

## EFFECT OF MONETARY INCENTIVES ON WORKERS PERFORMANCE IN CARGO SERVICE SECTOR: A STUDY OF HIMACHAL PRADESH

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### ABSTRACT

*The study looks at the impact of monetary compensation on employee performance and the cargo service sector. The distribution of monetary benefits among workers in the H.P. cargo service sector was examined in order to determine the degree to which salaries and wages influence cargo service sector performance and the impact of employee benefit schemes on cargo service sector performance. Salary and wages have an effect on the profitability of the H.P. cargo service market, according to the report. Gati KWE Ltd., Safe express, and Transzen Express Cargo Private Limited are the top three cargo services companies according to the data collected. A merit approach, which seeks to consider and reward individual efforts, is opposed to the conventional bureaucratic approach, which pays a premium to each employee depending on the job held. To study employee results, a work advice centrality measure and a value index were developed and used. The findings indicate that individual behaviors have changed, which is consistent with the theoretical foundations and predictions made. The paper proposes some monetary compensation effects that could help workers increase their results.*

**KEYWORDS:** Monetary Incentives, Workers Performance, Cargo Service Sector

### INTRODUCTION

Employers typically use monetary incentives to motivate employees to meet their goals. Money, as a symbol of power, status, and respect, plays an important role in meeting a person's social–security and physiological needs. Money, on the other hand, ceases to be a motivator once psychological and security needs are met. Then it's just a matter of keeping up with it. An incentive is a monetary reward offered to a person to encourage him or her to take certain acts. Individuals and cargo services sector use incentives to inspire workers because they have persuasive strength and so on. Strategic planners, logistics, financing, regulatory, and growth experts are also concerned with the success of the services sector. According to Adam, "the way jobs are remunerated and paid determines the effectiveness and longevity of every services sector." Employee success relates to how the employees act at work and how effectively they carry out the tasks you've assigned to them. Performance may refer to the efficacy, consistency, and reliability of a job for a particular employee.

### CONCEPT OF MONETARY INCENTIVES

When designing a compensation scheme to empower staff, policy makers and cargo services sector managers must keep in mind that the reward or opportunity is merely a benefit that allows employees to achieve their objectives without sacrificing efficiency. The below are some typical examples of monetary incentives:

Individual Incentives-Individual reward programs can need to be adjusted to particular needs for immediate wage plus fee, just payment, or worker requires more time off instead of more pay. Specific reward programs may also be used to assess individual skills and initiatives.

- Piece Rates-This is most often seen in cargo services sector, where workers are paid a certain price for each piece made. Since each piece has a cash reward attached to it, piece prices encourage workers to work harder and faster to create more pieces. Managers must, however, ensure that consistency is not lost when issuing piece prices.
- Pay Raise - They are typically given to workers who have worked for a cargo services sector for a significant amount of time. Employees who have achieved a certain degree of target or who have completed the requisite training programmes can also receive salary raises. Any companies reward loyal employees with an annual pay increase.
- Bonuses- Bonuses are another good source of cash reward. Individuals who have fulfilled their services may be eligible for incentives, as well as teams who have finished tasks on schedule or exceeded their performance goals. As a means of promoting loyalty, certain award annual bonuses to long-serving staff.
- Sharing Profit- A great way to compensate workers is to share profits. Employees receive a limited benefit share depending on their rank, length of service with the cargo services sector, and contribution to the overall defined targets.
- Contests - The person or team with the highest performance amount receives a bonus or other compensation. Employers should again give monetary incentives to workers who make the right recommendations in order to inspire more positive proposals that boost revenue or efficiency.

## **OBJECTIVES OF THE STUDIES**

- To determine the impact of compensation and wages on the cargo services sector's efficiency.
- To determine the impact of employee compensation plans on the cargo services sector's results.

## **RESEARCH METHODOLOGY**

Taking a sample in this analysis, a simple random sampling approach was used, and the total sample size was 120 respondents from three cargo services sector Gati KWE Ltd., Safe express, and Transzen Express Cargo Private Limited in the same cargo services sector of H.P. Respondents from the various department employee cargo services sector of the H.P. were included in this report. Obtaining information through questionnaire was used to assess the level of morale and understanding of different employees at work. Measurements the theory is put to the Chi square test.

## **PRESENTATION AND ANALYSIS OF DATA**

The use of tables and percentages would be crucial in treating and interpreting the data gathered. The information gathered was organized into a table and evaluated using percentages. Chi-Square was used to evaluate the theories.

The formula is as follows:

$$X^2 = \sum \frac{(o-e)^2}{e}$$

Where  $X^2$  = Chi-Square

O stands for Observed Frequency.

E stands for expected frequency.

The alternative hypothesis (H1) is adopted if the measured chi-square value ( $X^2$ ) is greater than or equal to the table value at the 0.05 degree of significance, but the null hypothesis (H0) is accepted if the calculated chi-square value is smaller than the table value.

## DATA PRESENTATION

Tables and figures are used to present and interpret this research project. This will allow the researcher to come to a definitive conclusion about the research subject.

Does Monetary incentive have significant effect on the performance of cargo services sector?

**Table 1**

Options	Number of Frequency	Percentage (%)
Strongly agree	52	43
Agree	40	34
Disagree	16	13
Strongly disagree	12	10
Total	120	100

Source: Field Survey, 2021

According to the table above, 43 percent of respondents strongly agree that monetary incentives have a substantial impact on cargo services sector success, 34 percent agree, 13 percent disagree, and ten percent strongly disagree.

Do salaries and wages affect the performance of cargo services sector?

**Table 2**

Options	Number of Frequency	Percentage (%)
Strongly agree	55	46
Agree	37	31
Disagree	16	13
Strongly disagree	12	10
Total	120	100

Source: Field Survey, 2021

According to the table above, 46 percent of respondents strongly agree that compensation and wages have an effect on cargo services sector success, while 31 percent agree, 13 percent disagree, and 10 percent strongly disagree.

## Test of Hypothesis One

$H_{01}$ : monetary incentive does not have significant effect on the performance of cargo services sector

Table 3

Variables	O	E	O - E	(O - E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
Strongly agree	52	30	22	484	16.13
Agree	40	30	10	100	3.34
Disagree	16	30	-14	196	6.53
Strongly disagree	12	30	-18	324	10.80
Total	120	120			36.8

The calculated chi-square value = 36.8

$$Df = (K - 1) (4 - 1) = 3$$

Table value at 0.05 of significance and 4 degree of freedom (Df) = 7.377

**Decision:** Since the measured chi-square (X<sup>2</sup>) value (36.8) is higher than the table value (7.377), we dismiss the null hypothesis (H<sub>0</sub>) and support the alternative hypothesis (H<sub>1</sub>) that monetary incentives have no substantial impact on cargo services sector success.

### Test of Hypothesis Two

H<sub>02</sub>: Salaries and wages do not affect the performance of cargo services sector

Table 4

Variables	O	E	O - E	(O - E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
Strongly agree	55	30	25	625	20.84
Agree	37	30	7	49	1.63
Disagree	16	30	-14	196	6.45
Strongly disagree	12	30	-18	324	10.8
Total	120	120			39.72

The calculated chi-square value = 39.72

$$Df = (K - 1) (4 - 1) = 3$$

Table value at 0.05 of significance and 4 degree of freedom (Df) = 7.377

**Decision:** Since the measured chi-square (X<sup>2</sup>) value (39.72) is greater than the table value (7.377), we dismiss the null hypothesis (H<sub>0</sub>) and support the alternative hypothesis (H<sub>1</sub>) that salaries and wages have little effect on cargo services sector efficiency.

### CONCLUSIONS

This is one of the first attempts in the cargo services sector to measure the reaction behavior of employees (of various levels) that cash incentives have a significant impact on services sector efficiency, while compensation and wages have a significant impact on services sector performance, and employee benefit schemes have a significant impact on services sector performance. High achievers are inspired by the love of achievement, interest in their jobs, and progress itself, not by the promise of earning money. Low achievers, on the other hand, will always work for money because it represents something they clearly want.

## **RECOMMENDATIONS**

The following recommendations are made for this study:

- Employers of labour should employ various types of incentives from time to time and from employee to employee. This could vary from earning commission to holiday package.
- Cargo services sector should use money as often as possible particularly with employees on lower level.

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