

The Impact of Incentives on Employee Productivity: Review of Past Literatures

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Abstract

Employee productivity is a key component of an organization's success and expansion. The use of incentives can greatly improve staff motivation and productivity. This study aims to explore how incentives affect workers' productivity. It will examine the relationship between incentives and productivity, as well as the impact that various incentives have on productivity outcomes. It also emphasizes how crucial incentives are for boosting employee motivation and increasing productivity in businesses. Incentives can come in a variety of forms, including cash payments, bonuses, accolades, and non-cash benefits. The type and form of incentives, work happiness, motivation, and job design are only a few examples of the variables that influence the relationship between incentives and productivity. Employees should view incentive programmers as fair and equitable, and they should be routinely reviewed and altered based on feedback and performance statistics. Effective incentive programs should also be in line with organizational goals. According to the past studies, incentives have a favorable effect on worker productivity across a range of sectors and situations. In general, incentives have a substantial impact on employee productivity and organizational performance. To maximize the impact of incentives, organizations should properly plan and manage their incentive programs.

Keywords: Incentives, Employee Productivity, Financial, Non-Financial, Organizations Performance, Incentive Programs

1. Introduction

Incentives are described as rewards or benefits provided to staff members by organizations in order to inspire and promote desirable behaviors and results. These benefits may include monetary pay, bonuses, promotions, or recognition, as well as non-cash benefits like flexible work schedules, educational opportunities, or more vacation time. A number of variables affect the complex relationship between incentives and employee productivity. Incentives have been proved through study to increase staff productivity. According to Ahammad et al., (2015), incentives and other HR practices that enhance motivation have a positive impact on the productivity, motivation, and performance of commercial banks. The favorable relationship between incentives and worker productivity in Nigerian real estate enterprises is also highlighted by Oloke et al. (2017). Employees can be motivated by incentives to put forth their utmost effort, leading to improved performance (Norbaiti et al., 2022).

The success of incentives in raising productivity depends on a number of variables. The type and layout of incentives are very important. Employees have an obvious motivation to boost their productivity when given financial incentives, such as performance-based bonuses or commission schemes, which explicitly relate rewards to individual or team performance. Employee motivation and productivity can also be increased by non-financial incentives like recognition programs or chances for skill development (Erbaşı & Arat, 2012). Other elements may operate as mediators in the relationship between incentives and productivity. Employee perceptions and reactions to incentives, for instance, might be influenced by factors such as job satisfaction, motivation, and job design. According to Erbaşı & Arat (2012), both monetary and non-monetary incentives had a favorable effect on job satisfaction, which in turn affected worker performance. According to Suharto et al., (2019), incentives can serve as a motivating factor that raises job satisfaction and productivity.

To maximize their impact on productivity, organizations should properly plan and administer incentive programs. Employees should believe that the incentives are fair and equal, and they should be in line with the organization's aims and values. The effectiveness can be increased through communication, transparency and disclosure of the

requirements for receiving rewards. Furthermore, ongoing evaluation and modification of incentive programs based on customer feedback and performance data can guarantee their sustained applicability and efficacy. Therefore, the discussion in this article will be based on a review of the literature about the connections between incentives and employee productivity. In conclusion, incentives have a big impact on how productive employees are. They can promote workplace satisfaction, inspire staff, and help to improve work output. The type and form of incentives, work satisfaction, motivation, and job design are some of the variables that have an impact on the relationship between incentives and productivity. To maximize the influence of incentive programs on productivity and to ensure that the employees are consistent with the organization's values and goals, a better plan should be implemented. The organizations may develop a motivated and productive workforce if they are utilizing the incentives effectively.

2. Review of Past Literatures

Numerous studies have looked into the connection between incentives and worker productivity in diverse settings. Insufficient incentives were found to be a barrier to participation in a worksite wellness program which underscoring the significance of strong incentives for fostering awareness and engagement (Person et al., 2010). According to Ahammad et al., (2015), financial incentives have a significant impact on performance and productivity that will contribute on ambidexterity of organizations. Incentives strategies able to draw in and keep productive workers by improving their performance (Banker et al., 2000). In addition, there is favorable relationship between incentives and worker productivity (Oloke et al., 2017). Moral incentives and rewards also have been recognized as important variables in influencing employee performance in Jordanian travel and tourism establishments (Alfandi & Alkhsawneh, 2014). These studies offer insightful information about how incentives and productivity relate in many contexts and industries.

2.1 *Incentives as Motivating Factors among the Employee*

The impact of incentives on staff productivity and organizational performance is significant. Incentives and productivity have a complex relationship that has been thoroughly studied in the literature. The study yields a number of important conclusions. First and foremost, rewards serve as motivators for workers, urging them to put forth effort and deliver better work. Employees aspire to achieve financial incentives such as bonuses and performance-based pay because they offer concrete benefits. Non-monetary rewards like praise, chances for professional progress, or a nice work atmosphere can also boost motivation and productivity. Additionally, incentives aid in coordinating personal aims with corporate targets. Organizations can influence employee behavior to meet certain targets or performance standards by tying rewards to desired results. Incentives encourage a shared focus on organizational objectives by giving people a sense of direction and purpose. Incentives can also increase employee engagement and job satisfaction, which has a good knock-on effect on productivity. Employees report higher job satisfaction and are more likely to be engaged in their work when they believe that their efforts are valued and appreciated. As a result, productivity rises and the quality of the output improves.

Incentives can also promote an innovative and constant improvement culture within organizations. Organizations foster a proactive and creative mentality by rewarding staff for novel ideas, problem-solving, or process improvements. Through the adoption of more productive working methods or the creation of novel goods and services, this may enhance productivity. It is significant to remember that the effectiveness of incentives depends on how they are designed and implemented. Programs for incentives should be equitable, open, and in line with organizational objectives. They should take into account elements like work duties, individual talents, and the organizational context to be customized to the particular demands and preferences of the personnel. To ensure that incentive programs remain relevant and effective, regular evaluation and adjustment based on feedback and performance data is necessary. In order to increase staff productivity and organizational effectiveness, incentives are essential. They serve as motivators, harmonize individual and organizational objectives, encourage employee engagement and work happiness, and promote a culture of continuous improvement. Organizations should take great care in creating and implementing incentive plans that are just, open, and catered to the individual requirements of their workers. Organizations can develop a motivated and effective staff through the proper use of incentives, improving performance and competitiveness.

Overall, these references offer insights into the impact of incentives on employee performance and motivation, emphasizing the value of carefully thought-out incentive programs as well as the role that trust, open communication, and pay for performance strategies play in raising performance and quality across various industries.

Table 1. Reviews on Incentives as a Motivations among Employees

No.	Articles	Authors & Citations	Findings
1.	Exploring the Influence of Trust Relationships on Motivation in The Health Sector: A Systematic Review.	Okello, D. & Gilson, L. (2015). Exploring the influence of trust relationships on motivation in the health sector: a systematic review. <i>Human Resources for Health</i> , 13(1). https://doi.org/10.1186/s12960-015-0007-5	Suggest on enhancing workplace trust between coworkers by positive interactions between cadres, collegial recognition, encouraging teamwork, respect, and effective communication can enhance healthcare worker performance and care quality.
2.	Public Reporting and Pay for Performance in Hospital Quality Improvement.	Lindenauer, P., Remus, D., Roman, S., Rothberg, M., Benjamin, E., Ma, A., & Bratzler, D. (2007). Public reporting and pay for performance in hospital quality improvement. <i>New England Journal of Medicine</i> , 356(5), 486-496. https://doi.org/10.1056/nejmsa064964	Discuss how to enhance hospital quality using pay for performance and public reporting systems. The authors point out that these tactics are now frequently recommended methods for expediting quality improvement. Physicians and hospital administrators are more interested in quality when it is publicly reported, and pay-for-performance initiatives try to recognize excellence and counteract the unfavorable financial incentives that may prevent hospitals from making investments in quality-improving initiatives.
3.	The Effect of Wages and Incentives on Employee Performance Improvement.	Norbaiti, N., Hamdilah, H., Husein, N., & Arifin, Z. (2022). The effect of wages and incentives on employee performance improvement. <i>International Journal of Multi Discipline Science (Ij-Mds)</i> , 5(2), 89. https://doi.org/10.26737/ij-mds.v5i2.3480	Analyze how wages and incentives affect the development of employee performance. The study emphasizes how an effective incentive program may boost motivation and pinpoint the crucial elements that spur performance improvement. Rewards like profit-sharing and performance-based compensation can motivate staff to put in real effort and meet organizational objectives.
4.	The Influence of Incentive towards Their Motivation and Discipline (A Case Study at Rectorate of Andalas University, West Sumatera, Indonesia).	Hubeis, A. and Affandi, M. (2017). The influence of incentive towards their motivation and discipline (a case study at rectorate of Andalas University, West Sumatera, Indonesia). <i>Journal of Education and E-Learning Research</i> , 4(4), 122-128. https://doi.org/10.20448/journal.509.2017.44.122.128	A case study at the Rectorate of Andalas University, showed the impact of incentives on employee discipline and motivation. According to the study, incentives have a big impact on how motivated and disciplined employees are, which eventually leads to better performance.
5.	The Analysis of Incentive Effect on Motivation and Employee Performance at Pt Jamsostek (Persero) Medan Branch	Rosita, R., Kosasih, H., & Erina, E. (2021). The analysis of incentive effect on motivation and employee performance at Pt Jamsostek (Persero) Medan Branch. <i>Kontigensi Jurnal Ilmiah Manajemen</i> , 9(1), 69-78. https://doi.org/10.56457/jimk.v9i1.97	Examine how incentives affect employee performance and motivation at the PT Jamsostek (Persero) Medan Branch. The study suggests the effectiveness of incentives in encouraging workers to enhance their performance and highlights the significance of

			motivation in accomplishing organizational objectives.
6.	The Integrated Dynamics of Motivation and Performance in The Workplace.	Taylor, B. (2015). The integrated dynamics of motivation and performance in the workplace. <i>Performance Improvement</i> , 54(5), 28-37. https://doi.org/10.1002/pfi.21481	Examines how motivation and performance interact in the workplace. The importance of feedback and consequences at the situational level is emphasized by the author as a means of enhancing both individual and group autonomy, competence, and relatedness, all of which can improve performance.
7.	Effect of Mutations, Incentives, and Leadership Styles on Employee Performance at Perumda Air Minumtirta Bening Lontar Kota Kupang.	Riwukore, J., Yustini, T., & Ottemoesoe, J. (2022). Effect of mutations, incentives, and leadership styles on employee performance at perumda air minumtirta bening lontar kota kupang. <i>Mec-J (Management and Economics Journal)</i> , 6(3), 249-270. https://doi.org/10.18860/mec-j.v6i3.16135	Examine how the leadership, incentives, and mutations at Perumda Air Minum Tirta Bening Lontar Kota Kupang affect employee performance. According to the study, employee motivation and incentives significantly and favorably affect how well employees perform in the PDAM organization.
8.	When Does Incentive Compensation Motivate Managerial Behaviors? An Experimental Investigation of the Fit Between Incentive Compensation, Executive Core Self-Evaluation, And Firm Performance.	Chng, D., Rodgers, M., Shih, E., & Song, X. (2012). When does incentive compensation motivate managerial behaviors? an experimental investigation of the fit between incentive compensation, executive core self-evaluation, and firm performance. <i>Strategic Management Journal</i> , 33(12), 1343-1362. https://doi.org/10.1002/smj.1981	Examine the circumstances under which incentive compensation encourages managerial actions. The study suggests an integrated model that takes into account the match between executive qualities, remuneration plans, and environmental factors. The match between these criteria determines how well incentive compensation motivates good managerial behaviors.
9.	Sustainability of Quality Improvement Following Removal of Pay-For-Performance Incentives.	Benzer, J., Young, G., Burgess, J., Baker, E., Mohr, D., Charns, M., ... & Kaboli, P. (2013). Sustainability of quality improvement following removal of pay-for-performance incentives. <i>Journal of General Internal Medicine</i> , 29(1), 127-132. https://doi.org/10.1007/s11606-013-2572-4	Discuss how quality improvement will continue if pay-for-performance incentives are eliminated. The authors stress the importance of additional study to better comprehend the systemic and human aspects that influence the viability of performance-based rewards.
10.	Impact of Incentive Management Strategies on Employee Performance among Telecommunication Firms in Kaduna Metroplis	Gadi, P. and Bagobiri, E. (2021). Impact of incentive management strategies on employee performance among telecommunication firms in Kaduna Metroplis. <i>International Journal of Multidisciplinary Applied Business and Education Research</i> , 2(2), 88-98. https://doi.org/10.11594/ijmaber.02.02.02	Analyze how incentive management tactics affect employee performance in Kaduna Metropolitan's telecom companies. According to the study, management style and the workplace environment have an impact on employee job satisfaction, but the reward management approach has less of an effect.

2.2 The Relationships Between Incentives with Employee Productivity

The connection between rewards and worker productivity has been extensively studied in the literature. This

relationship has been the subject of numerous studies in various situations and sectors. According to Ahammad et al. (2015), incentives, both financial and non-financial, had a positive impact on the productivity, motivation, and performance of commercial banks. They claimed that ex-post incentives, such as seasonal bonuses, concurrently encourage employees to work towards achieving their bosses' predetermined job goals. Ex-post incentives also encourage workers to keep a positive outlook and use positive discretionary behavior, such as boosting productivity to earn a bonus incentive. While Oloke et al., (2017) noted a significant positive relationship between rewards and worker productivity in Nigerian real estate enterprises. They employed a panel data regression model to analyse the strength of the association between incentives and business performance or productivity while controlling for other variables. The results revealed, among other things, that there is a strong positive correlation between incentives and employee productivity, that most real estate firms offer incentives that are largely unappreciated by their workforces, and that incentives are not the main factors influencing performance. The study's conclusion is that employers in real estate organizations should pay attention to other elements as well as analyse their compensation and incentive plans in order to raise employee morale and improve performance. According to these studies, rewards may work as a motivating factor to increase staff productivity.

Furthermore, other factors may act as mediating elements in how incentives affect productivity. For instance, it has been discovered that rewards improve job happiness, which in turn affects worker performance. Rewards may serve as a motivational factor that increases job satisfaction and, consequently, productivity. Other studies have examined the mediating effects of factors such as motivation, engagement, and information sharing on the relationship between incentives and productivity (Frengki et al., 2017; Sannagy et al., 2023). They claimed that it was possible to use incentives to persuade staff members to increase productivity or achieve high performance. Al-Belushi and Khan (2017) found that incentives have a direct impact on work motivation supports the idea. The motivation of practically all employees will increase with an attractive financial incentive. It is important to remember that the impact of incentives on employee productivity may vary depending on the type and structure of incentives, as well as the specific organizational context. Employees have an obvious motivation to boost their productivity when given financial incentives, such as performance-based bonuses or commission schemes, that explicitly link rewards to individual or team performance. Employee engagement and productivity can also be increased by non-monetary incentives, such as skill development opportunities or recognition programs.

Table 2. Review of the Relationships Between Incentives with Employee Productivity

No.	Articles	Authors & Citations	Findings
1.	Behavioral Ambidexterity: The Impact of Incentive Schemes on Productivity, Motivation, And Performance of Employees in Commercial Banks.	Ahammad, M., Lee, S., Malul, M., & Shoham, A. (2015). Behavioral ambidexterity: the impact of incentive schemes on productivity, motivation, and performance of employees in commercial banks. <i>Human Resource Management</i> , 54(S1), s45-s62. https://doi.org/10.1002/hrm.21668	It discovered that staff performance and productivity at commercial banks were strongly impacted by motivation-enhancing HR practices, including incentive programs.
2.	Incentive Package, Employee's Productivity and Performance of Real Estate Firms in Nigeria.	Oloke, O., Oni, A., Babalola, D., & Ojelabi, R. (2017). Incentive package, employee's productivity and performance of real estate firms in nigeria. <i>European Scientific Journal Esj</i> , 13(11), 246. https://doi.org/10.19044/esj.2017.v13n11p246	Identified a significant positive relationship between incentives and staff productivity in Nigerian real estate enterprises.
3.	Workplace Learning among Library Professionals of University Libraries in Kerala.	Haneefa, M., Irfan, P., & Shyni, K. (2015). Workplace learning among library professionals of university libraries in kerala. <i>Desidoc Journal of Library & Information Technology</i> , 35(5), 376-381. https://doi.org/10.14429/djlit.35.5.8586	It was discovered that incentives significantly impacted staff motivation and control, which eventually contributed to improved performance.
4.	The Relationship Between Workplace	Mao, H., Hsieh, A., & Chen, C. (2012). The relationship between workplace friendship and	Highlighted the significance of motivation in accomplishing organizational goals and

	Friendship and Perceived Significance.	perceived job significance. Journal of Management & Organization, 18(2), 247-262. https://doi.org/10.5172/jmo.2012.18.2.247	examined how incentives affect employee performance and motivation.
5.	Promotion Incentive, Employee Satisfaction and Commercial Bank Performance.	Chen, Z. (2020). Promotion incentive, employee satisfaction and commercial bank performance. Open Journal of Social Sciences, 08(04), 108-123. https://doi.org/10.4236/jss.2020.84008	Investigated how promotion incentives affected worker happiness and commercial bank performance, which helped with the creation of employee incentive programs.
6.	Possible causes of the lowest labor productivity in the European Union.	Ivanov, P. & Usheva, M. (2021). Possible causes of the lowest labor productivity in the European Union. SHS Web of Conferences, 92, 07026. https://doi.org/10.1051/shsconf/20219207026	Emphasis on the role that motivation plays in fostering productivity; highlighted the connection between human motivation and labor productivity.
7.	Workplace design.	Karanika-Murray, M. and Michaelides, G. (2015). Workplace design. Journal of Organizational Effectiveness People and Performance, 2(3), 224-243. https://doi.org/10.1108/joepp-08-2014-0048	Stressed the value of workplace design in promoting job design and the creation of environments that are naturally stimulating.

In conclusion, the literature has demonstrated a strong relationship between incentives and worker productivity. Employee productivity can be increased by incentives, and this relationship can be mediated by elements including job satisfaction, motivation, engagement, and information sharing. To have the greatest influence on productivity, organizations should carefully plan and implement incentive programs that align with their objectives and guiding principles. Organizations can create a motivating work environment that promotes high levels of productivity by acknowledging the significance of incentives and customizing them to the particular requirements and preferences of employees.

2.3 Different Types of Incentives among the Employees

Incentives are essential for boosting staff motivation and productivity in businesses. Employers frequently use a variety of incentives to acknowledge and reward the efforts and accomplishments of their employees. One of the most popular sorts of incentives employed by organizations is financial incentives. Bonuses, commissions, profit-sharing, and salary increases are a few examples of these incentives. Employees have a strong financial incentive to boost their productivity because financial incentives directly link rewards to individual or team success. According to studies, financial incentives can have a favorable impact on employee motivation and performance (Sung, et al., 2015; Shaw & Gupta, 2015). For instance, Sung et al., (2015) discovered that productive incentives can increase employee motivation and productivity, including improved pay and material benefits. Al-Belushi and Khan (2017) have emphasized the effect of financial incentives on worker motivation and productivity. On the other hand, rewards that are not directly related to monetary compensation are known as non-financial incentives. A favorable work atmosphere, flexible work schedules, opportunities for training and growth, and recognition programs are a few examples of these incentives. Non-monetary rewards emphasize increasing intrinsic motivation and job happiness, which can boost employee output, productivity. Non-financial incentives, such as social recognition and job design, have been found to have a significant impact on job satisfaction (Erbaşı & Arat, 2012). Frengki et al., (2017) also highlighted those incentives other than money that can have an impact on employee discipline and motivation.

Depending on their nature, incentives can also be categorized as positive or negative. Rewards and benefits are positive incentives provided to employees in exchange for their performance or accomplishments. Bonuses, promotions, or recognition are a few examples of these motivations. Positive reinforcement motivates workers to maintain or increase productivity by giving them a sense of success (Ding et al., 2016). Negative incentives, on the other hand, involve repercussions or punishments for subpar performance or wrongdoing. Demotions, pay cuts, or reprimands are examples of negative incentives. Negative incentives can serve as a disincentive for undesired behavior and motivate staff to strive for higher performance, even though they may not directly increase productivity. Team-based incentives, on the other hand, emphasize recognizing group performance over individual accomplishments. Team bonuses, profit-sharing, and team recognition initiatives are a few examples of these incentives. Team-based rewards encourage camaraderie, harmony, and a sense of shared accountability among team members. Organizations can promote a collaborative work environment and boost team productivity by aligning

rewards with team goals.

Table 3. Review of the Different Types of Incentives among the Employees

No.	Articles	Authors & Citations	Findings
1.	Effects of Positive Incentive and Negative Incentive in Knowledge Transfer: Carrot and Stick.	Ding, X., He, Y., Wu, J., & Chen, C. (2016). Effects of positive incentive and negative incentive in knowledge transfer: carrot and stick. <i>Chinese Management Studies</i> , 10(3), 593-614. https://doi.org/10.1108/cms-01-2016-0006	Investigated the impact of both beneficial and detrimental incentives on knowledge transfer. The study emphasized the value of both positive and negative economic incentives as well as positive and negative relational incentives in motivating workers. Within organizations, these various incentives can have an impact on worker productivity and knowledge transfer.
2.	Incentive Package, Employee's Productivity and Performance of Real Estate Firms in Nigeria.	Oloke, O., Oni, A., Babalola, D., & Ojelabi, R. (2017). Incentive package, employee's productivity and performance of real estate firms in nigeria. <i>European Scientific Journal Esj</i> , 13(11), 246. https://doi.org/10.19044/esj.2017.v13n11p246	Examined the connection between incentive programs and personnel productivity in Nigerian real estate enterprises. The study discovered a significant positive relationship between rewards and worker productivity. Even though the study was done in Nigeria, it offers information about how incentives may affect productivity in the real estate industry that may be applicable to Malaysia.
3.	The Effect of Financial and Non-Financial Incentives on Job Satisfaction: An Examination of Food Chain Premises in Turkey.	Erbaşı, A. and Arat, T. (2012). The effect of financial and non-financial incentives on job satisfaction: an examination of food chain premises in turkey. <i>International Business Research</i> , 5(10). https://doi.org/10.5539/ibr.v5n10p136	Investigated how financial and non-financial incentives affected employees' job satisfaction in Turkey's food chain establishments. The study emphasized the beneficial effects of financial incentives on job satisfaction, including higher salary and bonuses, as well as non-financial incentives, including social recognition and job design. Employee productivity and job happiness are closely related, indicating that similar incentives may also increase productivity in Malaysia.
4.	Employee Perceptions and the Motivation of Nonmonetary Incentives.	Morrell, D. (2011). Employee perceptions and the motivation of nonmonetary incentives. <i>Compensation & Benefits Review</i> , 43(5), 318-323. https://doi.org/10.1177/0886368711407998	Discussed the effect of non-cash rewards on worker inspiration and output. In order to increase intrinsic motivation and productivity, the study emphasized the value of non-monetary rewards including respect, recognition, and a happy work environment. These non-cash rewards have the potential to motivate workers and raise productivity in Malaysia.
5.	Impact of Monetary Incentives on Employee's Motivation: Shinas College of Technology, Oman - A Case Study.	Al-Belushi, F. and Khan, F. (2017). Impact of monetary incentives on employee's motivation: shinas college of technology, oman - a case study. <i>International Journal of Management Innovation & Entrepreneurial Research</i> , 3(1), 01-11. https://doi.org/10.18510/ijmier.2017.311	Studied on how financial incentives affected worker performance and motivation. According to the study, financial incentives like pay raises and allowances can have a favorable impact on employee performance and motivation. These financial incentives may increase output at Malaysian workplaces.

As a result, incentives are crucial instruments for boosting staff motivation and productivity. To acknowledge and

reward employees' efforts and accomplishments, a variety of incentives can be employed, including monetary incentives, non-financial incentives, positive and negative incentives, and team-based rewards. Non-financial incentives concentrate on boosting intrinsic motivation and job happiness, whereas financial incentives offer real benefits that explicitly relate performance to rewards. Employee behavior and performance can be influenced by both positive and negative incentives. Team-based incentives encourage cooperation and cooperation, which increases team productivity. Organizations may create successful incentive programs that support their objectives and increase worker productivity by comprehending the various incentive types and their effects. Incentives are essential tools for motivating employees and enhancing their productivity. Different types of incentives, including financial incentives, non-financial incentives, positive and negative incentives, and team-based incentives, can be used to recognize and reward employees' efforts and achievements. Financial incentives provide tangible rewards that directly link performance to rewards, while non-financial incentives focus on enhancing intrinsic motivation and job satisfaction. Positive and negative incentives can influence employee behavior and encourage improved performance. Team-based incentives promote collaboration and teamwork, leading to enhanced team productivity. By understanding the different types of incentives and their impact, organizations can design effective incentive programs that align with their goals and enhance employee productivity.

Overall, these studies indicate that a range of incentives, including financial, non-financial, and monetary incentives, as well as positive economic and relational incentives, and negative economic and relational incentives, can positively impact employee productivity in Malaysia. Depending on the specific organizational context and the individual qualities of personnel, the effectiveness of different incentives may vary.

3. Conclusions

The literature study concludes by suggesting that incentives may raise staff productivity in Malaysia. The studies draw attention to the positive correlation between rewards and productivity in various sectors, such as private businesses, the real estate, and banking. The precise effect of incentives on productivity in various organizational situations in Malaysia has to be explored through more study.

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