHAPTER III
THEORETICAL FRAMEWORK

INTRODUCTION

The banking Industry is extremely competitive, and the effectiveness of personnel is vital to the success and expansion of banks. Non-monetary incentives can have a big impact on employee performance even if monetary incentives have historically been utilized to motivate workers.

To provide a thorough knowledge of how non-monetary incentives can be used to optimize employee performance, the framework will draw on many ideas and concepts relating to employee motivation, job satisfaction, and performance management. This framework will clarify the important elements and tactics that contribute to improving employee performance in the banking industry by looking at the underlying mechanics and psychological theories.

Non-monetary rewards in the banking industry can significantly improve worker performance. By combining elements like social recognition, skill development, work-life balance, employee participation, and well-being initiatives with theories like goal-setting and expectancy theory, banks can create a motivating work environment that encourages high performance and contributes to organizational success

Overall, the goal of this theoretical framework is to give readers a thorough grasp of how noncash rewards might improve staff performance in the banking industry. It will add to the body of knowledge by examining diverse theories, concepts, and empirical data while also giving banks and other financial organizations useful information to help them improve their employee performance initiatives.

MOTIVATION

Motivation is the process of inspiring team members to work enthusiastically towards organisational goals. It is an essential duty of a management. A successful manager is aware that just giving instructions—no matter how clearly stated or worded—does not guarantee that they will be carried out. He effectively uses motivation to persuade the workforce to collaborate towards the accomplishment of organisational goals. For his or her employees or sub ordinates to be as motivated as possible, the manager must have a thorough understanding of human behaviour. The act of encouraging someone to adopt a course of action that will lead to the achievement of a goal or the satisfaction of specific material or psychological needs of the individual is known as motivation.

The word “motivation” comes from the word “motive”, which denotes an idea, need, feelings, or bodily state that encourages a person to act.

In order to motivate someone, it is necessary to understand their requirements, feeling, etc. Numerous things can motivate someone to perform well in order to satisfy their wants and feelings. Therefore, motivation is the act of making peoples demands come true in order to persuade them to strive towards achieving organisational goals. As a result, motivation is nothing more than an act of inducing.

DEFINITION

- “Motivation is the act of stimulating someone or oneself to get a desired course of action.”
- Michael J Juicus
- Motivation is, “the complex of forces starting and keeping a person at work in an organization. To put it generally, motivation starts and maintains an activity along a prescribed line. Motivation is something that moves the person to action and continues him in the course of action already initiated” – Dublin

CHARACTERISTICS OF MOTIVATION

- **Continuous process:**

The fact that a person has countless goals and needs makes motivation a continuous, ongoing effort. The process of motivation is never-ending. There are countless wants that cannot all be met at once. The process of motivating is endless, just like the process of satisfying demands. Since another need will arise as soon as the first is met, motivation should never stop.

- **A psychological phenomenon:**

Psychological term is motivation. Needs, wants, expectations, confidence, and fulfilment are all related to motivation. It comes from a place deep within the person. The act of inspiring someone’s inner feelings is known as motivation.

- **Dynamic:**

Person’s motivations today could alter from their motivations tomorrow. His wants, motivations, expectations, etc., are evolving. Therefore, motivation is quite dynamic.

- **Motive-based:**

Internal to the individual motives serve as the foundation for motivation.

- **Related with individual:**

The entire person is made to work. He cannot be somewhat motivated. He has complete motivation.

- **Goal-oriented process:**

Person is driven to make progress. Thus, it is constantly goal-oriented. Motivation ought to be focused on achieving the objectives and goals that have been set. Goal-directed behaviour is influenced by motivation, and a person's need for something prompts self-satisfying behaviour. The objective from the organization's perspective is to increase productivity through improved job performance.

- **Complex process:**

Motivating people is a difficult task. Complexes develop as a result of the form of wants and the types of behaviours used to try to meet those needs.

- **Motivation is influenced by Social and cultural norms:**

Social and cultural norms have a big impact on motivation.

- **Positive or negative motivation:**

We refer to positive motivation, which is the practice of encouraging employees to give their best effort. Utilising incentives to improve performance includes using pay raises, rewards, promotions, and other rewards. However, motivation need not always be good; it can occasionally be unfavorable as well. The employees do not like punishment, which is another name for the negative incentive. Penalties like reprimands, demotion threats, job termination fears, etc. are examples of negative incentive.

- **Motivation is behaviour-oriented:**

Since motivation is person-specific and relates to an employee's individual conduct, it is behavior-oriented. A person's behaviour in an organisational setting is a series of actions they take. The behaviour is focused on achieving objectives and goals.

IMPORTANTS OF MOTIVATION

Employee motivation is crucial because it enables management to accomplish organisational objectives for a number of reasons. Each manager in the organization must inspire his employees to produce better results. Motivated staff members can enhance productivity and enable an organisation to produce more.

Therefore, motivation plays a crucial role in an organisational setting. The following examples will help you comprehend how important motivation is.

- **Effective use of human resources:**

Every person is motivated to perform well. Increased productivity and production are the results. A motivated worker is constantly looking for new methods to improve their work.

- **Increased commitment from employees:**

When employees are motivated to work, they usually give their tasks their all.

- **Improved employee satisfaction:**

Company's ability to grow successfully depends on its ability to keep its employees happy.

- **Encourage employees to focus on quality:**

A motivated employee will always prioritise quality. A manager may be able to encourage their staff to focus on quality by having a clear understanding of how motivation works.

- **Maintain good human relation:**

Positive relationships between employers and employees are the outcome of high levels of motivation. A healthy work environment ensures the organization's smooth operation.

- **Basis of good co-operation:**

Motivated workers collaborate to boost output as the sixth tenet of excellent cooperation. Here, cooperation to achieve the best results from employees' efforts is based on incentive.

- **Better image:**

An organisation gives staff members the chance to satiate their emotional and physical requirements. It will improve public perception of the organisation.

- **Less absenteeism and turnover:**

A happy employee is less likely to leave the company. Low turnover and absenteeism will result.

- **Improvement of Knowledge and skill:**

Every employee of the company works to maximise efficiency in order to advance their knowledge and skill. It will increase the organization's general effectiveness. It will result in increased pay, promotions, need fulfilment, etc.

- **Encourages willingness to work:**

Employees are motivated to work. Physically, cognitively, and technically proficient people can occasionally lack motivation. If he is appropriately motivated, needs and desires that are triggered in his head will motivate him to work.

MOTIVATION PROCESS

Stage 1: Identifying the Need

Needs are perpetually present. Example: a desire for a promotion. The lack of something within the person is what creates the spark and serves as the foundation for drive.

Stage 2: Selection of course of action

In this phase, many alternative approaches that potentially meet the unmet requirement stated in the first phase are considered. In actuality, the unmet demand prompts the employee's mental processes, which lead him to choose a particular course of action. The employee seeks out ways to meet his needs, and he chooses the finest strategy to do so.

Stage 3: Choosing Goals

In the third stage of the motivation process, goals are chosen based on the identification of requirements and potential courses of action.

Stage 4: Employee Performance

The identified need prompts the employee to act in a way that he has already thought of. As a result, the employee takes specific steps to fulfil the unmet demand. The manager evaluates the worker's performance.

Stage 5: Reward or punishment

This depends on the performance of the employee. Receiving a reward indicates that he was able to meet his requirement. Employees are driven to exert the same degree of effort to obtain comparable benefits in the future if the results of the specific course of action they took are in the form of rewards. However, if an employee's actions do not yield the desired outcomes, he will not be motivated to repeat his actions in the future.

Stage 6: Re-assessment of needs

When an employee experiences fulfilment for a specific unmet need through the benefits of a certain course of action, he then reevaluates any more unmet needs, and as a result, the entire process is repeated once more. The employee will reevaluate his needs if the Incentive is denied or a penalty is applied. He might occasionally abandon the necessity.

THEORIES OF MOTIVATION

Theories of motivation into two namely:

➤ CONTENT THEORIES

The content approach to motivation focuses on the assumption that individuals are motivated by the desire to fulfil inner needs. Content theories focus on the Needs that motivate people.

The major content theories are:

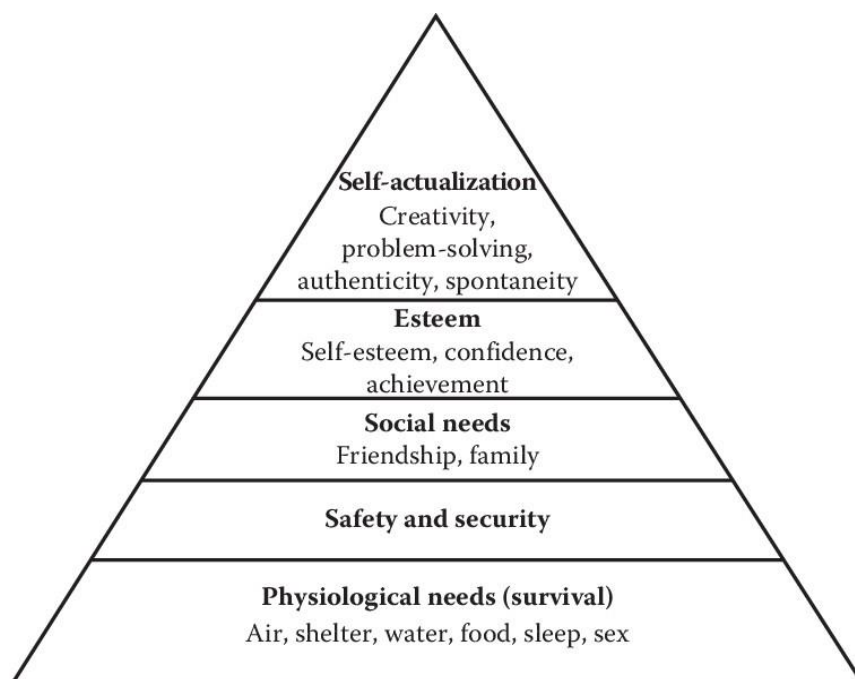
1. Maslow's need hierarchy theory

Abraham Maslow proposed the motivational theory known as Maslow's Hierarchy of Needs in 1943. It implies that there is a hierarchy of human wants, with more complex psychological demands at the top and more fundamental physiological requirements at the bottom. Maslow asserts that people are driven to satisfy these needs in a particular order, working their way up the hierarchy as each lower-level need is met. From lowest to highest, Maslow's Hierarchy of Needs has the following five levels:

- **Physiological needs:** It include things like food, water, shelter, sleep, and breathing. These are the most fundamental biological demands that must be met in order to survive. Priority is given to meeting these requirements over all others.
- **Safety Needs:** After physiological demands are essentially met, people look for a sense of protection and security. Personal safety, stability in one's finances, physical and mental well-being, and protection from harm are all included in this.
- **Social Needs:** (Love and Belongingness) People need to feel connected to others and that they belong. This entails developing loving, intimate relationships and participating in a community or social group.
- **Esteem needs:** After the prior requirements are satisfied, people strive for acceptance and self-esteem. Self-respect and the desire for others to respect and value oneself are both included in this. The satisfaction of esteem demands is influenced by accomplishments, position, reputation, and self-worth.

- **Self actualisation needs:** The greatest level of the hierarchy, symbolising the achievement of one's full potential and personal development, is Self-Actualization Needs. Self-actualization entails pursuing one's interests, being creative, growing personally, and realising one's potential.

According to Maslow, people go sequentially through these needs, with lower-level wants needing to be satisfied before higher-level needs may serve as motivators. The hierarchy can be affected by individual characteristics, cultural norms, and personal situations, thus it's vital to remember that not everyone follows it strictly.



2. Herzberg's two factor theory

Frederick Herzberg created Herzberg's Two-Factor Theory, commonly known as the Motivation-Hygiene Theory or Dual-Factor Theory, in the late 1950s. This theory aims to clarify the elements that affect employees' motivation and job satisfaction. According to Herzberg's research, two separate categories of elements—hygiene factors and motivators—affect people's attitudes and behaviors at work.

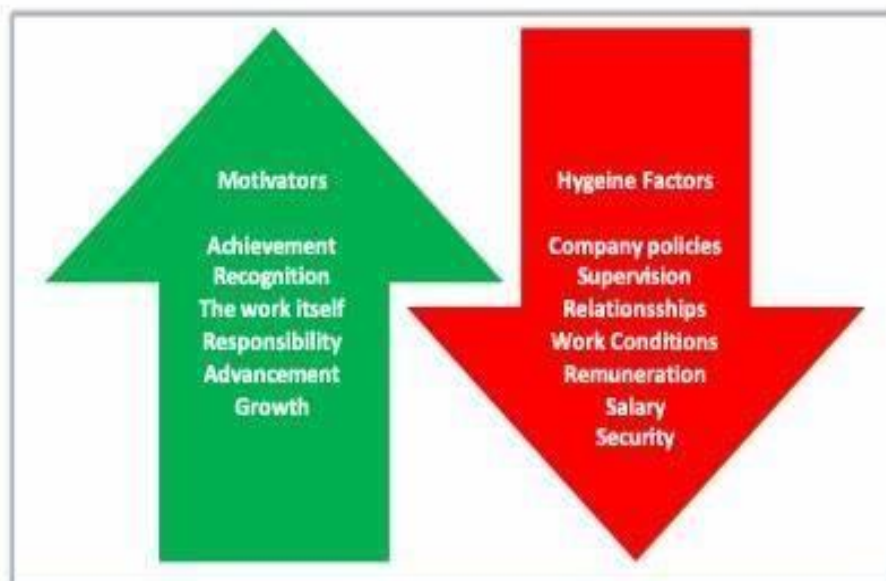
- **Hygiene Factors:** Hygiene factors are external aspects of the workplace that don't always promote motivation but might lower morale if they're missing or viewed as being insufficient. These elements consist of:

- † Company administration and policies
- † Salary and benefits
- † Working conditions:
- † Interpersonal relationships
- † Job stability
- † Status

- **Motivators:** motivators are inherent elements that directly influence motivation and job satisfaction. These elements mostly pertain to the nature of the work and its inherent qualities. The sense of accomplishment and personal progress gained from undertaking difficult and worthwhile job are among the motivators. Motivators include:

- † Achievement
- † Recognition
- † Responsibilities
- † Advancement
- † Personal development

Herzberg claims that motivational elements are essential for long-term worker happiness and can boost engagement and productivity.



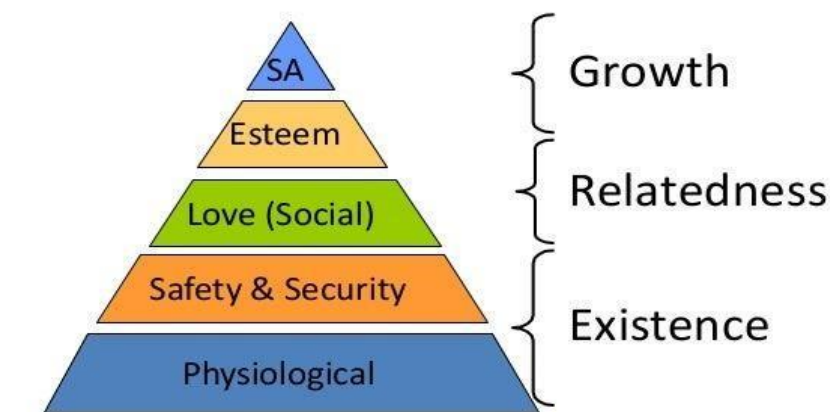
3. Alderfer's ERG Theory

Alderfer was the creator of the ERG theory. 'E' stands for existence, 'R' for relatedness, and 'G' for growth in the ERG hypothesis. Alderfer has offered an expansion of Herzberg's two factor theory and Maslow's hierarchy of needs.

He thinks that categorising needs has importance and that there is a fundamental difference between lower-order requirements and higher-order needs. He has discovered that there appears to be some overlap between physiological, security, and social demands based on the empirical evidence. The distinctions between requirements for success, esteem, and social needs are hazy. He divided the needs into three categories:

- **Existence Needs:** Desires for material and physically well-being is known as existence needs. Food, water, air, housing, working conditions, compensation, and perks all meet these needs.
- **Relatedness Needs:** The drive to create and maintain interpersonal connections is known as a relatedness demand. Relationships with family, friends, superiors, subordinates, and coworkers satisfy these requirements.
- **Growth Needs:** The need for growth is the desire to be creative, to contribute in meaningful and constructive ways, and to have possibilities for personal growth.

Alderfer's ERG Theory



4. McClelland's achievement motivation theory

David C. McClelland and his colleagues promoted the achievement Motivation theory. They contend that there are three crucial human wants, including:

- **Need for affiliation**

A drive to engage in social interaction with others can be seen in the urge for affiliation. A very complicated but essential part of human activity is affiliation. According to McClelland, those who have a strong need for connection typically like being loved and try to avoid the hurt of rejection.

- **Need for power**

The desire to acquire and use power and authority can be seen in the craving for power. A person with a strong craving for power is preoccupied with winning disputes and influencing other people. Being in a position of power and influence gives him satisfaction.

- **Need for achievement**

The demand for success indicates the drive to perform an action more or better. When their desired goals are achieved, employees with a high demand for achievement are satisfied. "Achievement syndrome" is a concept that McClelland created. It is a collection of behavioral indicators that helps identify people with strong achievement needs.



5. McGregor's Theory 'X' and Theory 'Y'

On the basis of the idea that people have a dual nature, McGregor created two theories of human behaviour for management philosophy. 'X' theory and 'Y' theory are the names of these theories. According to McGregor, managers typically make an effort to inspire their staff members using one of the fundamental strategies. He claims that certain presumptions, generalisations, and hypotheses about human conduct and human nature are involved in management's activity of motivating individuals inside an organisation.

Human behaviour and management presumptions have an impact on personnel practices, decision-making, operational procedures, and even organisational structure. They also exhibit tendencies towards brutality, callousness, hatred, and deliberate aggressiveness, according to McGregor. These two dissimilar philosophies are two different theories.

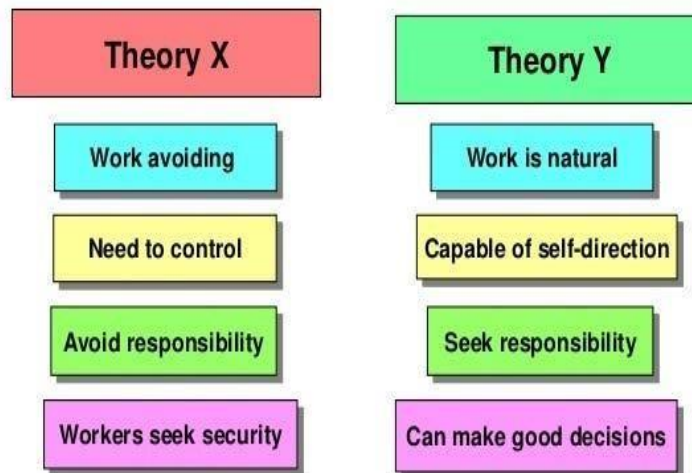
- **Theory 'X'**

It relates to the conventional management philosophy ('Power is supreme'). Is the central idea of this philosophy. People at the work level are only authorised to carry out the directions of their superiors and have no power to advise or oppose to anything. The chain of command or line of authority runs directly down through the different organisational levels, with some delegation of authority but complete and thorough accountability up the line. At the workplace, people have little choice but to submit to authority.

- **Theory 'Y'**

McGregor offers a competing explanation, called "y," based on the findings of numerous psychological and sociological studies. This idea proposes a novel management strategy. The idea 'y' makes a more accurate appraisal of people's skills. This idea places a strong emphasis on management and employee collaboration. The goal is to produce the most with the least amount of direction and control. The theory is participative in that supervisors consult their subordinates before making any decisions regarding the suggested course of action. However, management will be in charge of all formal decisions for the entire firm.

MCGREGOR'S THEORY X & Y



➤ PROCESS THEORIES

The needs theories of motivation are typically no longer prevalent in the study of organisational behaviour. Needs theories explain the factors that motivate behaviour and are hence content oriented. They make no mention of the causes or mechanisms of motivated behaviour. Goals, feelings of fulfilment, and behaviours or behaviours are all addressed in these questions.

Numerous process-based theories of motivation address these ideas.

Process-based theories of motivation focus on the mechanics of motivation. They concentrate on why people decide to use particular behavioural options to satisfy their demands and how they gauge their level of satisfaction once these objectives have been met. Below, we cover a few of the key process ideas.

1. Equity Theory:

Equity theory of motivation was created by J. Stacy Adams. The equity hypothesis contends that people's basic desire to be treated fairly is the source of motivation. Equity is the conviction that one is being treated fairly in comparison to how others are being treated.

A person's view of equity evolves over the course of the following four steps:

- A person assesses how an organisation treats him in the first step.

- The next stage is to pick a coworker who appears to be in a circumstance that is somewhat comparable and watch how the company treats him.
- One 'compares' the two treatments in the essential equity theory stage.
- In the fourth phase, he assesses a sense of equality to determine whether the two treatments appear to be comparable or dissimilar.

Adam advises staff to concentrate on input and outcome ratios when making these comparisons. The input or contributions that an employee makes to a company include their time, education, effort, experience, and loyalty. Results are what a person obtains from a company, such as compensation, acclaim, and social connections. According to the hypothesis, people compare their ratio to that of others by viewing their inputs and outcomes as ratios. This other 'person' might be a member of the team.

2. Vroom's expectancy model:

Victor Vroom created the expectancy theory of motivation. In essence, Vroom's expectation theory sees motivation as a process that directs decisions. The expectation hypothesis seeks to explain why and how people select one conduct over another. According to the hypothesis, two factors affect motivation. How strongly a person feels he should achieve a certain objective and how probable he believes he can.

People will be motivated to take action in order to accomplish some goals, claims Vroom. This is predicated on the notion that they believe that taking particular actions will assist them in achieving the objective. Paradigm says that effort results in performance when it is paired with individual aptitude and environmental circumstances. Each outcome has a value termed its valence that is associated with it and is determined by performance. In accordance with this paradigm, people become aware of these expectations before acting in a motivated or unmotivated manner.



3. The porter-Lawler Extension:

The expectancy theory has an intriguing expansion by Porter and Lawler. Human relations theorists believed that happy employees would perform better, however research has not proven this to be the case. According to Porter and Lawler, there may be a connection between contentment and performance, but it only goes one way—from better performance to more satisfaction. The worth of the reward and the chance that the effort will result in a reward are the first factors that affect an individual's first effort. The likelihood that extra effort will result in better performance depends on a person's personality, skills, and understanding of his or her place in the organisation. A distinction between intrinsic and extrinsic rewards is also made in the model.

4. Reinforcement theory:

The main source of inspiration for reinforcement theory is psychologist BF Skinner, who worked with the operant conditioning ideas. According to Skinner's research, rewards can be used to influence a variety of behaviors. Giving rewards to a person can actually encourage that person to modify their behaviour. The role of those incentives as they influence conduct as it changes or stays the same through time is explained by reinforcement-based approaches. In particular, reinforcement theory is predicated on the surprisingly straightforward premise that actions that have rewarding effects are more likely to be repeated than actions that have punitive consequences. Both expectancy theory and reinforcement theory share certain similarities. Both take into account the decision-making processes people use when choosing their behaviors in a given circumstance. The latter, on the other hand, is more interested in the effects of those choices, whereas the expectation theory focuses more on behavioural choices.

INCENTIVES

Anything that can attract an employee's attention and motivate them to work can be called as incentive. An incentive aims at improving the overall performance of an organization. Incentives can be classified as direct and indirect compensation. They can be prepared as individual plans, group plans and organizational plans.

Definition:

1. According to Milton L. Rock, incentives are defined as “variable rewards granted according to variations in the achievement of specific results”.
2. According to K. N. Subramaniam, “incentive is system of payment emphasizing the point of motivation, that is, the imparting of incentives to workers for higher production and productivity”.
3. The National Commission of Labour defines incentives as follows: Wage incentives are extra financial motivation. They are designed to stimulate human effort by rewarding the person, over and above the time rated remuneration, for improvements in the present and targeted results.

ADVANTAGES OF INCENTIVES**1. Motivation and Performance:**

Incentives can motivate individuals or teams to perform at higher levels, achieve targets, and go beyond their regular efforts. They provide a tangible reward that can drive individuals to put in additional effort and strive for excellence.

2. Goal Achievement:

Incentives help align individual or team goals with organizational objectives. By linking rewards to specific targets or outcomes, incentives ensure that employees’ efforts are directed towards achieving desired results and contribute to the overall success of the organization.

3. Increased Productivity:

Well-designed incentives can lead to increased productivity and efficiency. When employees are motivated by rewards, they are more likely to work harder, be more focused, and complete tasks in a timely manner.

4. Retention and Recruitment:

Incentives can attract and retain talented individuals within an organization. Competitive incentive packages can serve as a tool to attract high-caliber candidates during recruitment, while ongoing incentives can increase employee satisfaction and loyalty, reducing turnover rates.

5. Employee Engagement:

Incentives contribute to higher levels of employee engagement and job satisfaction. When employees feel recognized and rewarded for their efforts, they are more likely to feel valued, engaged, and committed to their work and the organization.

DISADVANTAGES OF INCENTIVES

1. Unintended Consequences:

Incentives can sometimes lead to unintended consequences. Employees may focus solely on the incentivized tasks or goals, neglecting other important aspects of their work or engaging in unethical behavior to achieve targets.

2. Short-Term Focus:

Incentives can create a short-term mindset, where individuals or teams prioritize immediate rewards over long-term goals or sustainable performance. This can lead to a lack of strategic thinking and a narrow focus on meeting short-term targets.

3. Inequity and Unfairness:

If incentives are not designed and implemented fairly, they can create feelings of inequity among employees. Those who perceive the incentives as unfair or unattainable may become demotivated, leading to decreased morale and team cohesion.

4. Diminished Intrinsic Motivation:

Excessive reliance on extrinsic incentives may reduce individuals' intrinsic motivation, which is driven by internal satisfaction and enjoyment of the work itself. When people are primarily motivated by external rewards, their passion and intrinsic drive for the work can diminish.

5. Potential for Manipulation:

Incentives can be subject to manipulation or gaming. Employees may focus on meeting the specific criteria to obtain the reward, rather than genuinely improving performance or achieving meaningful outcomes.

It's important to carefully design and implement incentive programs, considering potential drawbacks and ensuring they align with organizational values and goals. Balancing incentives with other motivational factors and creating a fair and transparent system can help mitigate the disadvantages and maximize the benefits of incentives.

TYPES OF INCENTIVES

• FINANCIAL OR MONETARY INCENTIVES

A monetary incentive is a reward or incentive that can be valued in terms of money. These incentives are given to employees who have greater physiological, social, and security needs. Employees that receive financial incentives rewards in the form of money. Because of the revenue they brought in for the company, they occasionally receive bonuses. On occasion, they receive a commission for each sale they make. However, bonuses and commissions are not the only ways to give employees financial incentives. Other monetary incentives come in a variety of forms.

The typical monetary rewards are:

1. Wage Incentives:

Wages are defined as the sum of money given to employees in exchange for their labour. When an employee's efforts assist the company in making more money, their basic compensation or salary is increased as part of this type of incentive system. An effective worker will be compensated better than a less effective one.

2. Profit sharing:

Employees who participate in profit-sharing receive a portion of the organization's overall earnings in addition to their base income as an incentive. Employers can enhance their earnings by using the clever incentive strategy of profit-sharing. Employees will work harder to increase profit if they are aware that they will receive a portion of the overall revenue earned by the company.

3. Co-partnership:

Employees who participate in co-partnership programmes receive a stake in management and a cut of the profits. Co-partnership incentives are most effective because they raise employees' standing. Instead of just remaining employees, they start working as partners with their companies. Although they only possess a little portion of the company's shares, they do have the right to attend management meetings thanks to their ownership. They feel more connected to the organisation and take on greater responsibility for it. This increases revenue for businesses.

4. Bonus:

A bonus is a one-time financial or non-financial reward provided to employees when they meet their predetermined goal. Employees receive bonuses after a predetermined time frame, such as a month, quarter, half-year, or year. To motivate employees to meet their objectives, a predetermined target is presented to them together with information on the bonus amount. Almost every industry makes use of this kind of incentive. It strengthens the bond between workers and employers. Employees may receive a bonus in addition to their base pay. It could take the shape of cash, a specific kind of specialised service, or a holiday.

5. Retirement benefits:

The advantages provided to employees after they retire are known as retirement benefits. Gratuities and provident funds are a few examples of retirement perks. Employers increase their contributions to an employee's retirement benefit if the employee increases their business or increases their earnings via their efforts.

6. Suggestion system:

The Idea behind this kind of incentive is that every employee's input, including recommendations, is valuable. These businesses solicit employee feedback on how to enhance operations, and when an employee's suggestion aids the company in doing so, the person is compensated financially. The suggestion system is a very efficient technique to introduce fresh talent to the company. The management may not always have suggestions on how to expand or improve operations. However, soliciting ideas from staff members will not only assist in obtaining fresh perspectives, but will also inspire staff members to develop innovative solutions to the organization's difficulties.

7. Dearness allowance:

The dearness allowance is the main kind of financial incentive. Employees receive it in addition to their base pay. Employers grant it to workers as protection against inflation. The dearness allowance is a crucial component of an employee's income or salary.

8. Commission:

Employees in the sales industry frequently receive this kind of reward. The commission incentive operates without difficulty. The sales staff members also receive a commission on each unit they sell in addition to their base pay. Employees make an extra effort to sell more items as a result. The commission incentive system aids businesses in making money. However, because of the commission split with the staff, their profit is divided.

9. Fringe benefits:

Some companies, like Google, offer extracurricular benefits to all of their staff members. Fringe benefits are described as the perks offered to employees in the form of cost-free childcare, free housing, free healthcare, etc.

• NON-MONETARY INCENTIVES

Other Than Financial/Monetary Incentives Employees that have higher levels of self-worth and self-actualization need are more satisfied with non-monetary incentives alone and are more motivated by non-monetary benefits. Non-monetary incentives are rewards that cannot be valued in terms of money; they are unrelated to money. People with greater positions in the workplace or higher ranks typically find satisfaction in non-monetary rewards in addition to monetary ones.

The following are some typical non-monetary incentive methods or means:

1. Job Rotation:

Job rotation is a strategy where employees switch between various occupations inside the company to prevent them from getting bored by doing the same thing all the time. The scheme gives workers the chance to learn new jobs. For unskilled workers operating in production lines, job rotation is appropriate.

2. Job enrichment:

Giving workers more interesting, difficult, and complex duties is a form of job enrichment. Additionally, workers should be given the chance to finish an entire unit of work rather than several smaller jobs.

3. Job enlargement:

Giving employees more similar or complex duties to do is the definition of job expansion. A person's work will be less repetitive or monotonous as a result, but over time, this won't lead to an increase in happiness or sense of accomplishment.

4. Team working:

Work is done by teams or groups of employees. As a person can more readily make friends and have a feeling of belonging to a unit or group, and hopefully to the company as a whole, this can satisfy a worker's social requirements. This holds true in a similar manner to being a part of a sports team or any other team that represents a school or college.

5. Empowerment:

Delegation is like empowerment. It occurs when employees are given authority or power to make decisions about their working lives on their own. For instance, employees are in charge of how they use their time and decide which activities should be completed first. They are urged to reflect on their issues and devise some solutions.

6. Organizational climate:

It refers to relations between superior and subordinates. These are the characteristics that describe an organization. These characteristics have direct influence over the behavior of a member of the organization. A positive approach adopted by a manager creates a better organizational climate whereas a negative approach may spoil the climate. Employees are always motivated in a healthy organizational climate other than an unhealthy organizational climate.

7. Goal-setting Theory:

According to goal-setting theory, establishing clear, difficult targets might inspire people to work harder. In the banking industry, non-monetary incentives can be created around goal-

setting, such as rewarding staff members who meet specified goals, offering chances for career promotion, or giving them difficult projects to complete that are in line with their own and the company's objectives.

8. Expectancy theory:

According to expectancy theory, people get motivated when they think that their efforts will result in favorable results. Non-monetary incentives can be designed in the banking industry to boost workers' confidence in the relationship between rewards and performance. Clear performance feedback, frequent performance reviews, and giving chances for training and development that improve employees' skills and competencies can all help to achieve this.

9. Social Appreciation and Recognition:

These two factors can be quite motivating. Non-monetary incentives might take the shape of public acclaim, letters of gratitude, or staff spotlights that highlight exemplary work within the banking industry. It can improve an employee's sense of belonging, job happiness, and drive to work harder if you acknowledge and value their contributions.

10. Flexibility and Work-Life Balance:

A crucial non-financial motivation is to foster a work climate that supports flexibility and work-life balance. To help employees maintain a good work-life balance, banks can implement flexible work arrangements like telecommuting, reduced workweeks, or flexible working hours. Employees are more likely to be motivated, engaged, and perform better when they feel supported in juggling their personal and work life.

11. Training and skill development:

Training and skill development are investments that can improve employee performance. These investments can be made through non-cash rewards. Offering employees, the chance to participate in workshops, seminars, and mentoring programmes can improve their knowledge, abilities, and skills. This can then result in greater job satisfaction, higher confidence levels, and better performance in the banking industry.

12. Employee Participation and Empowerment:

Encourage employee participation and provide them the freedom to offer ideas, solutions, and other input. This can be a useful non-financial reward. Banks can set up methods to involve

staff in decision-making and problem-solving, such as suggestion boxes, employee committees, or innovation programmes. Employees are more likely to be dedicated and driven to perform well when they feel valued and invested in the company.

13. Employee health and well-being:

Initiatives that prioritize the health and well-being of employees might be included as non-monetary rewards. Banks may provide wellness initiatives, gym memberships, stress-reduction classes, or other health-related advantages. Employees are more likely to be motivated, productive, and excel in their jobs when they are in good physical and mental health.

14. Delegation of authority:

When management transfers their duties and powers to their employees, this is known as delegation of authority. Employees gain confidence as a result, and they become more driven when management expresses faith in them.

ADVANTAGES OF NON-MONETARY INCENTIVES

1. Cost-Effective:

Non-monetary incentives are generally more cost-effective compared to monetary incentives. They can be implemented without incurring significant expenses, making them suitable for organizations with limited budgets.

2. Improved Job Satisfaction:

Non-monetary incentives have the potential to enhance job satisfaction by focusing on intrinsic motivators, such as recognition, career development, and work-life balance. When employees feel fulfilled and satisfied with their work, they are likely to be more engaged and productive.

3. Enhanced Employee Retention:

Non-monetary incentives can contribute to higher employee retention rates. By offering opportunities for growth, recognition, and a positive work environment, organizations can create a sense of loyalty and commitment among employees, reducing turnover and associated costs.

4. Customization and Personalization:

Non-monetary incentives can be tailored to individual preferences and needs. This level of customization allows organizations to cater to the unique motivations and interests of employees, increasing the effectiveness of the incentives.

5. Positive Organizational Culture:

Non-monetary incentives can contribute to fostering a positive organizational culture. When employees feel valued, appreciated, and supported in their personal and professional growth, it creates a positive work environment that encourages collaboration, teamwork, and employee satisfaction.

DISADVANTAGES OF NON-MONETARY INCENTIVES

1. Subjectivity and Perceived Inequity:

Non-monetary incentives can be more subjective compared to monetary rewards. The perception of fairness and equity among employees can vary, leading to potential dissatisfaction or feelings of inequity if certain individuals or groups feel they are not receiving equal treatment or recognition.

2. Limited Tangibility:

Non-monetary incentives are intangible in nature, which means they may not have the same immediate impact or tangible value as monetary rewards. Some employees may prefer more concrete rewards or may undervalue non-monetary incentives.

3. Varied Effectiveness

The effectiveness of non-monetary incentives can vary among individuals. What motivates one employee may not have the same impact on another. It can be challenging to identify and implement non-monetary incentives that consistently resonate with the diverse needs and preferences of employees.

4. Potential for Over use or Diminished Value:

If non-monetary incentives become too common or routine, they may lose their impact over time. Employees may come to expect them as standard practice, leading to a decreased sense of motivation or appreciation.

5. Difficulty in Measurement:

Non-monetary incentives can be challenging to measure or quantify in terms of their impact on employee performance or organizational outcomes. Unlike monetary incentives, which can be directly linked to financial results, the effects of non-monetary incentives may be more difficult to assess.

To maximize the benefits of non-monetary incentives and overcome potential disadvantages, organizations should regularly evaluate and refine their incentive programs based on employee feedback and preferences. It's also important to maintain a balance between non-monetary and monetary incentives to address a wider range of employee needs and motivations.

IMPACT OF NON-MONETARY INCENTIVES IN BANKING SECTOR

Incentives have a significant impact on the banking sector, influencing various aspects of employee behavior, performance, and organizational outcomes. Here are some key impacts of incentives in the banking sector:

1. Employee Performance:

Incentives play a vital role in driving employee performance in the banking sector. Monetary incentives, such as performance-based bonuses or commissions, can motivate employees to achieve individual and team goals. They provide a tangible reward for exceptional performance, which encourages employees to go above and beyond in their job responsibilities. Well-designed incentive systems can effectively align employee efforts with organizational objectives, leading to improved productivity and results.

2. Employee Retention:

In a competitive banking industry, attracting and retaining talented employees is crucial for organizational success. Incentives, both monetary and non-monetary, can enhance employee retention rates. By offering attractive compensation packages, including bonuses, stock options, or profit-sharing programs, banks can incentivize employees to stay with the organization. Non-monetary incentives, such as career development opportunities, recognition programs, or flexible work arrangements, can also contribute to employee satisfaction and loyalty.

3. Sales and Revenue Generation:

Incentives have a direct impact on sales and revenue generation in the banking sector. Incentive programs that reward employees for meeting or exceeding sales targets can motivate them to actively pursue business opportunities and acquire new customers. For example, sales teams may receive commission-based incentives or bonuses tied to their sales performance. By aligning incentives with revenue goals, banks can drive sales growth and financial success.

4. Customer Service and Satisfaction:

Incentives can influence the quality of customer service provided by banking employees. Rewarding employees for delivering exceptional customer experiences and meeting service benchmarks can enhance customer satisfaction and loyalty. Incentive programs that focus on customer service metrics, such as response times, complaint resolution, or customer feedback ratings, encourage employees to prioritize customer needs and go the extra mile in providing personalized, high-quality service.

5. Employee Engagement and Motivation:

Incentives contribute to employee engagement and motivation in the banking sector. Well-designed incentive programs recognize and reward employee contributions, fostering a sense of accomplishment and pride. Monetary incentives can provide financial security and a sense of achievement, while non-monetary incentives, such as career advancement opportunities or training programs, can fulfill employees' desire for personal growth and development.

Engaged and motivated employees are more likely to be proactive, innovative, and committed to the organization's success.

6. Organizational Culture and Performance:

Incentives can shape the culture and performance of banking organizations. When incentives are aligned with desired behaviors and values, they reinforce a positive work culture that promotes performance, teamwork, and integrity. Incentive systems that prioritize ethical behavior and compliance with regulations can help mitigate risks and promote a strong ethical framework within the banking sector.

It is important for banks to design incentive programs that balance short-term performance objectives with long-term sustainability and ethical considerations. Transparent communication, fair evaluation processes, and continuous assessment of the effectiveness of incentive programs are essential for ensuring their positive impact on the banking sector.

FACTORS INFLUENCING THE EFFECTIVENESS OF NON-MONETARY INCENTIVES

The effectiveness of non-monetary incentives can be influenced by several factors. Understanding these factors is crucial for organizations to design and implement incentive programs that truly engage and motivate employees. Here are some key factors that can influence the effectiveness of non-monetary incentives:

1. Individual Preferences:

Different employees have different preferences and motivations. What may be effective for one employee might not be as impactful for another. It is important for organizations to consider the diverse needs and aspirations of their employees and tailor non-monetary incentives accordingly. Conducting surveys, gathering feedback, and engaging in open communication can help identify individual preferences and enhance the effectiveness of incentives.

2. Organizational Culture:

The existing organizational culture plays a significant role in determining the effectiveness of non-monetary incentives. If the culture values recognition, promotes a supportive work environment, and encourages career development, non-monetary incentives are more likely to

be well-received and impactful. On the other hand, if the culture lacks appreciation or has a negative work environment, the effectiveness of incentives may be limited. Therefore, it is important to align non-monetary incentives with the prevailing culture and work towards creating a positive culture that supports and reinforces the incentives.

3. Clear Communication and Transparency:

The effectiveness of non-monetary incentives can be influenced by how well they are communicated to employees. Clear and transparent communication about the availability, criteria, and benefits of incentives is crucial. Employees should understand the purpose and value of the incentives and how they can contribute to their personal and professional growth. Lack of communication or ambiguity can undermine the effectiveness of incentives and create confusion or dissatisfaction among employees.

4. Integration with Overall Reward System:

Non-monetary incentives should be integrated strategically with the overall reward system of the organization. They should complement and align with monetary incentives to create a comprehensive and balanced rewards package. When non-monetary incentives are integrated effectively, they can reinforce the impact of financial rewards and enhance employee engagement and satisfaction. In contrast, if there is a disconnect or inconsistency between different types of incentives, it may diminish the effectiveness of non-monetary incentives.

5. Evaluation and Feedback:

Regular evaluation and feedback mechanisms are crucial to assess the effectiveness of nonmonetary incentives. Organizations should continuously monitor the impact of incentives on employee engagement and job satisfaction, gather feedback from employees, and make necessary adjustments. By actively seeking input from employees and responding to their needs, organizations can improve the effectiveness of non-monetary incentives over time.

6. Leadership Support and Role Modeling:

The support and involvement of leaders and managers are essential for the effectiveness of non-monetary incentives. When leaders actively participate in and promote the incentive programs, it sends a strong message to employees about their importance and value. Additionally, leaders can act as role models by recognizing and appreciating employee efforts, showcasing the

desired behaviors, and fostering a positive work environment that enhances the impact of non-monetary incentives.

By considering these influencing factors, organizations can design and implement nonmonetary incentives that effectively engage and motivate employees, leading to improved performance, job satisfaction, and overall organizational success.

THE IMPACT OF NON-MONETARY INCENTIVES ON EMPLOYEE PERFORMANCE

In today's competitive business landscape, organizations strive to optimize employee performance to achieve their goals. While monetary incentives have traditionally been the primary focus, non-monetary incentives have gained significant recognition for their ability to motivate and engage employees. This essay explores the effects of non-monetary incentives on employee performance and highlights their importance in fostering a positive work environment and driving productivity.

1. Recognition and Appreciation:

One of the most powerful non-monetary incentives is recognition and appreciation. Employees thrive on being acknowledged for their hard work and achievements. When employers recognize and express gratitude for employees' contributions, it cultivates a sense of fulfillment and pride, leading to increased job satisfaction and motivation. Moreover, public recognition creates a positive work culture, inspiring others to excel and contribute to the organization's success. Thus, non-monetary incentives like employee recognition programs contribute significantly to enhancing employee performance.

2. Professional Development Opportunities:

Providing opportunities for professional growth and development is another crucial nonmonetary incentive that positively impacts employee performance. Organizations that invest in their employees' development demonstrate a commitment to their success. Offering training programs, workshops, seminars, and mentorship opportunities not only enhance employees' skill sets but also increase their engagement and job satisfaction. As employees acquire new knowledge and expertise, they feel valued and empowered, leading to improved performance and a willingness to take on new challenges.

3. Flexible Work Arrangements:

In recent years, the demand for flexible work arrangements has grown significantly, and organizations that embrace this trend as a non-monetary incentive have observed substantial improvements in employee performance. Flexible work hours, remote work options, and the ability to maintain work-life balance are highly valued by employees. When employees have the flexibility to structure their workday according to their personal needs, they experience reduced stress levels and an increased sense of autonomy. This leads to enhanced focus, productivity, and overall job satisfaction.

4. Employee Empowerment and Autonomy:

Empowering employees and granting them autonomy over their work processes is another nonmonetary incentive that positively influences employee performance. By allowing employees to make decisions, take ownership of their tasks, and contribute their ideas, organizations foster a sense of trust and empowerment. When employees feel that their opinions matter and their ideas are valued, they become more engaged and motivated. This empowerment drives creativity, innovation, and efficiency, ultimately leading to improved performance and organizational success.

5. Work-Life Balance Initiatives:

Maintaining a healthy work-life balance is crucial for employee well-being and performance. Organizations that prioritize work-life balance through various initiatives, such as flexible scheduling, wellness programs, and paid time off, create a positive and supportive work environment. Employees who can effectively balance their personal and professional lives are more likely to be motivated, focused, and productive during their working hours. By acknowledging the importance of work-life balance as a non-monetary incentive, organizations can reduce burnout, increase employee satisfaction, and ultimately enhance performance.

CONCLUSION

The theoretical framework on improving employee performance in the banking industry using non-financial incentives concludes by emphasising the importance of motivational elements other than monetary compensation. Non-monetary incentives can significantly improve overall performance and productivity, even while monetary incentives are essential for luring and keeping skilled employees.

The framework argues that non-monetary incentives can be divided into a number of groups, including work-life balance programmes, chances for professional advancement, expressions of appreciation, and a positive workplace culture. These rewards are made to address intrinsic motivators like autonomy, mastery, and purpose, which have been shown to have a significant impact on job satisfaction and employee engagement.

Non-financial incentives have been demonstrated to have a number of advantageous effects by research conducted in the banking Industry. They can bolster staff morale, raise levels of job satisfaction, cultivate a sense of allegiance and dedication, and encourage creativity and innovation. Additionally, these rewards can enhance employee engagement and teamwork while fostering a healthy organisational culture.

The effectiveness of non-monetary rewards in raising employee performance, however, can vary based on a number of variables, including personal preferences, organisational culture, and the overall reward structure. Consequently, a customised strategy that takes into account the unique needs and objectives of employees is essential for successful implementation.

The effectiveness of non-monetary rewards in raising employee performance, however, can vary based on a number of variables, including personal preferences, organisational culture, and the overall reward structure. Consequently, a customised strategy that takes into account the unique needs and objectives of employees is essential for successful implementation.

Organisation in the banking industry should frequently evaluate the success of their incentive programmes, get employee input, and make appropriate improvements in order to maximise the impact of non-monetary incentives. To ensure that staff members are aware of the incentives provided and comprehend how they might help to their personal and professional growth, a thorough communication strategy should also be in place.

Overall, the theoretical framework implies that non-monetary incentives can considerably improve employee performance in the banking industry by boosting motivation, engagement, and job satisfaction when strategically incorporated into the reward system.

CHAPTER IV

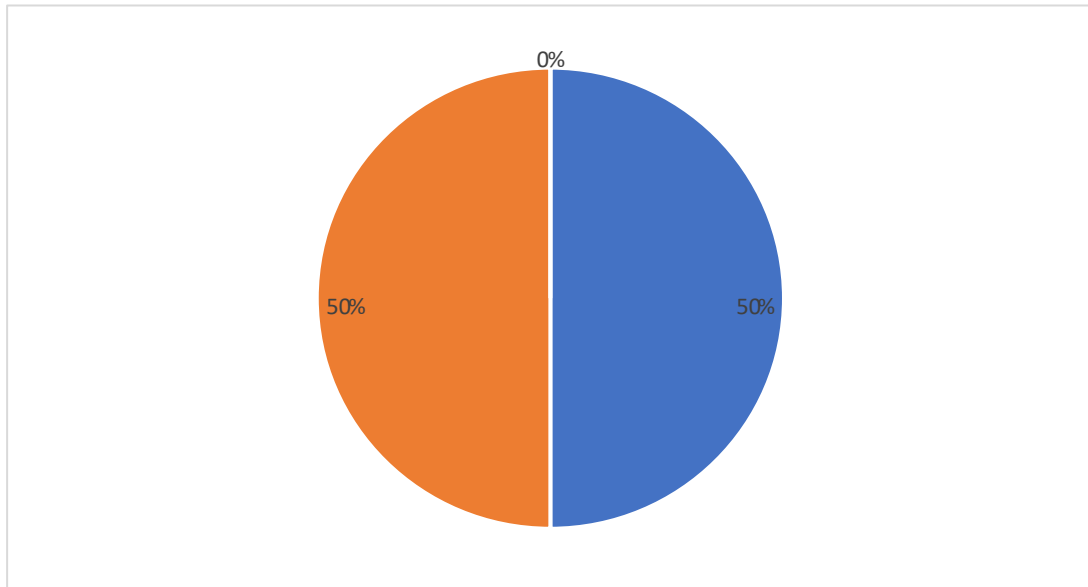
DATA ANALYSIS AND INTERPRETATION

TABLE 4.1
SHOWING GENDER

Particulars	No of responses	Percentage
Female	30	50
Male	30	50
Other	0	0
Total	60	100

(Source: primary data)

FIGURE 4.1
SHOWING GENDER



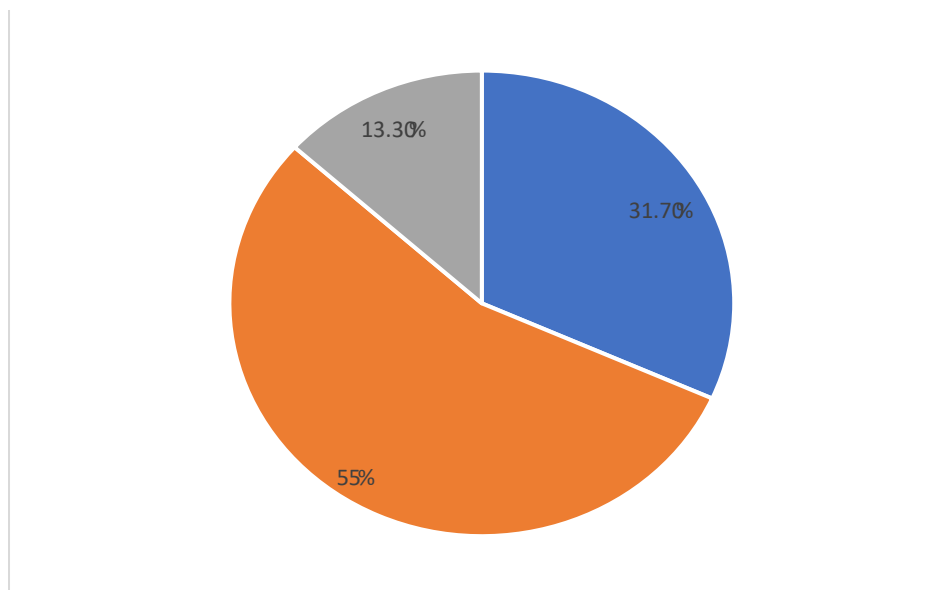
Interpretation: Out of 60 respondents, 50 per-cent of respondents are female and remaining 50 per-cent of respondents are male.

TABLE 4.2
SHOWING AGE

Particulars	No of responses	Percentage
Below 25	19	31.7
25-40	33	55
Above 40	8	13.3
Total	60	100

(Source: primary data)

FIGURE 4.2
SHOWING AGE



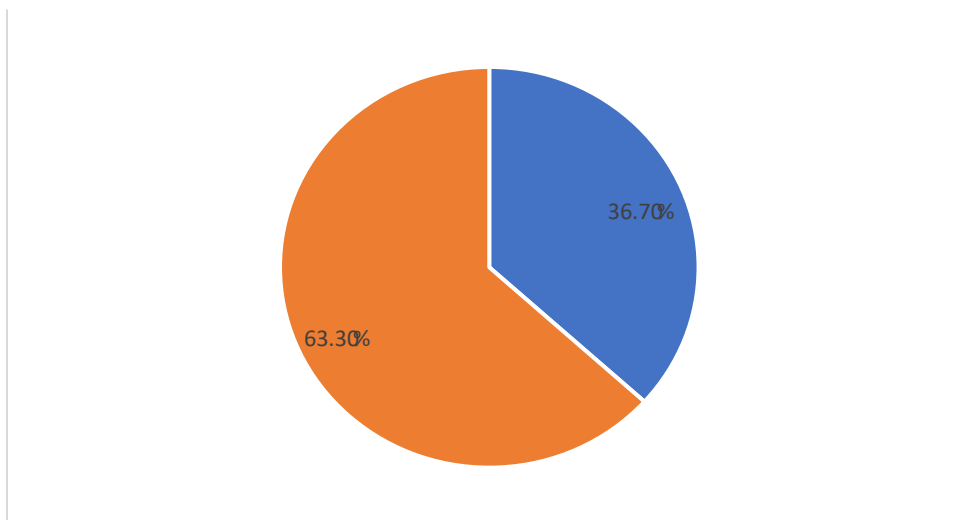
Interpretation: Table 4.2 shows that 31.70 per-cent of respondents are below 25, 55 per-cent of respondents are between 25 and 40 and remaining 13.30 per-cent of respondents are above 40.

TABLE 4.1
SHOWING MARITAL STATUS

Particulars	No of responses	Percentage
Single	22	36.7
Married	38	63.3
Total	60	100

(Source: primary data)

FIGURE 4.3
SHOWING MARITAL STATUS



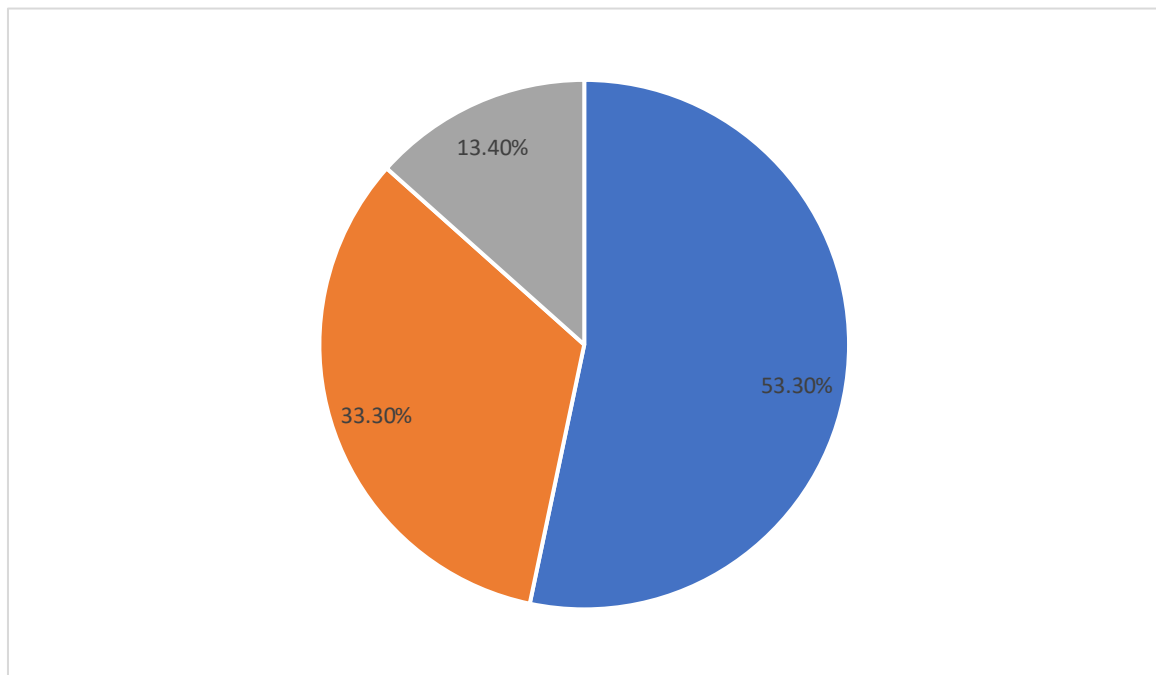
Interpretation: Table 4.3 shows that 36.70 per-cent of respondents are single and 63.3 percent of respondents are married.

TABLE 4.4
SHOWING PERIOD OF SERVICE

Particulars	No of responses	Percentage
0-5 years	32	53.3
5-10 years	20	33.3
Above 10 years	8	13.4
Total	60	100

(Source: primary data)

FIGURE 4.4
SHOWING PERIOD OF SERVICE



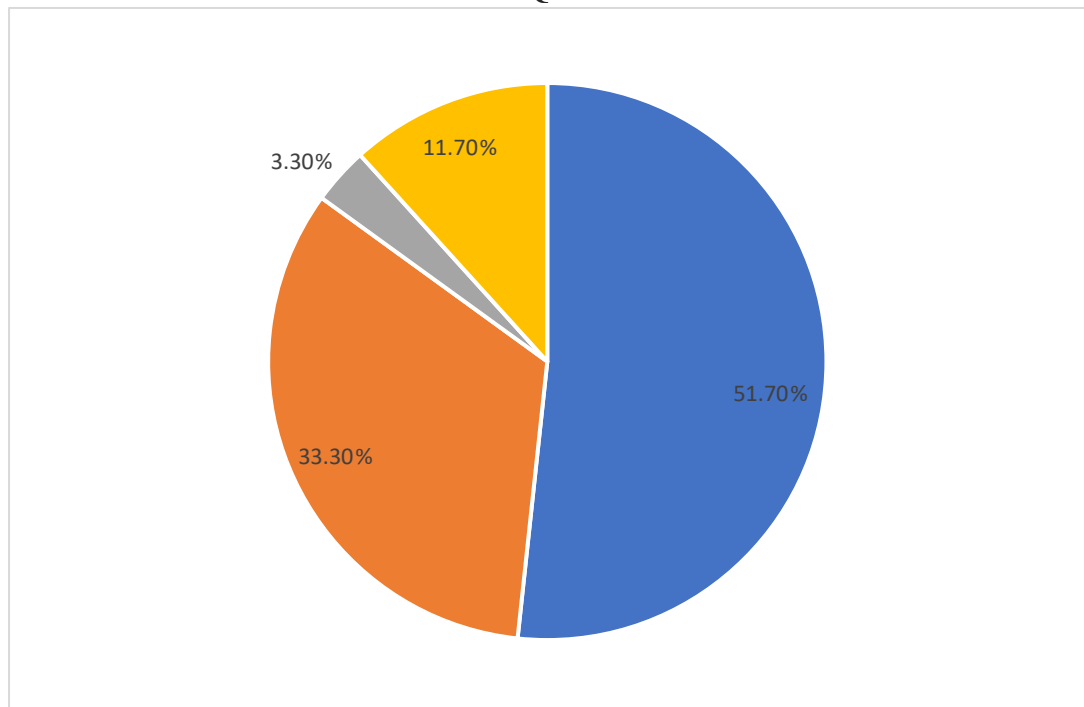
Interpretation: Table 4.4 shows that 53.3 per-cent of respondents have 0-5 year of experience, 33.3 per-cent of respondents have 5-10 years of experience and 13.4 per-cent of respondents have experience above 10 years.

TABLE 4.5
SHOWING EDUCATION QUALIFICATION

Particulars	No of responses	Percentage
Degree	31	51.7
Masters	20	33.3
PHD	2	3.3
Diploma	7	11.7
Total	60	100

(Source: primary data)

FIGURE 4.5
SHOWING EDUCATION QUALIFICATION



Interpretation: Table 4.5 shows that 51.7 per-cent of respondents have Degree, 33.3% percent of respondents have Masters, 3.3 per-cent of respondents have PHD and remaining 11.7 per-cent of respondents have Diploma.

TABLE 4.6

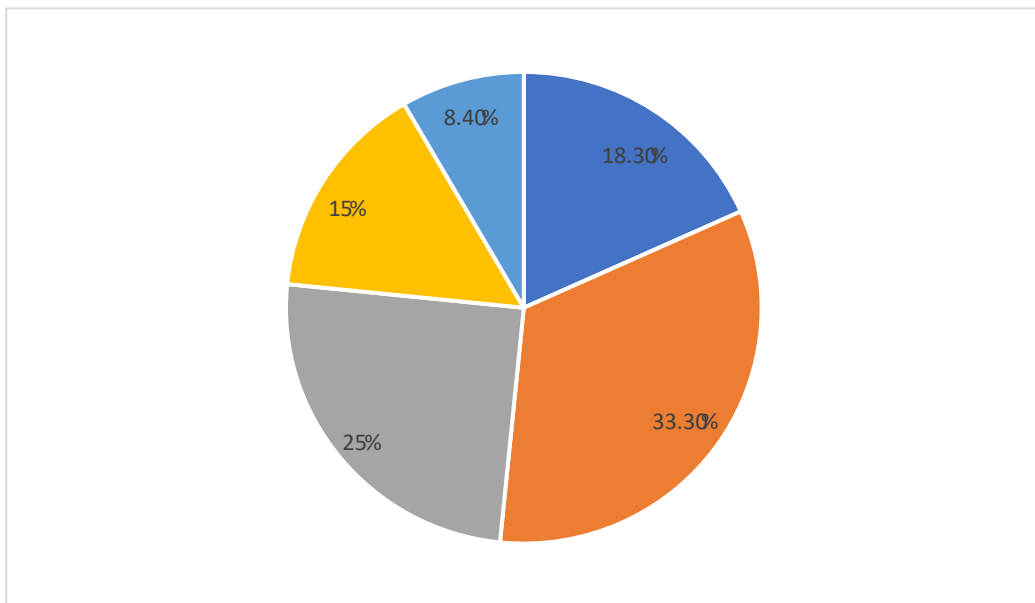
SHOWING DESIGNATION

Education Qualification	No of responses	Percentage
Junior staff	11	18.3
Senior staff	20	33.3
Supervisor	15	25
Manager	9	15
Others	5	8.4
Total	60	100

(Source: primary data)

FIGURE 4.6

SHOWING DESIGNATION



Interpretation: Table 4.6 shows that 18.3 per-cent of respondents are junior staff, 33.3 percent of respondents are senior staff, 25 per-cent of respondents are supervisors, 15 per-cent of respondents are Managers and remaining 8.4 per-cent of respondents have other educational qualification.

TABLE 4.7

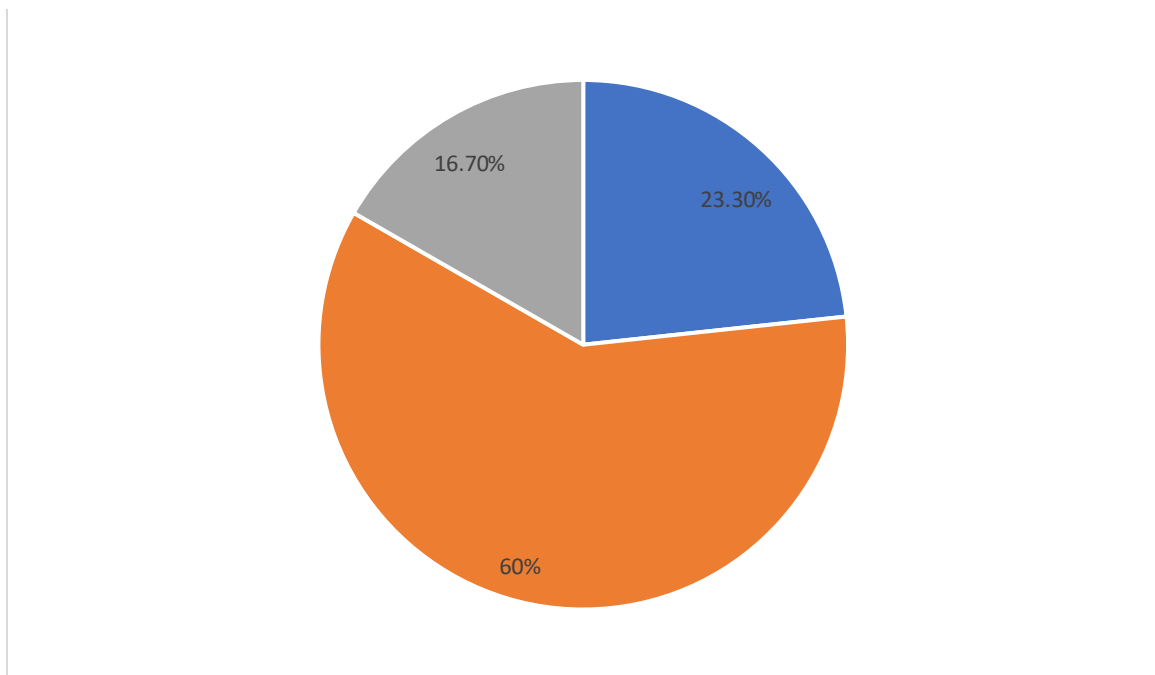
SHOWING SALARY

Salary	No of responses	Percentage
Below 40000	14	23.3
40000-100000	36	60
Above 100000	10	16.7
Total	60	100

(Source: primary data)

FIGURE 4.7

SHOWING SALARY



Interpretation: Table 4.7 shows that 23.3 per-cent of respondent’s salary are below 40000, 60 per-cent of respondents are between 40000-100000 and remaining 16.7 per-cent of respondents are above 100000.

TABLE 4.9

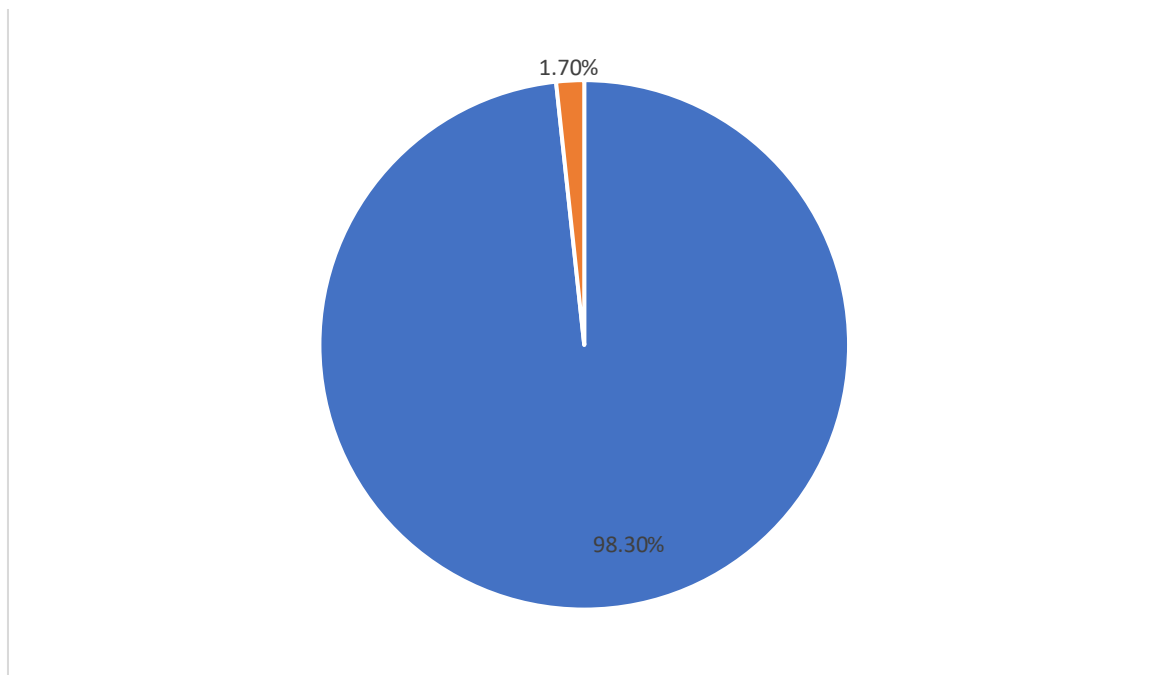
SHOWING WHETHER THE ORGANISATION EMPLOY NON-MONETARY INCENTIVES TO MOTIVATE EMPLOYEES

Particulars	No of responses	Percentage
Yes	59	98.3
No	1	1.7
Total	60	100

(Source: primary data)

FIGURE 4.8

SHOWING WHETHER THE ORGANISATION EMPLOY NON-MONETARY INCENTIVES TO MOTIVATE EMPLOYEES



Interpretation: Table 4.8 shows that 98.3 per-cent of respondents agree that their organisation employ non-monetary incentives to motivate employees and remaining 1.7 per-cent of respondents does not agree.

TABLE 4.9

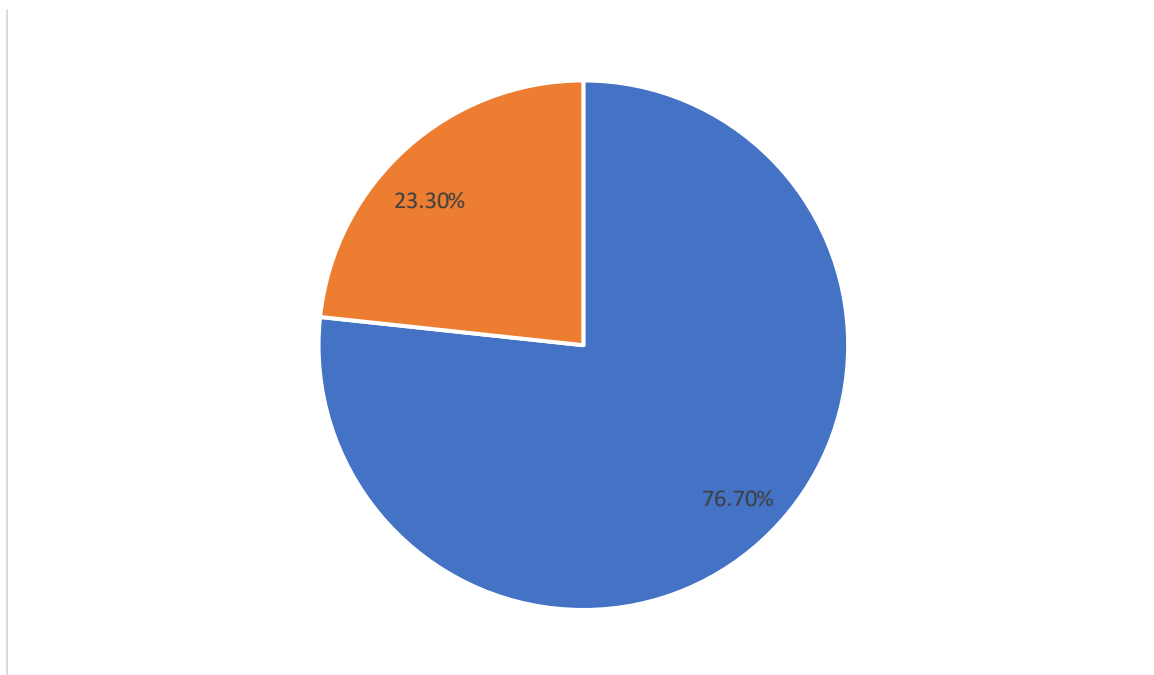
SHOWING WHETHER THE NON-MONETARY INCENTIVES PRACTICED YEARLY

Particulars	No of responses	Percentage
Yes	46	76.7
No	14	23.3
Total	60	100

(Source: primary data)

FIGURE 4.9

SHOWING WHETHER THE NON-MONETARY INCENTIVES PRACTICED YEARLY



Interpretation: Table 4.9 shows that 76.7 per-cent of respondents agree that their organisation practice non-monetary incentives yearly and remaining 23.3 per-cent of respondents does not agree.

TABLE 4.10

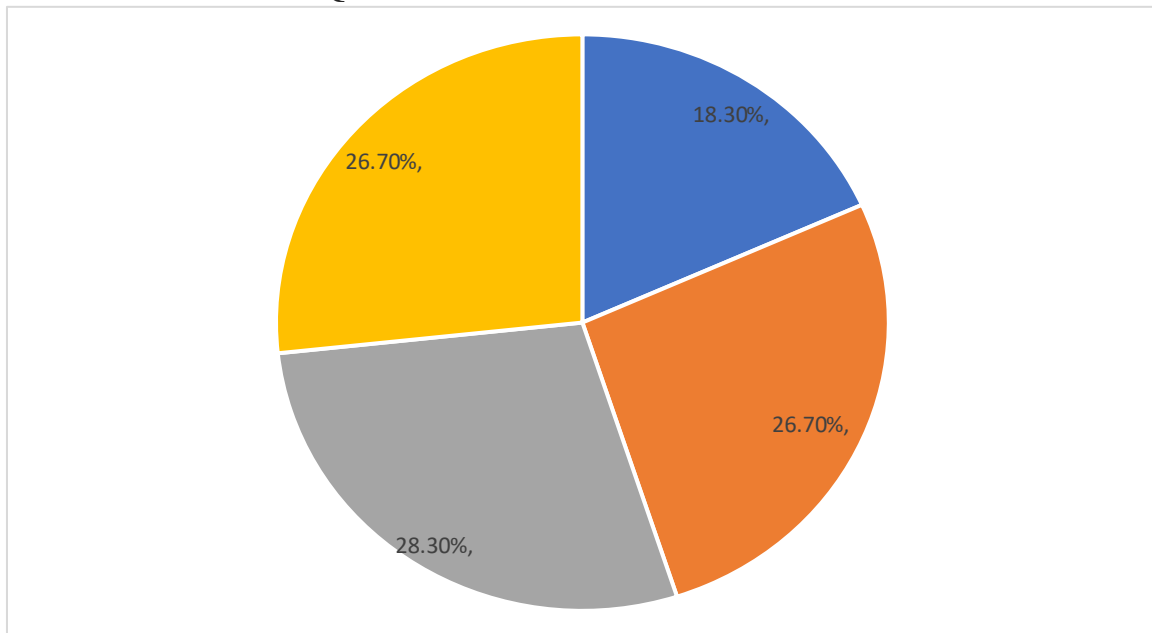
SHOWING THE FREQUENCY TO RECEIVE NON-MONETARY INCENTIVES

Particulars	No of responses	Percentage
Monthly	11	18.3
Quarterly	16	26.7
Bi Annually	17	28.3
Annually	16	26.7
Total	60	100

(Source: primary data)

FIGURE 4.10

SHOWING THE FREQUENCY TO RECEIVE NON-MONETARY INCENTIVES



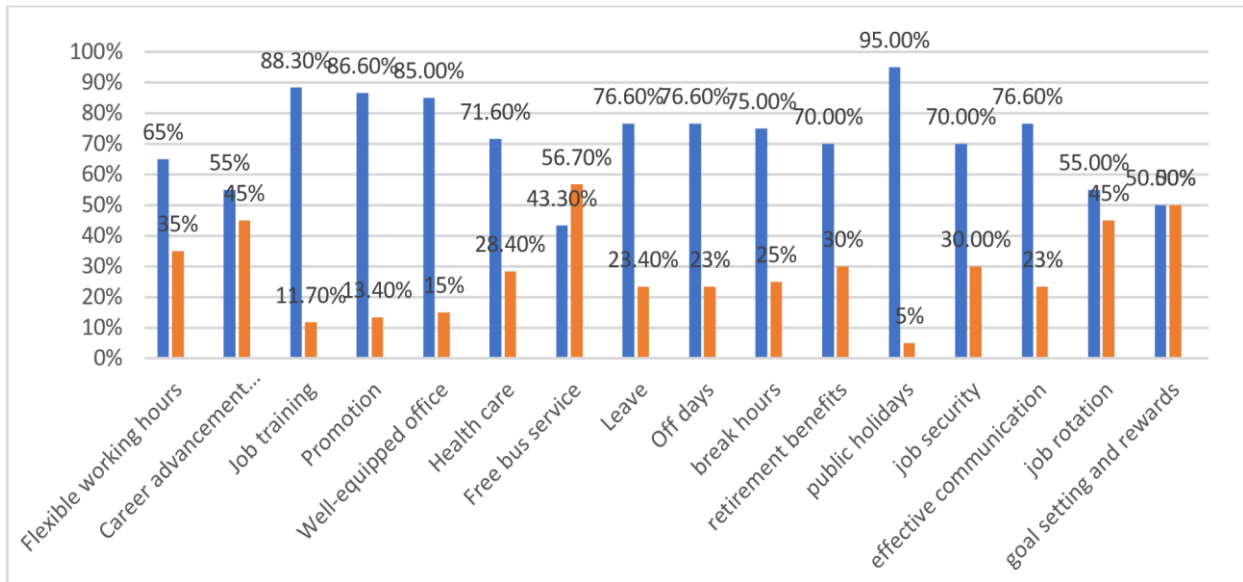
Interpretation: Table 4.10 shows that 18.3 per-cent of respondents prefer monthly to receive non-monetary incentives, 26.7 per-cent of respondents prefer to receive quarterly ,28.3 percent of respondents prefer to receive Bi annually and remaining 26.7 per-cent of respondents prefer to receive annually.

TABLE 4.11
SHOWING THE TYPE OF NON-MONETARY INCENTIVES EMPLOYED
OVERTIME

Particulars	Yes	Percentage	No	Percentage
Flexible work hours	39	65	21	35
Career advancement opportunity	33	55	27	45
Job training	53	88.3	7	11.7
Promotion	52	86.6	8	13.4
Well-equipped office	51	85	9	15
Health care	43	71.6	17	28.4
Free bus service	26	43.3	34	56.7
Leave	46	76.6	14	23.4
Off days	46	76.6	14	23.4
Break hours	45	75	15	25
Retirement benefits	42	70	18	30
Public holidays	57	95	3	5
Job security	42	70	18	30
Effective communication	46	76.6	14	23.4
Job rotation	33	55	27	45
Goal setting and rewards	30	50	30	50

(Source: primary data)

FIGURE 4.10
SHOWING THE TYPE OF NON-MONETARY INCENTIVES EMPLOYED
OVERTIME



Interpretation: Table 4.11 shows that, a vast majority 95 per-cent of respondents have overtime on public holidays and a least 43.3 per-cent of respondents have free bus service in their organisation.

TABLE 4.12

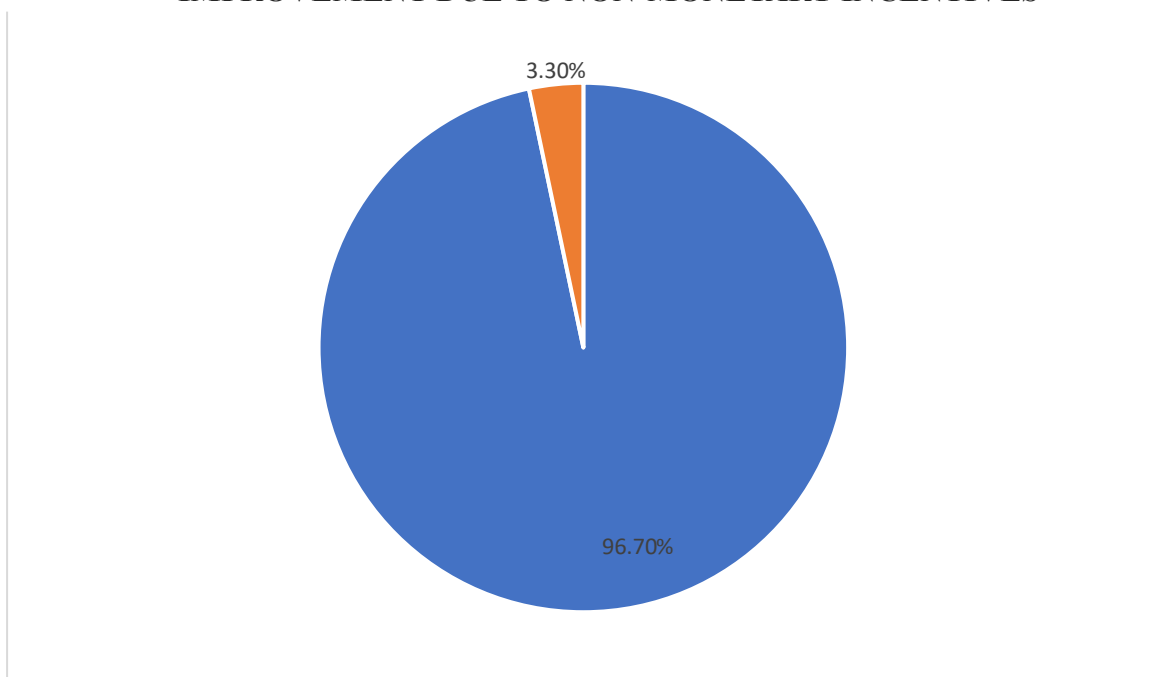
**SHOWING WHETHER THE ORGANIZATION HAS RECORDING
IMPROVEMENT DUE TO NON-MONETARY INCENTIVES**

Particulars	No of responses	Percentage
Yes	58	96.7
No	2	3.3
Total	60	100

(Source: primary data)

FIGURE 4.12

**SHOWING WHETHER THE ORGANIZATION HAS RECORDING
IMPROVEMENT DUE TO NON-MONETARY INCENTIVES**



Interpretation: Table 4.12 shows that 96.7 per-cent of respondent’s organisation has recorded improvement on productivity and remaining 3.3 per-cent of respondents organisation does not recorded.

TABLE 4.13

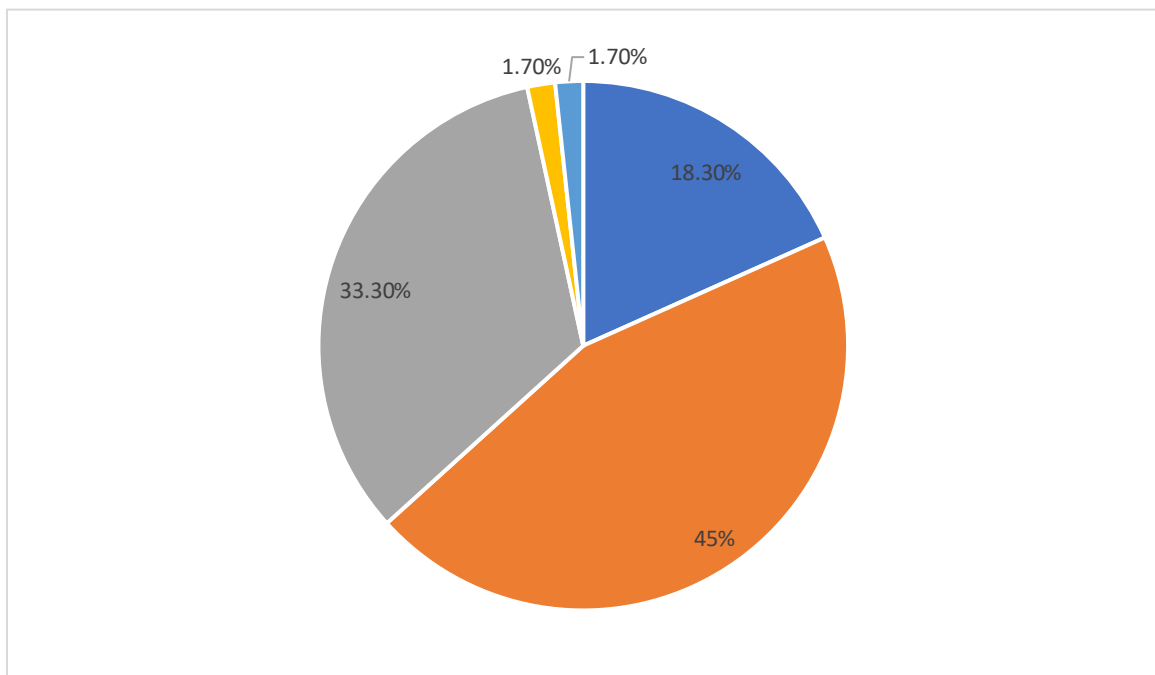
**SHOWING THE EXTENT TO WHICH, NON-MONETARY INCENTIVES HAVE
ENHANCE PRODUCTIVITY**

Particulars	No of responses	Percentage
Very great extent	11	18.3
Great extent	27	45
Considerable extent	20	33.3
Poor extent	1	1.7
Very poor extent	1	1.7
Total	60	100

(Source: primary data)

FIGURE 4.13

**SHOWING THE EXTENT TO WHICH, NON-MONETARY INCENTIVES HAVE
ENHANCE PRODUCTIVITY**



Interpretation: Table 4.13 shows that 18.3 per-cent of respondents have very great extent on enhancing productivity, 45 per-cent of respondents have great extent, 33.3 per-cent of respondents have considerable extent, 1.7 per-cent of respondents have poo extent and remaining 1.7 per-cent of respondents have very poor extent.

TABLE 4.14

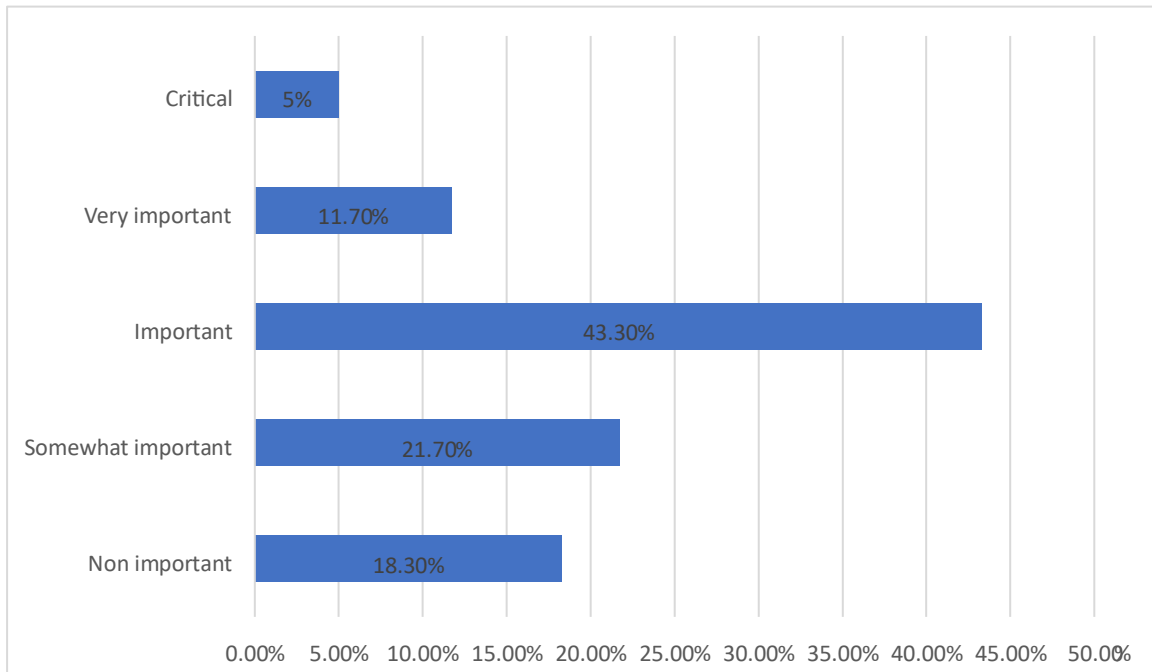
SHOWING THE IMPORTANCE ON INCREMENT IN LEVEL OF COMPETENCE

Particulars	No of responses	Percentage
Non important	11	18.3
Somewhat important	13	21.7
Important	26	43.3
Very important	7	11.7
Critical	3	5
Total	60	100

(Source: primary data)

FIGURE 4.14

SHOWING THE IMPORTANCE ON INCREMENT IN LEVEL OF COMPETENCE



Interpretation: Table 4.14 shows that 18.3 per-cent of respondents has not important on increasing level of competence, 21.7 per-cent of respondents has somewhat important, 43.3 per-cent of respondents has important, 11.70 per-cent of respondents has very important and remaining 5 per-cent of respondents has critical on their increment.

TABLE 4.15

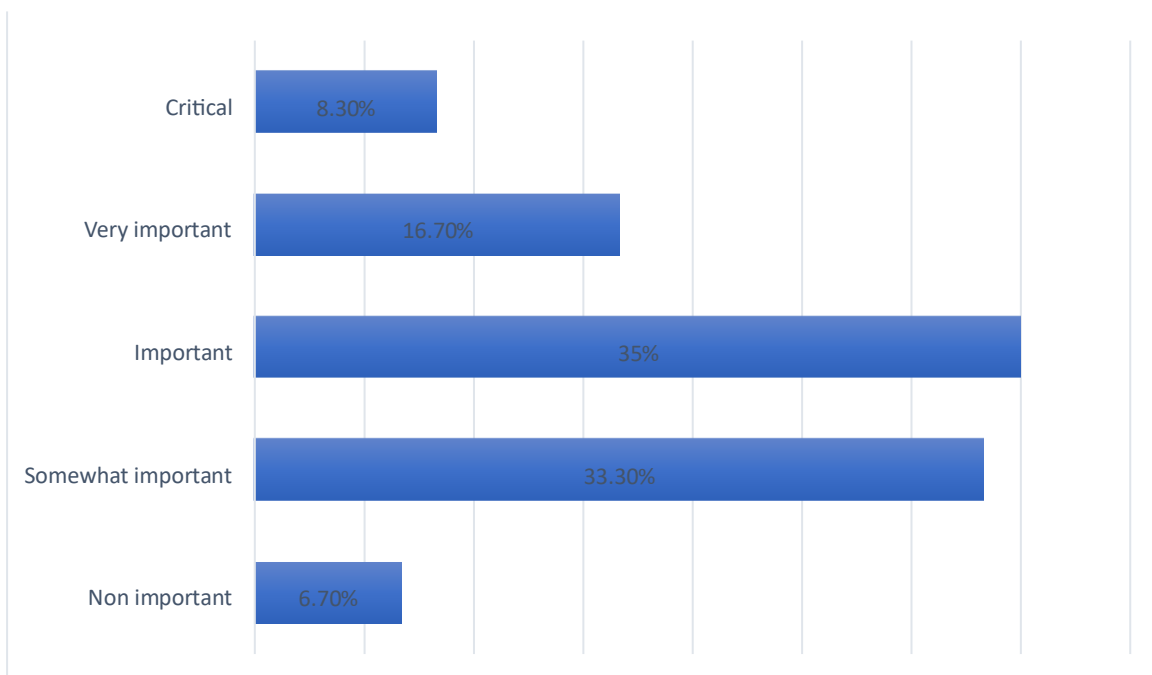
SHOWING THE IMPORTANCE ON MOTIVATION TOOL AS NON-MONETARY INCENTIVES

Particulars	No of responses	Percentage
Non important	4	6.7
Somewhat important	20	33.3
Important	21	35
Very important	10	16.7
Critical	5	8.3
Total	60	100

(Source: primary data)

FIGURE 4.15

SHOWING THE IMPORTANCE ON MOTIVATION TOOL AS NON-MONETARY INCENTIVES



Interpretation: Table 4.15 shows that 6.7 per-cent of respondents has not important on motivation tool as non-monetary incentives, 33.3 per-cent of respondents has somewhat important, 35 per-cent of respondents has important, 16.70 per-cent of respondents has very important and remaining 8.3 per-cent of respondents has critical.

TABLE 4.16

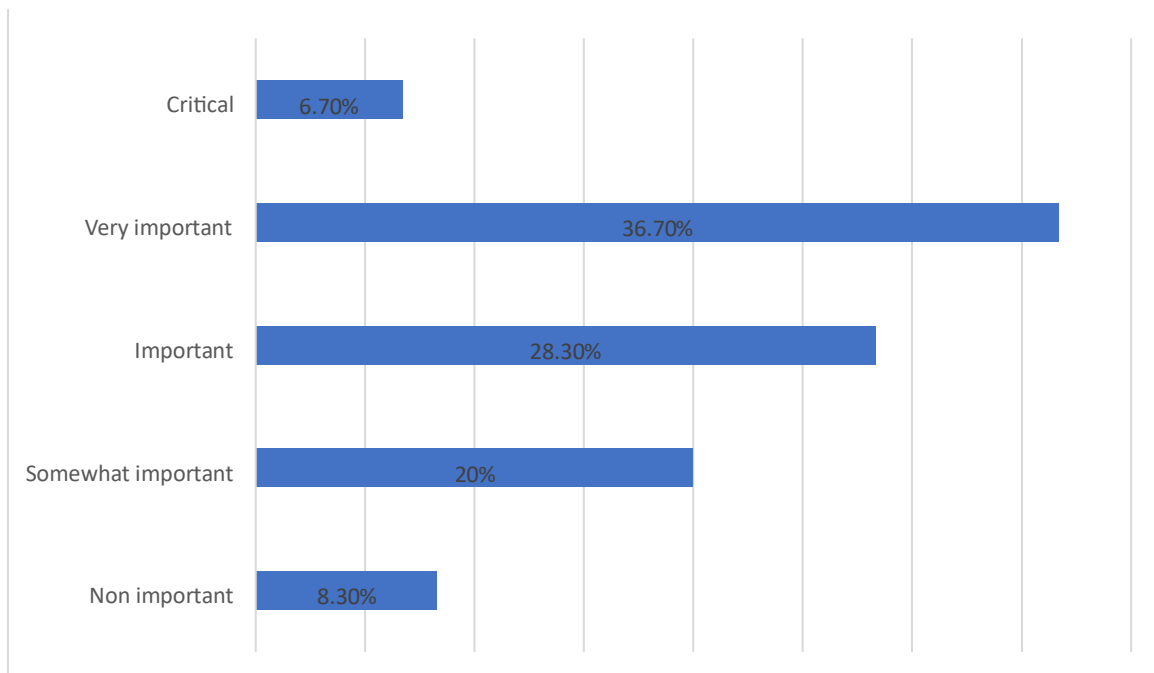
SHOWING THE IMPORTANCE IN OBTAINING EMPLOYEE LOYALTY

Particulars	No of responses	Percentage
Non important	5	8.3
Somewhat important	12	20
Important	17	28.3
Very important	22	36.7
Critical	4	6.7
Total	60	100

(Source: primary data)

FIGURE 4.16

SHOWING THE IMPORTANCE IN OBTAINING EMPLOYEE LOYALTY



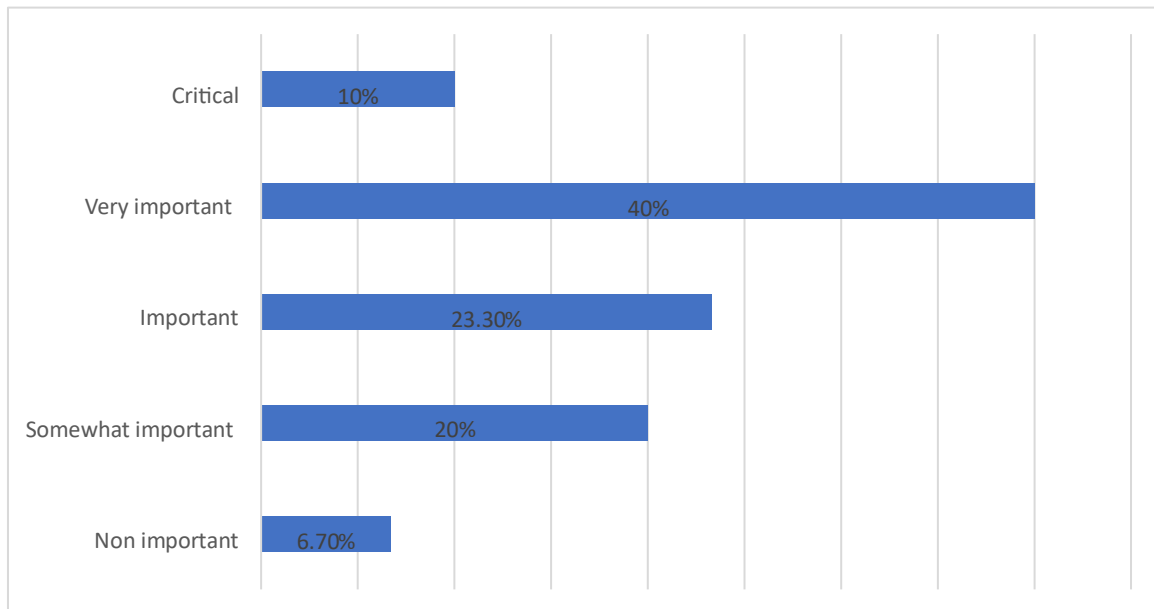
Interpretation: Table 4.16 shows that 8.3 per-cent of respondents has not important on obtaining loyalty by non-monetary incentives, 20 per-cent of respondents has somewhat important, 28.3 per-cent of respondents has important, 36.7 per-cent of respondents has very important and remaining 6.7 per-cent of respondents has critical.

TABLE 4.17
SHOWING THE IMPORTANCE ON SEEKING POTENTIAL AMONG
EMPLOYEES

Particulars	No of responses	Percentage
Non important	4	6.7
Somewhat important	12	20
Important	14	23.3
Very important	24	40
Critical	6	10
Total	60	100

(Source: primary data)

FIGURE 4.17
SHOWING THE IMPORTANCE ON SEEKING POTENTIAL AMONG
EMPLOYEES



Interpretation: Table 4.17 shows that 6.7 per-cent of respondents has not important on seeking potential among employees by non-monetary incentives, 20 per-cent of respondents has somewhat important, 23.3 per-cent of respondents has important, 40 per-cent of respondents has very important and remaining 10 per-cent of respondents has critical.

TABLE 4.18

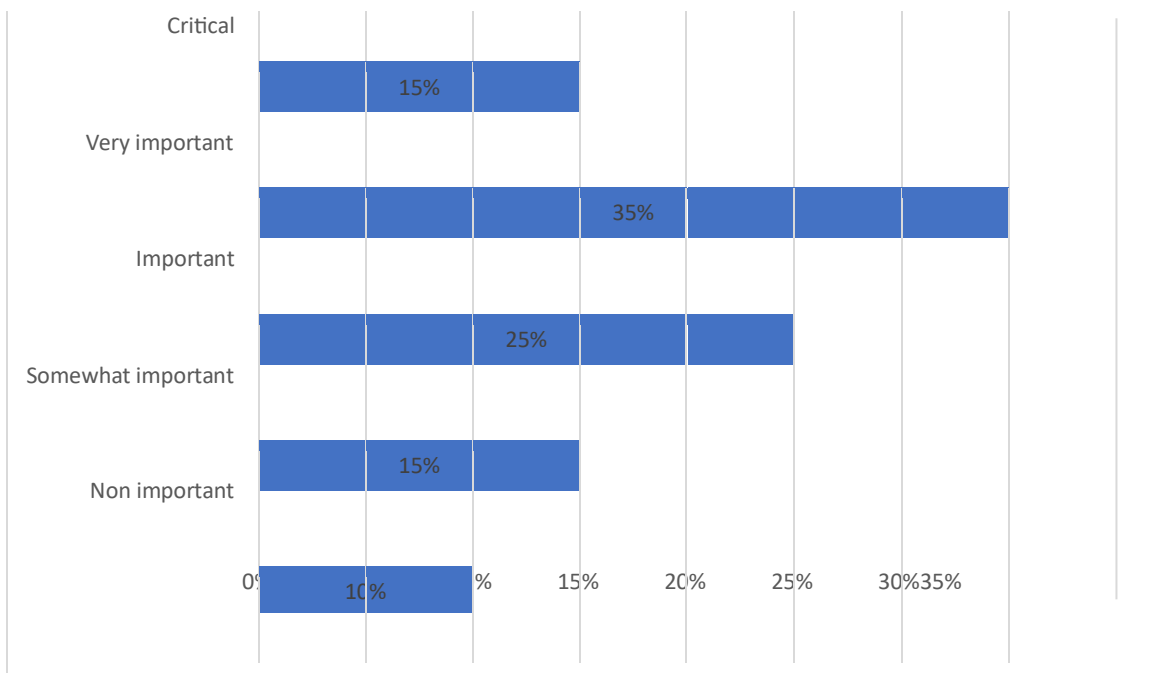
SHOWING THE IMPORTANCE ON GIVING THE QUALITY TYPE OF SERVICE

Particulars	No of responses	Percentage
Non important	6	10
Somewhat important	9	15
Important	15	25
Very important	21	35
Critical	9	15
Total	60	100

(Source: primary data)

FIGURE 4.18

SHOWING THE IMPORTANCE ON GIVING THE QUALITY TYPE OF SERVICE



Interpretation: Table 4.18 shows that 10 per-cent of respondents has not important on giving the quality type of service by non-monetary incentives, 15 per-cent of respondents has somewhat important, 25 per-cent of respondents has important, 35 per-cent of respondents has very important and remaining 15 per-cent of respondents has critical.

TABLE 4.19

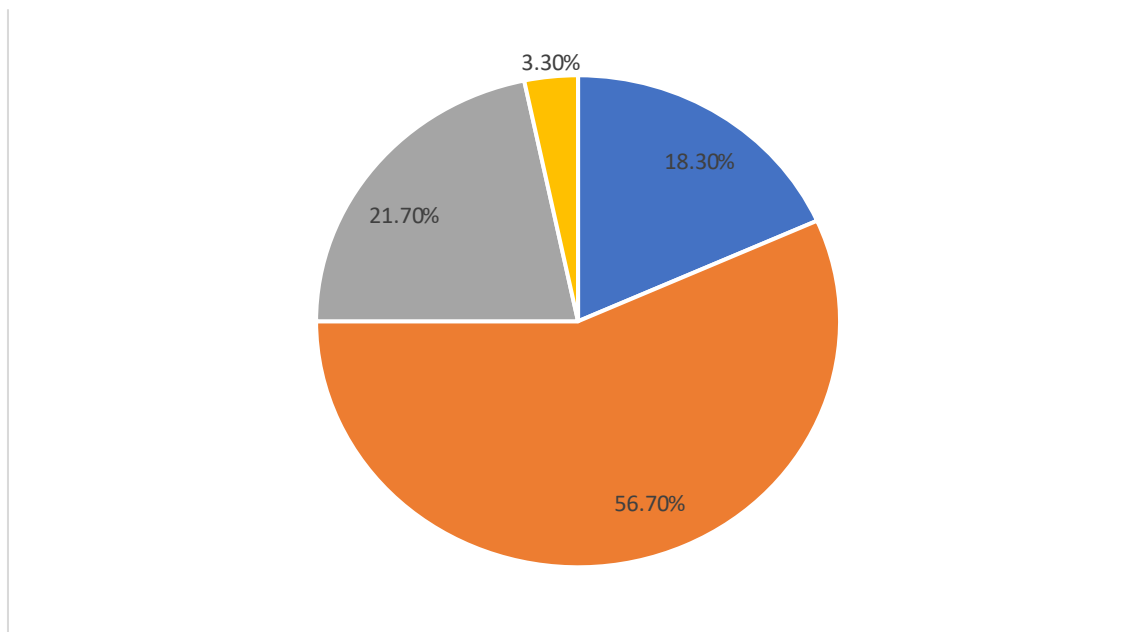
SHOWING THE RESPONDENTS FEEL ABOUT THE CURRENT NON-MONETARY INCENTIVES

Particulars	No of responses	Percentage
Very good	11	18.3
Good	34	56.7
Neutral	13	21.7
Bad	2	3.3
Very bad	0	0
Total	60	100

(Source: primary data)

FIGURE 4.19

SHOWING THE RESPONDENTS FEEL ABOUT THE CURRENT NON-MONETARY INCENTIVES



Interpretation: Table 4.19 shows that 18.3 per-cent of respondents feels very good about the current non-monetary incentives provided by the organisation, 56.7 per-cent of respondents feel good, 21.7 per-cent of respondents feel neutral and remaining 3.3 per-cent of respondents feels bad.

TABLE 4.120

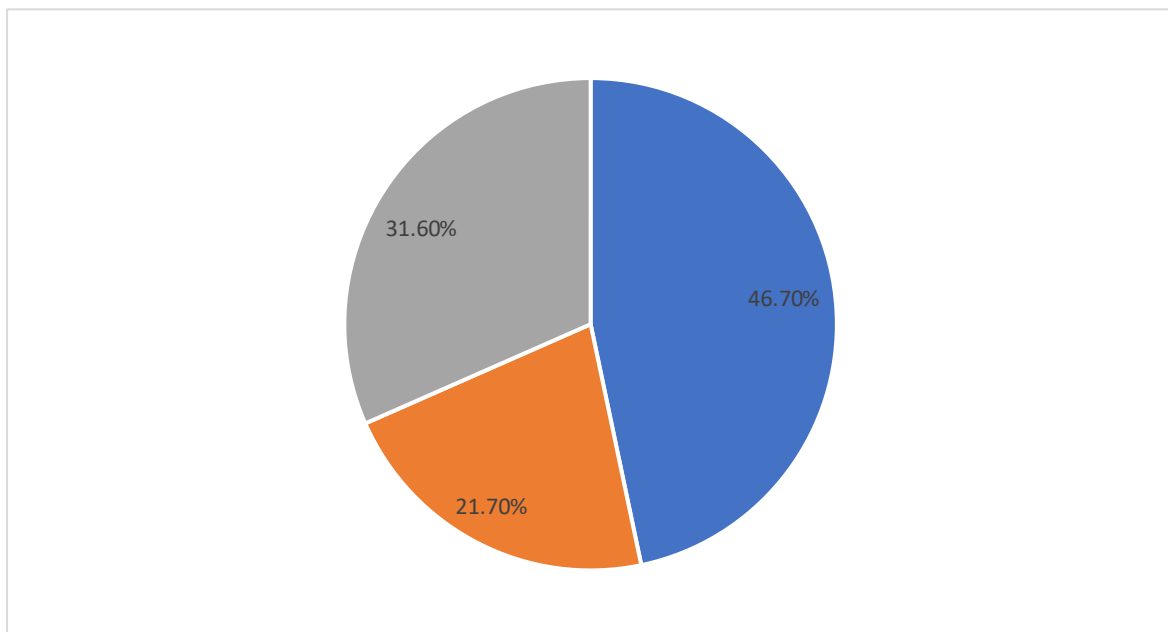
SHOWING THE WILLINGNESS TO WORK HARDER OR TAKE ON MORE RESPONSIBILITY

Particulars	No of responses	Percentage
Yes	28	46.7
No	13	21.7
Maybe	19	31.6
Total	60	100

(Source: primary data)

FIGURE 4.20

SHOWING THE WILLINGNESS TO WORK HARDER OR TAKE ON MORE RESPONSIBILITY



Interpretation: Table 4.20 shows that 46.7 per-cent of respondents are willing to work harder, 21.7 per-cent of respondents are not willing and remaining 31.6 per-cent of respondents are maybe willing to work harder or take on more responsibility in exchange for non-monetary incentives.

TABLE 4.21

SHOWING WHETHER RESPONDENTS HAD A POSITIVE CHANGE IN WORK

ENVIRONMENT

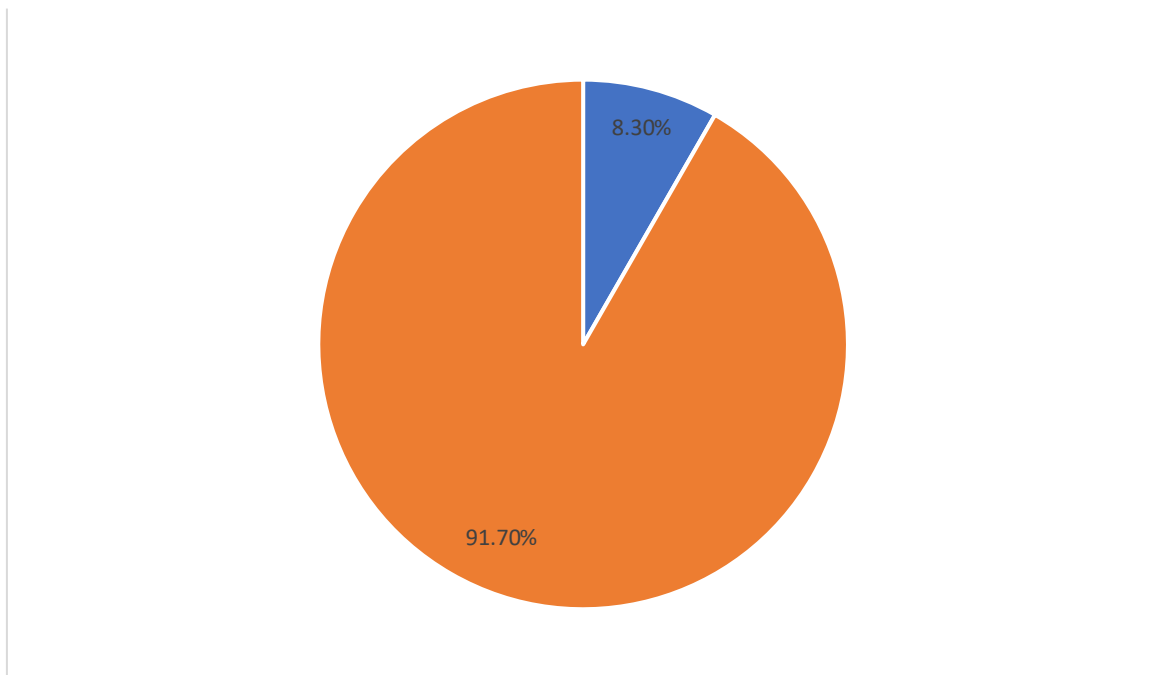
Particulars	No of responses	Percentage
Yes	55	91.7
No	5	8.3
Total	60	100

(Source: primary data)

FIGURE 4.21

SHOWING WHETHER RESPONDENTS HAD A POSITIVE CHANGE IN WORK

ENVIRONMENT



Interpretation: Table 4.21 shows that 91.7 per-cent of respondents had a positive change in the work environment and remaining 8.3 per-cent of respondents does not have a positive change in the work environment by the introduction of non-monetary incentives.

TABLE 4.22

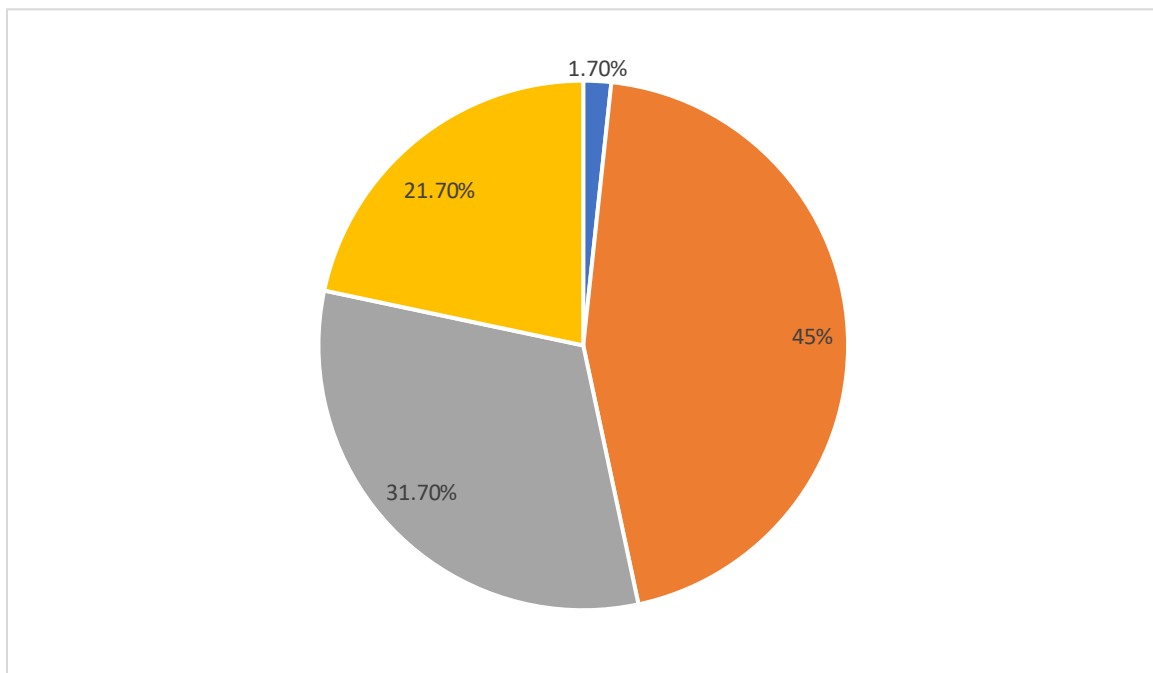
SHOWING HOW IMPORTANT IN IMPROVING JOB SATISFACTION AND PERFORMANCE

Particulars	No of responses	Percentage
Not important at all	1	1.7
Somewhat important	27	45
Moderately important	19	31.7
Very important	13	21.7
Total	60	100

(Source: primary data)

FIGURE 4.22

SHOWING HOW IMPORTANT IN IMPROVING JOB SATISFACTION AND PERFORMANCE



Interpretation: Table 4.22 shows that 21.7 per-cent of respondents consider non-monetary incentives very important in increasing job satisfaction and performance, 31.7 per-cent of respondents have moderately important, 21.7 per-cent of respondents have somewhat important and remaining 1.7 per-cent of respondents did not find it important at all.

TABLE 4.23

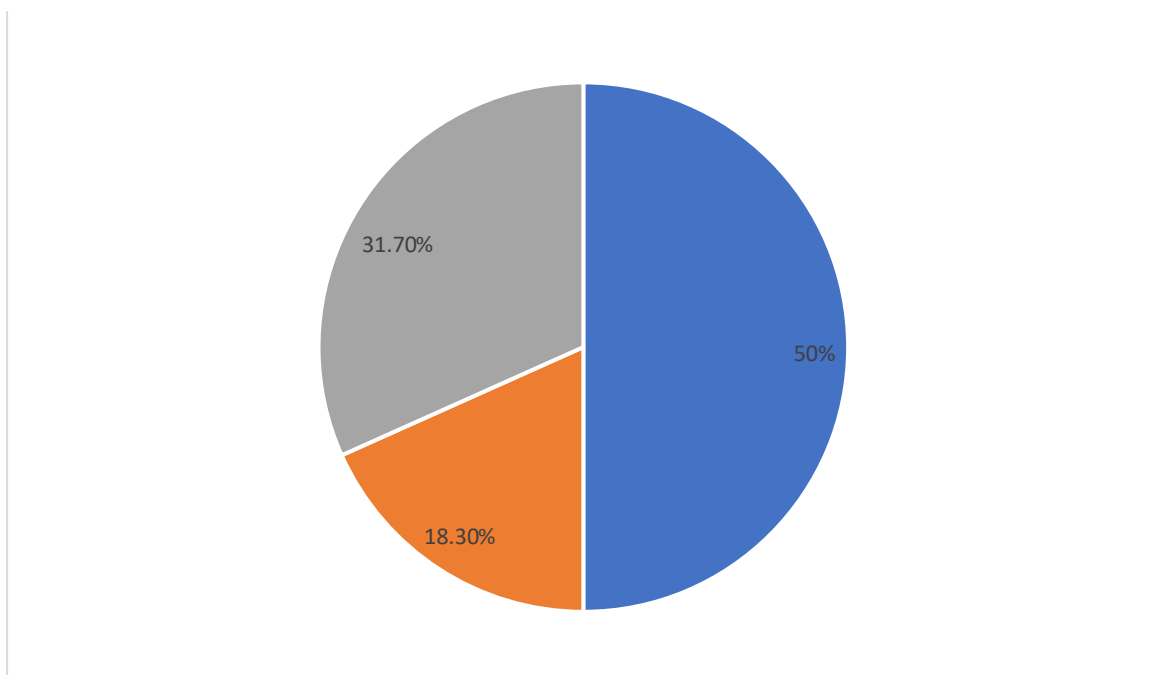
**SHOWING RESPONDENTS FEEL THAT THE NON-MONETARY INCENTIVES
OFFERED BY BANK ARE FAIR AND EQUITABLE**

Particulars	No of responses	Percentage
Yes	30	50
No	11	18.3
Maybe	19	31.7
Total	60	100

(Source: primary data)

FIGURE 4.23

**SHOWING RESPONDENTS FEEL THAT THE NON-MONETARY INCENTIVES
OFFERED BY BANK ARE FAIR AND EQUITABLE**



Interpretation: Table 4.23 shows that 50 per-cent of respondents feel that the non-monetary incentives offered by bank are fair and equitable, 18.3 per-cent of respondents don't feel that it is fair and equitable and remaining 31.7 per-cent of respondents are confused.

TABLE 4.24

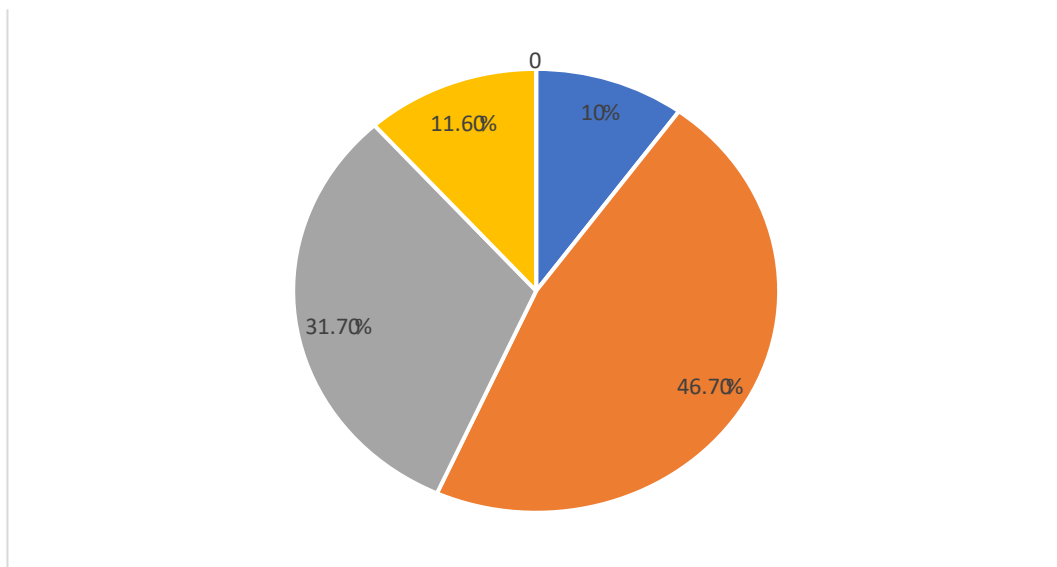
SHOWING HOW SATISFIED THE RESPONDENTS WITH THE OVERALL NON-MONETARY INCENTIVES

Particulars	No of responses	Percentage
Very satisfied	6	10
Somewhat satisfied	28	46.7
Neutral	19	31.7
Somewhat dissatisfied	7	11.6
Very dissatisfied	0	0
Total	60	100

(Source: primary data)

FIGURE 4.24

SHOWING HOW SATISFIED THE RESPONDENTS WITH THE OVERALL NON-MONETARY INCENTIVES



Interpretation: Table 4.24 shows that 10 per-cent of respondents are very satisfied with the overall non-monetary incentives offered by bank, 46.7 per-cent of respondents are somewhat satisfied, 31.7 per-cent of respondents are neutral, 11.6 per-cent of respondents are somewhat dissatisfied and no respondents are very dissatisfied.

TABLE 4.25

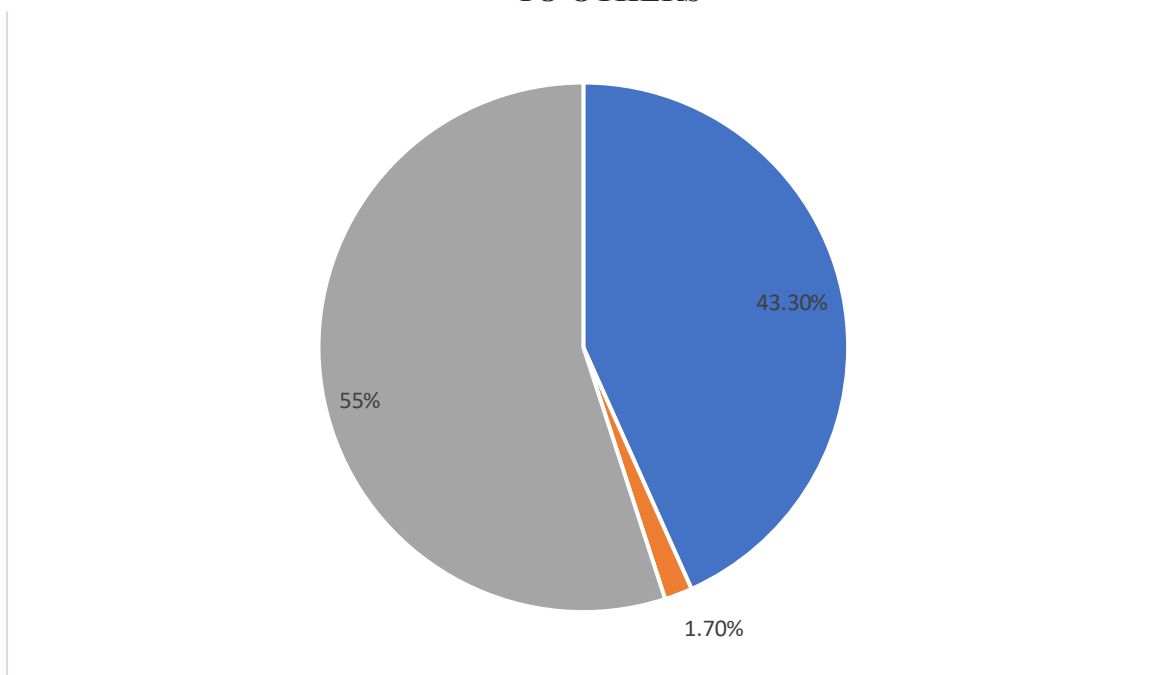
**SHOWING WHETHER RESPONDENTS WOULD RECOMMEND THEIR BANK
TO OTHERS**

Particulars	No of responses	Percentage
Yes	26	43.3
No	1	1.7
Maybe	33	55
Total	60	100

(Source: primary data)

FIGURE 4.25

**SHOWING WHETHER RESPONDENTS WOULD RECOMMEND THEIR BANK
TO OTHERS**



Interpretation: Table 4.25 shows that 43.3 per-cent of respondents recommend their bank to other, 1.7 per-cent of respondents does not recommend and remaining 55 per-cent of respondents maybe recommend their bank to friends or family as a good place in giving non-monetary incentives.

TABLE 4.26

INDEPENDENT SAMPLE TEST FOR MEASURING THE INFLUENCE OF GENDER IN IMPORTANCE OF NON-MONETARY INCENTIVES.

H₀₁: The importance of non-monetary incentives is the same for both female and male bank employees

Group Statistics				
	Gender	N	Mean	Std. Deviation
Importance of Non-monetary Incentives	Female	30	3.0867	.90162
	Male	30	2.9867	.94531

Interpretation: From the table, it can be observed that both females and males value nonmonetary incentives to some extent. On average, females tend to rate the importance of nonmonetary incentives slightly higher (3.0867) compared to males (2.9867).

Independent Samples Test			
	t-test for Equality of Means		
	t	df	Sig. (2-tailed)
Importance of Non-monetary Incentives	.419	58	.677

Interpretation: The p-value (.677) is greater than the typical significance level of .05. So, the null hypothesis cannot be rejected. The study suggests that gender is not a factor that affects the importance of non-monetary incentives for bank employees

TABLE 4.27

DESCRIPTIVE ANALYSIS AND ANOVA FOR MEASURING THE INFLUENCE OF AGE IN IMPORTANCE OF NON-MONETARY INCENTIVES

H₀₂: The importance of non-monetary incentives is not influenced by the age of bank employees

Descriptive analysis			
Importance of Non-monetary Incentives			
Age	N	Mean	Std. Deviation
Below 25	19	2.8211	1.02175
25-40	33	3.0606	.80543
Above 40	8	3.4500	1.05695
Total	60	3.0367	.91725

Interpretation: The age group "25-40" has the highest mean score of 3.0606, indicating that, on average, participants between the ages of 25 and 40 place relatively higher importance on non-monetary incentives compared to the other age groups. The age group "Above 40" also shows a relatively high mean score of 3.4500, suggesting that participants above the age of 40 also value non-monetary incentives. The age group "Below 25" has the lowest mean score of 2.8211, indicating that participants below the age of 25, on average, place slightly less importance on non-monetary incentives compared to the other age groups.

ANOVA

Importance of Non-monetary Incentives

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.269	2	1.134	1.365	.264
Within Groups	47.370	57	.831		
Total	49.639	59			

Interpretation: The "Sig." value is .264, which is greater than .05. Therefore, there is no statistically significant difference in the importance of non-monetary incentives among the different age groups of bank employees.

TABLE 4.28

INDEPENDENT SAMPLE TEST FOR MEASURING THE INFLUENCE OF MARITAL STATUS IN IMPORTANCE OF NON-MONETARY INCENTIVES.

H₀₃: The importance of non-monetary incentives is not influenced by the marital status of bank employees

Group Statistics

	Marital status	N	Mean	Std. Deviation	Std. Error Mean
Importance of Nonmonetary Incentives	Single	22	2.7727	1.08020	.23030
	Married	38	3.1895	.78354	.12711

Interpretation: For the "Single" group, the mean score is approximately 2.7727, and for the "Married" group, the mean score is approximately 3.1895. The table shows that both "Single" and "Married" participants perceive non-monetary incentives as important, with the "Married" group having a slightly higher mean score compared to the "Single" group.

Independent Samples Test

	t-test for Equality of Means		
	t	df	Sig. (2-tailed)
Importance of Non-monetary Incentives	-1.584	33.954	.122

Interpretation: The results of the independent t-test, shows that the p-value (0.122) is greater than the common significance level of 0.05 (or 5%). This means that there is no statistically significant difference in the importance of non-monetary incentives between the "Single" and "Married" bank employees. In other words, the marital status of bank employees does not seem to influence their perceptions of the importance of non-monetary incentives.

TABLE 4.29

DESCRIPTIVE ANALYSIS AND ANOVA FOR MEASURING THE INFLUENCE OF PERIOD OF SERVICE IN IMPORTANCE OF NON-MONETARY INCENTIVES

H₀₄: The importance of non-monetary incentives is not influenced by the period of service of bank employees

Descriptive analysis

Importance of Non-monetary Incentive

	N	Mean	Std. Deviation
0-5 year	32	2.9188	1.04833
5-10 year	20	3.2300	.71163
Above 10 years	8	3.0250	.82419
Total	60	3.0367	.91725

Interpretation: Participants with 5-10 years of experience (Mean = 3.2300) rated nonmonetary incentives as the most important, followed closely by participants with above 10 years of experience (Mean = 3.0250). Participants with 0-5 years of experience (Mean = 2.9188) rated non-monetary incentives as slightly less important compared to the other two groups.

ANOVA

Importance of Non-monetary Incentives

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.194	2	.597	.702	.500
Within Groups	48.446	57	.850		
Total	49.639	59			

Interpretation: The p-value is 0.500, which is greater than the typical significance level (such as 0.05), we fail to reject the null hypothesis. Therefore, there is no significant difference in the perception of the importance of non-monetary incentives among bank employees with different periods of service (0-5 years, 5-10 years, and above 10 years).

TABLE4.30

DESCRIPTIVE ANALYSIS AND ANOVA FOR MEASURING THE

INFLUENCE OF SALARY IN IMPORTANCE OF NON-MONETARY INCENTIVES

H₀₅: The importance of non-monetary incentives is not influenced by the salary of bank employees

Descriptive analysis			
Importance of Non-monetary Incentives			
Salary	N	Mean	Std. Deviation
Below 40000	14	2.6286	.91098
40000-100000	36	3.1722	.87264
Above 100000	10	3.1200	1.00753
Total	60	3.0367	.91725

Interpretation: The highest mean rating for the importance of non-monetary incentives is in the "40000-100000" salary range (mean = 3.1722), indicating that employees in this salary range place relatively higher importance on non-monetary incentives. The lowest mean rating for the importance of non-monetary incentives is in the "Below 40000" salary range (mean = 2.6286), suggesting that individuals in this salary range may not prioritize non-monetary incentives as much as those in higher salary ranges. The "Above 100000" salary range also shows a relatively high mean rating (mean = 3.1200) for non-monetary incentives importance.

ANOVA

Importance of Non-monetary Incentives

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.063	2	1.531	1.874	.163
Within Groups	46.577	57	.817		
Total	49.639	59			

Interpretation: The F-statistic is calculated as the ratio of the mean square between groups to the mean square within groups. In this case, it is $1.531 / 0.817 \approx 1.874$. The significance level is given as 0.163, which is higher than the typical significance threshold of 0.05 (5%). It means that the differences in the means of the "Importance of Non-monetary Incentives" between the salary groups are not statistically significant at the 5% significance level. Therefore, it appears that the importance of non-monetary incentives is consistent across the different salary groups of bank employees.

CHAPTER V
FINDINGS, SUGESSTIONS AND CONCLUSION

FINDINGS

- Both females and males are equally participated and majority of the respondents are married. 53.3% of respondents have 0-5 years of service.
- Majority of the respondents have a degree as an educational qualification and majority of the respondents are senior staffs. 60% of respondents have a salary between 40000 and 100000.
- 98.3% of respondent's organisations give non-monetary incentives to motivate employees.
- 76.7% of respondents' organisation practice non-monetary incentives yearly.
- Majority of the respondents receive non-monetary incentives quarterly and annually.
- A vast majority 95% of respondents have overtime on public holidays and only a least 43.3%of respondents have free bus service.
- Most of the organisation are recording improvement on productivity.
- Only 18.3% of respondents very great exently think that incentive enhance productivity.
- Only 35% of respondents place importance on motivation tool as non-monetary incentives.
- 23.3% of respondents place importance on seeking potential among employee by nonmonetary incentives.
- Most of the respondents place very importance on giving the quality type of service.
- 56.7% of respondents feeling good about the current non-monetary incentives.
- Most of the respondents are ready to work harder in exchange of non-monetary incentives.
- The study found that majority of the respondents had a positive change in the work environment.
- 31.7% of respondents strongly agree that non-monetary incentives improve job satisfaction and performance.
- The study reveals that most of the respondents are satisfied with overall non-monetary incentives offered by bank.
- Majority of the respondents recommend their bank to others.
- According to the study, gender has little impact on how important non-financial incentives are to bank employees. For both male and female bank employees, the value of non-cash rewards is the same.

- The significance of non-monetary incentives is not statistically different among the various age groups of bank employees. The age of bank personnel has no effect on the value of non-monetary incentives.
- As a result, there is no statistically significant difference between "Single" and "Married" bank employees in terms of the significance of non-monetary rewards.
- Between bank employees with varied lengths of service, there is no discernible difference in how important non-monetary rewards are viewed.
- It seems that among the various income categories of bank employees, the significance of non-cash rewards is constant. The remuneration of bank personnel has no bearing on the significance of non-monetary incentives.

SUGGESTIONS

- The bank should continuously review on the non-monetary performance.
- Bank should communicate about best practices to employees.
- Improve the satisfaction level of employees.
- Establish a regular feedback system.
- the bank should ensure that non-monetary incentives are a tool for motivation and enhance productivity.

CONCLUSION

In the banking industry, the implementation of non-monetary incentives proves to be a highly effective strategy for enhancing employee performance. The findings indicate that employees in the banking industry are motivated not only by financial rewards but also by factors that promote job satisfaction, personal growth and a positive work environment.

Non-monetary incentives boost morale, increase productivity, and lead to higher levels of job satisfaction, which ultimately translates to improved customer service and overall organizational success. Furthermore, the implementation of non-monetary incentives demonstrates a commitment from management to value and invest in their employees' wellbeing and professional growth. This strengthens the employee-employer relationship, fosters a positive organizational culture, and empowers individuals to be more engaged, innovative, and motivated to achieve their best performance.

In conclusion, the use of non-monetary incentives is a strategic approach that can significantly contribute to enhancing employee performance in the banking sector. By combining financial rewards with a thoughtful and well-crafted non-monetary rewards system, banks can create a thriving work environment that fosters employee growth, satisfaction, and productivity leading to long-term organizational success.

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APPENDIX

QUESTIONNAIRE

“ENHANCING EMPLOYEE PERFORMANCE THROUGH NON-MONETARY INCENTIVES IN BANKING SECTOR”

SECTION A

1. Name
2. Sex
 - Female
 - Male
 - Others
3. Age
 - Below 25
 - 25-40
 - Above 40
4. Marital status
 - Single
 - Married
5. Period of service
 - Below 5 years
 - 5-10 years
 - Above 10 years
6. Education qualification
 - Degree
 - Masters
 - PHD
 - Diploma
7. Designation
 - Junior Staff
 - Senior staff
 - Supervisor
 - Manager
 - Others

8. Salary

- Below 40000
- 40000-100000
- Above 100000

SECTION B

9. Other than money, does your organisation employ non – monetary incentives to motivate Employees?

- Yes
- No

10. Do you consider the non-monetary incentives applied by your organisation as being functionally practiced yearly?

- Yes
- No

11. How frequently do you prefer to receive non-monetary incentives for your performance?

- Monthly
- Quarterly
- Bi-annually
- Annually
- Others

12. Which of these non-monetary incentives have your organisation employed overtime?

Incentives	Yes	No
a. Flexible work hours		
b. Career advancement opportunities		
c. Job training		
d. Promotion		
e. Well-equipped office		
f. Health care		
g. Free bus service		
h. Leave		
i. Off days		
j. Break hours		

k. Retirement benefits		
l. Public holidays		
m. Job security		
n. Effective communication		
o. Job rotation		
p. Goal setting and rewards		

13. Do you think your organisation has recorded improvement on productivity due to their incentives?

- Yes
- No

14. If yes to question 13 above, please assess the extent to which you think that these incentives have enhance employee productivity.

- Very great extent
- Great extent
- Considerable extent
- Poor extent
- Very poor extent

15. Rate the following

	Non important	Somewhat important	Important	Very important	Critical
a. In increasing my level of competence through non-monetary incentives.					
b. As a motivation, non-monetary incentives are					

c. In obtaining employee loyalty non-monetary incentives are					
d. In seeking potential among employees non-monetary incentives are					
e. In giving the quality type of service non-monetary incentives are					

16. How do you feel about the current non-monetary incentives provided by the organisation?

- Very good
- Good
- Neutral
- Bad
- Very bad

17. Would you be willing to work harder or take on more responsibility in exchange for non-monetary incentives?

- Yes
- No

18. Have you seen any positive change in the work environment or team moral since the introduction of non-monetary incentives?

- Yes
- No

19. Overall, how important do you feel non-monetary incentives are to your job satisfaction and performance?

- Not important at all
- Somewhat important
- Moderately important
- Very important

20. Do you feel that the non-monetary incentives offered by your bank are fair and equitable?

- Yes
- No
- Maybe

21. How satisfied are you with the overall non-monetary incentives offered by your bank.?

- Very satisfied
- Somewhat satisfied
- Neutral
- Somewhat dissatisfied
- Very dissatisfied

22. Would you recommend your bank to a friend or family members as a good place to work?

- Yes
- No
- Maybe