

# Incentives and Job Performance of Teachers in Higher Education Institutions

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## Abstract

*Incentives are compensations provided to employees to acknowledge their contributions to an organization. Incentive management is a structured approach to fostering positive work-employee relationships by offering monetary and non-monetary benefits. This study examined the impact of incentives on the teachers' job performance in quality-accredited higher education institutions in Nepal. Using an exploratory design, data was collected from 104 academic staff across four institutions, selected from a population of 3,900 academic staff at 76 accredited institutions using a five-point Likert's scale structured questionnaire. Pearson correlation and regression analysis revealed that non-monetary incentives significantly enhance teachers' job performance, while monetary incentives showed no significant effect. The findings suggest that teachers are dissatisfied with monetary incentives, as there is no marginal difference in pay between a high performer and a low performer. The inferences drawn by this study will be helpful to all*

*the stakeholders such as UGC Nepal, HEIs, teachers, and policymakers who are directly or indirectly involved in the reform of higher education.*

**Keywords:** Higher Education Institutions (HEIs), Incentives, Job performance, Monetary incentives, Non-monetary incentives

## Introduction

The incentive is the compensation an employee receives in return for his/ her contribution to the organization. Incentive management is an organized practice that balances the work-employee relationship by providing monetary and nonmonetary benefits for employees (Reddy, 2020). Studies show that incentives significantly and positively affect performance (Jufrizen et al., 2017; Priyono & Suheriyatmono, 2016; Sudiardhita et al., 2018; Sumenge, 2016). The increase in incentives will increase employee job satisfaction. Job satisfaction mediates the effect of incentives on employee performance (Darma & Supriyanto, 2017). In higher education institutions, teachers' performance is crucial for the quality of

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### Article History:

Submitted: June 21, 2024  
Reviewed: October 10, 2024  
Accepted: October 27, 2024

DOI:  
<https://doi.org/10.3126/rjmi.v5i1.73689>

ISSN: 2705-4594 [Print]  
E-ISSN 2705-4608 [Online]

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education and students' success. Institutions often employ both monetary and non-monetary incentives to enhance job performance.

Incentives can be divided into monetary and non-monetary categories. Monetary incentives involve salary increases, performance bonuses, research grants, pension plans, retirement benefits, additional allowances, health and wellness benefits, etc. Non-monetary incentives, on the other hand, focus on professional development opportunities, recognition, work environment, job security, autonomy, academic freedom, and work-life balance.

Okennam (2004) opined that poor or no motivation will cause workers to be inefficient and ineffective at their work. Scholars have mixed feelings about whether money has either a positive or negative effect on motivation. Ejiofor and Aniagoh (1984) recognized the fact that dissatisfaction with workers' pay results in low performance. Wallace and Zeffane (2001) supported that money, as per Maslow's hierarchy of needs theory, can motivate employees with unfulfilled lower-order needs, particularly those with limited education and skills, thereby reducing turnover and boredom. However, Arnolds and Venter (2007) supported the strategic importance of nonfinancial rewards for motivation. Ellis and Pennington (2004) found that direct financial rewards played a critical role in attracting talented employees, but they have only a short-term impact on the motivational levels of employees.

Managers often struggle to understand the relationship between rewards and motivation. Incentives should be based on employee contributions, skills, competence, and market-worth (Armstrong, 2007b). Langton and Robbins (2007) argued that rewards to motivate individuals must be important to them, and perceived as a direct reward for performance, with a significant marginal difference in pay between high and low performers. Reddy (2020) suggested that a good compensation package should be competitive and as per industry standards to attract and sustain the best talent.

It is therefore important to investigate whether teachers in HEIs are motivated by monetary or non-monetary incentives and if so, which is more lucrative for them. Such a question can only be addressed through an empirical study. This study is poised to provide an answer to the following research questions:

- To what extent are the monetary and non-monetary incentives individually or jointly associated with teachers' job performance in HEIs?

### **Theoretical Framework**

The research work was conducted base on the theories stated below:

#### **Maslow's Need Hierarchy (Employee Need Theory)**

Abraham Maslow organized five major human needs into a hierarchy. The need hierarchy illustrates Maslow's conception of people satisfying their needs in a specific order from bottom to top such as physiological, safety/ security, social, ego, and self-actualization. According to Maslow, people are motivated to satisfy lower needs before trying to satisfy higher needs. Also, once a need is satisfied, it is no longer a powerful motivator (Maslow, 1958).

### Herzberg's Two-Factor Theory

Frederick Herzberg proposed that two types of factors influence or drive employees to work: motivators and hygiene factors. Motivators consist of achievement, responsibility, advancement, recognition, growth, and work, whereas hygiene factors consist of pay, working conditions, supervision, relationships at work, security, and status. Hygiene factors prevent dissatisfaction but do not lead to high satisfaction. Besides these factors, motivators cannot be effective because employees will remain dissatisfied. Salary is one of the hygiene factors. Thus, salary i.e. money does not lead to a high level of satisfaction but impacts it to some extent. To drive employees towards higher performance, motivator factors are necessary (Herzberg, 1960; Alshmemri et al., 2017).

### The Financial Reward Approach

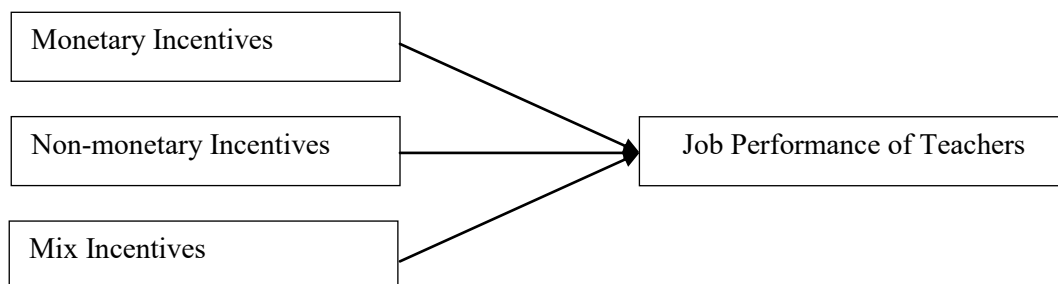
Herzberg's two-factor theory has attained general acceptability from management and scholars. It encourages managers to provide higher-level need satisfaction for their employees. However, its view that money does not motivate the employee has resulted in several criticisms of the theory. The financial reward approach tries to explain the relationship between money and motivation. According to this viewpoint, people are primarily motivated by monetary rewards and will be motivated to better performance if rewards and penalties are directly tied to the results they achieve (Oluigbo & Anyiam, 2014). (Armstrong, 2007a)

### Conceptual Framework of the Study

The conceptual framework of the study has been framed as follows:

#### Figure 1

*Conceptual Framework of the study*



## Research Design and Methods

An exploratory research design was executed for this research. The primary data had been collected through a 5-point Likert scale questionnaire. The drafted questionnaire was presented to the two professors from two universities as subject experts for assessment regarding its suitability, applicability, and appropriateness of its content i.e. content validity. The improved questionnaire was administered to teaching faculties of 4 accredited campuses namely: Triyuga Multiple Campus (Gaighat), Janta Multiple Campus (Itahari), J.S. Murarka Multiple Campus (Lahan), and Sukuna Multiple Campus (Morang). The primary data for the study was collected from April 2023 to May 2023. The study population consisted of 3,900 teachers from the 76 accredited colleges in Nepal. A convenience sampling design was executed. The researcher visited the target campuses, distributed the structured questionnaire to the available faculties, and collected the responses on the same or the next day. Altogether 104 questionnaires were collected from the respondents. The received questionnaires were coded and entered into SPSS 20.

### Reliability of Questionnaire

Cronbach's alpha ( $\alpha$ ) was used to determine the reliability of the questionnaire used in the pilot study. If  $\alpha \geq 0.70$ , then the items were considered as reliable. The following variables/ items met the standard of Cronbach's alpha value ( $\alpha$ ) which is 0.7:

**Table 1**

#### *Output of Reliability Test of Dependent and Independent Variables*

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's alpha</b>
Monetary Incentives	9	0.9
Non-monetary Incentives	12	0.91
Job Performance of Teachers	22	0.917

Cronbach's alpha value of both the independent variables i.e. Monetary Incentives (0.9) and Non-monetary Incentives (0.91) was above the cut-off value of 0.7. Furthermore, Cronbach's alpha value of the dependent variable i.e. job performance of teachers was 0.917 above the cut-off value of 0.7. So, the reliability of the questionnaire was established.

### Validity of Questionnaire

Pearson's correlation coefficient ( $r$ ) was used to establish criterion validity. The critical value for a two-tailed test, with 102 degrees of freedom ( $N - 2$ ) at a 0.05 significance level, was approximately  $\pm 0.1946$ . For the criterion validity of the questionnaire, each item in the questionnaire needed to exhibit correlations higher than this critical value. Since all the calculated correlation coefficients of the items in the questionnaire except PoT\_20 fell above the critical value of 0.1946, the criterion validity of the questionnaire except PoT\_20 is established.

Variable	Questions about each variable
Monetary Incentives	MI_1 MI_2 MI_3 MI_4 MI_5 MI_6 MI_7 MI_8 MI_9
Pearson's correlation coefficient (r)	.880** .880** .880** .880** .730** .642** .642** .541** .617**
Validity criterion met	Yes Yes Yes Yes Yes Yes Yes Yes Yes
Non-Monetary Incentives	NMI_1NMI_2NMI_3NMI_4NMI_5NMI_6NMI_7NMI_8NMI_9NMI_10NMI_11NMI_12
Pearson's correlation coefficient (r)	.831** .831** .831** .766** .766** .721** .630** .679** .642** .617** .519** .652**
Validity criterion met	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes
Job performance	PoT_1PoT_2PoT_3PoT_4PoT_5PoT_6PoT_7PoT_8PoT_9PoT_10PoT_11PoT_12PoT_13PoT_14PoT_15PoT_16PoT_17PoT_18PoT_19PoT_20PoT_21PoT_22
Pearson's correlation coefficient (r)	.618** .648** .698** .595** .768** .796** .826** .794** .519** .744** .642** .740** .680** .644** .745** .680** .224* .716** .716** .135 .604** .347**
Validity criterion met	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes No Yes Yes

## Data analysis tools

The Pearson correlation test was used to measure the association of monetary/ non-monetary/ mixed incentives (independent variable) with teachers' job performance (dependent variable). Table 2 presents the rule of thumb for analyzing the value of the Correlation Coefficient.

**Table 2**

*Rules of thumb for correlation coefficient range*

Coefficient Range	Strength of Association
± 0.91 to ± 1.00	Very strong
± 0.71 to ± 0.90	Strong
± 0.41 to ± 0.70	Moderate
± 0.21 to ± 0.40	A small but definite relationship
± 0.00 to ± 0.20	Slight, almost negligible

Furthermore, a multiple regression analysis was executed to investigate the relationship of monetary incentives and non-monetary incentives (independent variable) with the job performance of teachers (dependent variable).

The regression model for the study is as follows:

$$PoTi = \alpha_0 + \beta_1(MI_i) + \beta_2(NMI_i) + \epsilon_i \dots \dots \dots \dots \dots \dots (1)$$

Where, MI<sub>i</sub> = Monetary Incentives; NMI<sub>i</sub> = Non-monetary Incentives; ε<sub>i</sub> = Error Term; PoTi = Job performance of teachers; α<sub>0</sub> = Intercept line; and β = Regression line.

## Results and Discussion

### Respondents' Perceptions of Monetary and Non-monetary Incentives

Table 3 displayed the perception of respondents regarding various aspects of monetary and non-monetary incentives as well as mean, standard deviation, and the number of cases involved in the analysis of each item. Out of 104 cases, all cases (100% of total cases) were found to have no missing responses. The mean values of all the statements regarding monetary and non-monetary incentives were more than 3 except MI\_6, MI\_7, MI\_8, MI\_9, NMI\_10, NMI\_11, NMI\_12, NMI\_20, and NMI\_21. A mean value of more than 3 indicated that respondents were positive towards these aspects.

**Table 3***Respondents' Perceptions of Monetary and Non-monetary Incentives*

	Items	SDA	DA	U	A	SA	Total	Mean	Std. Deviation
MI 1	Teachers are satisfied with monetary benefits such as salary.	12 (11.5%)	24 (23.1%)	23 (22.1%)	30 (28.8%)	15 (14.4%)	104 (100%)	3.12	1.249
MI 2	Teachers are satisfied with monetary benefits such as leave pay.	12 (11.5%)	24 (23.1%)	23 (22.1%)	30 (28.8%)	15 (14.4%)	104 (100%)	3.12	1.249
MI 3	Teachers are satisfied with monetary benefits such as retirement benefits.	12 (11.5%)	24 (23.1%)	23 (22.1%)	30 (28.8%)	15 (14.4%)	104 (100%)	3.12	1.249
MI 4	Teachers are satisfied with monetary benefits such as other allowances.	12 (11.5%)	24 (23.1%)	23 (22.1%)	30 (28.8%)	15 (14.4%)	104 (100%)	3.12	1.249
MI 5	Teachers are happy with overtime work pay.	9 (8.7%)	25 (24%)	34 (32.7%)	26 (25%)	10 (9.6%)	104 (100%)	3.03	1.11
MI 6	Teachers are happy with the life insurance policy provided by the institution.	29 (27.9%)	27 (26%)	22 (21.2%)	18 (17.3%)	8 (7.7%)	104 (100%)	2.51	1.277
MI 7	Teachers are happy with the medical claim provided by the institution.	29 (27.9%)	27 (26%)	22 (21.2%)	18 (17.3%)	8 (7.7%)	104 (100%)	2.51	1.277
MI 8	Teachers are satisfied with the death relief fund provided to the deceased's family.	26 (25%)	31 (29.8%)	21 (20.2%)	21 (20.2%)	5 (4.8%)	104 (100%)	2.5	1.207
MI 9	Teachers are happy with the gratuity policy in my institution.	13 (12.5%)	30 (28.8%)	29 (27.9%)	24 (23.1%)	8 (7.7%)	104 (100%)	2.85	1.147
NMI 10	Teachers are satisfied with non-monetary benefits such as job security.	15 (14.4%)	24 (23.1%)	32 (30.8%)	24 (23.1%)	9 (8.7%)	104 (100%)	2.88	1.177
NMI 11	Teachers are satisfied with non-monetary benefits such as recognition and status.	15 (14.4%)	24 (23.1%)	32 (30.8%)	24 (23.1%)	9 (8.7%)	104 (100%)	2.88	1.177
NMI 12	Teachers are satisfied with non-monetary benefits such as recreational activities.	15 (14.4%)	24 (23.1%)	32 (30.8%)	24 (23.1%)	9 (8.7%)	104 (100%)	2.88	1.177
NMI 13	Teachers are satisfied with the transport facilities in my institution.	7 (6.7%)	20 (19.2%)	35 (33.7%)	29 (27.9%)	13 (12.5%)	104 (100%)	3.2	1.101
NMI 14	Teachers are satisfied with the canteen facilities in my institution.	7 (6.7%)	20 (19.2%)	35 (33.7%)	29 (27.9%)	13 (12.5%)	104 (100%)	3.2	1.101
NMI 15	Teachers are satisfied with the grievance handling procedure in my institution.	5 (4.8%)	23 (22.1%)	43 (41.3%)	23 (22.1%)	10 (9.6%)	104 (100%)	3.1	1.01
NMI 16	Teachers are happy with the workload and daily working hours in my institution.	7 (6.7%)	21 (20.2%)	37 (35.6%)	28 (26.9%)	11 (10.6%)	104 (100%)	3.14	1.074
NMI 17	Teachers are satisfied with the ventilation and lighting facilities available in my institution.	6 (5.8%)	14 (13.5%)	22 (21.2%)	32 (30.8%)	30 (28.8%)	104 (100%)	3.63	1.199
NMI 18	Teachers are satisfied with the drinking water facilities in my institution.	5 (4.8%)	14 (13.5%)	26 (25%)	26 (25%)	33 (31.7%)	104 (100%)	3.65	1.197
NMI 19	There is a sufficient number of toilets, urinals, and washing facilities in my institution.	5 (4.8%)	12 (11.5)	20 (19.2%)	39 (37.5%)	28 (26.9%)	104 (100%)	3.7	1.131
NMI 20	The process of determination of financial and non-financial rewards is in line with moral and ethical standards.	8 (7.7%)	26 (25%)	37 (35.6%)	26 (25%)	7 (6.7%)	104 (100%)	2.98	1.043
NMI 21	The promotion/ career development process in my organization is satisfactory.	9 (8.7%)	33 (31.7%)	30 (28.8%)	29 (27.9%)	3 (2.9%)	104 (100%)	2.85	1.022

Valid N (listwise): 104

## Respondents' Perception of Job Performance

Table 4 displayed the perception of respondents regarding various aspects of job performance of teachers as well as the mean, standard deviation, and the number of cases involved in the analysis of each item. Out of 104 cases, all cases (100% of total cases) were found to have no missing responses. The mean values of all the statements regarding job performance of teachers were more than 3 except PoT\_20 and PoT\_22 which were negative questions. A mean value of more than 3 indicated that respondents were positive towards these aspects.

**Table 4**

### *Respondents' Perception of Job Performance of Teachers*

	Items	SDA	DA	U	A	SA	Total	Mean	Std. Deviation
PoT 1	The teachers have acquired additional degrees after the appointment.	2 (1.9%)	14 (13.5%)	32 (30.8%)	40 (38.5%)	16 (15.4%)	104 (100%)	3.52	0.975
PoT 2	The teachers are providing reading materials to their students.	nil (0%)	13 (12.5%)	28 (26.9%)	41 (39.4%)	22 (21.2%)	104 (100%)	3.69	0.946
PoT 3	The teachers have adopted innovative teaching-learning methods.	3 (2.9%)	7 (6.7%)	41 (39.4%)	34 (32.7%)	19 (18.3%)	104 (100%)	3.57	0.963
PoT 4	The teachers have published books or college /national /international level papers.	4 (3.8%)	22 (21.2%)	26 (25%)	37 (35.6%)	15 (14.4%)	104 (100%)	3.36	1.088
PoT 5	The teachers guide project work/ thesis of Bachelor/ Masters level students independently.	6 (5.8%)	10 (9.6%)	18 (17.3%)	43 (41.3%)	27 (26%)	104 (100%)	3.72	1.127
PoT 6	The teachers finish the assigned course timely.	2 (1.9%)	7 (6.7%)	16 (15.4%)	36 (34.6%)	30 (28.8%)	104 (100%)	3.72	1.11
PoT 7	The teachers set question papers/ evaluate the exam papers systematically.	2 (1.9%)	7 (6.7%)	16 (15.4%)	44 (42.3%)	35 (33.7%)	104 (100%)	3.99	.97
PoT 8	The teachers check the exam papers timely.	3 (2.9%)	17 (16.3%)	21 (20.2%)	31 (29.8%)	32 (30.8%)	104 (100%)	3.69	1.158
PoT 9	The teachers are invited as guest lecturers or subject experts by other institutions.	7 (6.7%)	20 (19.2%)	24 (23.1%)	36 (34.6%)	17 (16.3%)	104 (100%)	3.35	1.164
PoT 10	The teachers attend their classes timely.	1 (1%)	7 (6.7%)	19 (18.3%)	55 (52.9%)	22 (21.2%)	104 (100%)	3.87	0.86
PoT 11	There is a reduction in the absenteeism of teachers.	1 (1%)	13 (12.5%)	27 (26%)	47 (45.2%)	16 (15.4%)	104 (100%)	3.62	0.928
PoT 12	I take the initiative to solve work-related problems.	1 (1%)	10 (9.6%)	25 (24%)	47 (45.2%)	21 (20.2%)	104 (100%)	3.74	0.924
PoT 13	I am confident that I can deal efficiently with unexpected events.	2 (1.9%)	11 (10.6%)	25 (24%)	41 (39.4%)	25 (24%)	104 (100%)	3.73	1.007
PoT 14	I am enthusiastic about my job.	3 (2.9%)	7 (6.7%)	15 (14.4%)	49 (47.1%)	30 (28.8%)	104 (100%)	3.92	0.982
PoT 15	At my job, I am very resilient (tough/ strong) mentally.	2 (1.9%)	8 (7.7%)	17 (16.3%)	41 (39.4%)	36 (34.6%)	104 (100%)	3.97	1
PoT 16	There is a reduction in work-related complaints against me..	4 (3.8%)	17 (16.3%)	26 (25%)	30 (28.8%)	27 (26%)	104 (100%)	3.57	1.156
PoT 17	Teaching is mostly dictating notes or reading from texts.	13 (12.5%)	20 (19.2%)	34 (32.7%)	26 (25%)	11 (10.6%)	104 (100%)	3.02	1.174
PoT 18	Most teachers have strong command over their subjects.	3 (2.9%)	7 (6.7%)	24 (23.1%)	47 (45.2%)	23 (22.1%)	104 (100%)	3.77	0.968
PoT 19	Teachers care whether students understand their lessons or not.	3 (2.9%)	9 (8.7%)	27 (26%)	43 (41.3%)	22 (21.2%)	104 (100%)	3.69	0.996
PoT 20	Examination results of students are weak.	5 (4.8%)	30 (28.8%)	37 (35.6%)	27 (26%)	5 (4.8%)	104 (100%)	2.97	0.97
PoT 21	Much care is taken in paper setting and evaluating answer sheets by the teachers.	2 (1.9%)	16 (15.4%)	31 (29.8%)	38 (36.5%)	17 (16.3%)	104 (100%)	3.5	1.005
PoT 22	Most teachers do not teach well.	37 (35.6%)	33 (31.7%)	21 (20.2%)	10 (9.6%)	3 (2.9%)	104 (100%)	2.13	1.094

Valid N (listwise): 104

## Descriptive Statistics

Descriptive statistics such as mean, standard deviation, skewness, maximum, and minimum were used to establish the central tendency and measure of dispersion of key variables. All the variables were negatively skewed with varying degrees of skewness.

**Table 5**

*Internal Consistency, Correlation Coefficient, and Descriptive Statistics of Summated Scales*

Factors	No. of Items	Reliability	Correlation coefficient with job performance	Minimum	Maximum	Mean	Std. Deviation	Skewness	Std. Error
				Statistic	Statistic	Statistic	Statistic	Statistic	
Monetary Incentives	9	0.9	0.385**	9	44	25.8558	8.21013	-0.009	0.237
Non-monetary Incentives	12	0.91	0.504**	12	60	38.1154	9.51066	-0.198	0.237
Mixed Incentives	21	0.94	0.482**	23	98	63.9712	16.50799	-0.164	0.237
Job performance	21	0.935	-	44	104	77.50	13.91584	-0.355	0.237

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.01 level (2-tailed).

Valid N (listwise): 104

## Test of Normality

Kolmogorov-Smirnov & Shapiro-Wilk tests had been used for testing the normality assumption of the data. Data can be admitted as normal if p-value > 0.05. The result of the tests was shown as follows:

**Table 6**

*Tests of Normality*

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	.052	104	.200*	.989	104	.536

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Komlogorov-Smirnov test,  $p = 0.200 > 0.05$  and Shapiro-Wilk,  $p = 0.536 > 0.05$ , hence normality assumption of the data was accepted.



### Test of Multicollinearity

Tolerance and VIF (Variance Inflation Factor) were used for testing the multicollinearity assumption of the data. Data can be admitted as no multicollinear if tolerance value  $> 0.1$  and  $VIF < 10$  of independent variables. Monetary Incentives (MI) had tolerance value  $0.461 > 0.1$ ,  $VIF = 2.169 > 10$  and Non-Monetary Incentives (NMI) had tolerance value  $0.461 > 0.1$ ,  $VIF = 2.169 < 10$ . Hence it was concluded that there was no problem with multicollinearity in the data.

**Table 7**

*Collinearity statistics*

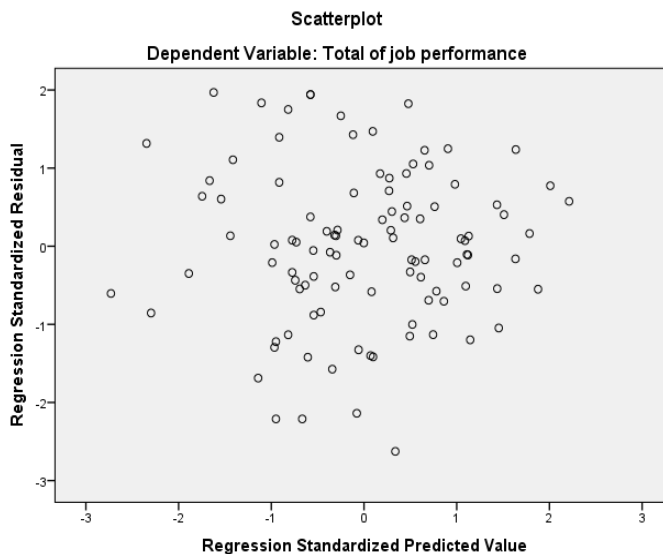
Variables	Tolerance	VIF
MI	0.461	2.169
NMI	0.461	2.169

### Test of Homoscedasticity

Visual display of scatter plot of standardized residuals against standardized predicted values had been used for testing homoscedasticity of the data as in Figure 2.

**Figure 2**

*Scatter Plot of Standardized Residuals against Standardized Predicted Values*



The distributional pattern of standardized residuals against standardized predicted values was random. This suggested that there was no evidence against the assumption of homogeneity of error terms.

## Assessment of the Outlying Observation

The assessment of outlying observations due to dependent variable (aka outliers) is carried out by assessing the studentized deleted residuals. The assessment of outlying observations due to independent variables (aka high leverage points) is carried out by assessing the centered leverage statistics.

**Table 8**

### *Residuals Statistics (Edited)*

	Minimum	Maximum	Mean	Std. Deviation	N
Standardized Residual	-2.627	1.968	0.000	0.990	104
Studentized Deleted Residual	-2.732	2.040	0.001	1.013	104
Cook's Distance	0.000	0.056	0.009	0.013	104
Centered Leverage Value	0.000	0.087	0.019	0.017	104

The minimum value of studentized deleted residual was -2.732 and its absolute value was less than 3. According to a rule of thumb, there was no any outlier value present in the data.

The maximum value of centered leverage value was 0.087 and it was greater than 0.05769 ( $3k/n = 6/104$ ). According to a rule of thumb, there was at least one unusual value that could be considered a high leverage point present in the model. All the high leverage values as well as outliers present in the model were not influential points (data points that may not change the results of the regression model), since the maximum value of Cook Distance was 0.056 which was far below the value of 1.

## Correlation of Incentives with Job Performance of Teachers

The Pearson correlation coefficient was computed to assess the relationship between monetary/ non-monetary and mixed incentives (independent variables) and teachers' job performance (dependent variable). There was a positive and significant correlation between monetary incentives and teachers' job performance,  $r(102) = 0.385$ ,  $p = 0.000$ . The Pearson correlation coefficient (r-value) was 0.385 falling under the coefficient range from +0.21 to + 0.4. Thus, it showed a small but definite association between monetary incentives and teachers' job performance.

A positive and significant relationship was observed between non-monetary incentives and teachers' job performance, with a Pearson correlation coefficient of  $r(102) = 0.504$ ,  $p = 0.000$ . The r-value of 0.504 lies within the range of +0.41 to +0.7, indicating a moderate association between non-monetary incentives and teachers' job performance.

A positive and significant relationship was identified between mixed incentives and teachers' job performance, with a Pearson correlation coefficient of  $r(102) =$

0.482,  $p = 0.000$ . The  $r$ -value of 0.482 falls within the range of +0.41 to +0.7, indicating a moderate association between mixed incentives and teachers' job performance.

### Regression Analysis

A simple linear regression analysis was executed to examine the effect of monetary incentives on teachers' job performance. There was a positive and significant effect of monetary incentives on teachers' job performance,  $b = 0.653$ ,  $\text{Beta} = 0.385$ ,  $t(103) = 4.217$ ,  $p = 0.001 < 0.01$  as per Table 9.

**Table 9**

*Impact of monetary incentives (MI) on the job performance of teachers (PoT)*

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	$\beta$	Std. Error	Beta		
(Constant)	60.613	4.199		14.434	.000
MI	0.653	0.155	0.385	4.217	.000
R	0.385				
R <sup>2</sup>	0.148				
Adjusted R <sup>2</sup>	0.14				
F-Value	17.786	( $p=0.000$ )			

A simple linear regression analysis was executed to examine the effect of non-monetary incentives on teachers' job performance. There was a positive and significant effect of non-monetary incentives on teachers' job performance,  $b = 0.737$ ,  $\text{Beta} = 0.504$ ,  $t(103) = 10.051$ ,  $p = 0.001 < 0.01$  as per Table 9.

**Table 10**

*Impact of non-monetary incentives (NMI) on the job performance of teachers (PoT)*

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	$\beta$	Std. Error	Beta		
(Constant)	49.398	4.915		10.051	.000
NMI	0.737	0.125	0.504	5.892	.000
R	0.504				
R <sup>2</sup>	0.254				
Adjusted R <sup>2</sup>	0.247				
F-Value	34.712	( $p=0.000$ )			

A multiple regression analysis was executed to examine the joint effect of monetary and non-monetary incentives on teachers' job performance.

**Table 11**

*Impact of monetary incentives (MI) and non-monetary incentives (NMI) on the job performance of teachers (PoT)*

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	$\beta$	Std. Error	Beta		
(Constant)	49.302	4.951		9.959	.000
MI	0.057	0.214	0.033	0.264	.793
NMI	0.701	0.185	0.479	3.788	0.000
R	0.504				
R <sup>2</sup>	0.254				
Adjusted R <sup>2</sup>	0.24				
F-Value	17.232	(p=0.000)			

There was no significant effect of monetary incentives on teachers' job performance ( $b_1 = 0.057$ ,  $Beta = 0.033$ ,  $t(102) = 0.264$ ,  $p = 0.793 > 0.05$ ), whereas there was a significant and positive effect of non-monetary incentives on teachers' job performance ( $b_2 = 0.701$ ,  $Beta = 0.479$ ,  $t(102) = 3.788$ ,  $p = 0.001 < 0.01$ ) as per Table 9. Inference can be withdrawn from the results that there was a powerful effect of non-monetary incentives on teachers' job performance in comparison to monetary incentives. It indicated that teachers are dissatisfied with their financial incentives. HEIs in Nepal follow the incentive terms set by Tribhuvan University which do not compensate for the hard effort made by teachers while performing their job (i.e. knowledge creation, course dissemination, students' evaluation, and meeting several criteria set by UGC Nepal), and teachers have become irritated that their hard work yielded so little. Furthermore, monetary incentives did not motivate the teachers as there was no marginal difference in pay increases between a high performer and an average performer, and a high-skilled and a low-skilled should be significant.

The results agree with Herzberg's two-factor theory which supports motivation factors (which mostly include non-monetary factors) in comparison to hygiene factors (which mostly include monetary factors) for the employees' better satisfaction and better performance. The result is in line with the findings of other studies such as (Harunavamwe & Kanengoni, 2013) which found that non-monetary rewards were given the number one ranking by the lower level employees especially. However, the result is against the findings of (Gayashri & Rathika, 2020) who found that financial incentive awards motivate them more than non-financial incentives.

## Conclusion

Monetary and non-monetary incentives play crucial roles in enhancing teachers' job performance, satisfaction, and retention in higher education institutions. A balanced approach combining both incentives can effectively motivate educators, align their efforts with institutional goals, and foster a positive and productive work environment. This study indicated that non-monetary incentives are more influencing factors for enhancing teachers' job performance in HEIs. Further inference can be drawn that the teachers are dissatisfied with their financial incentives. HEIs in Nepal follow the incentive terms set by Tribhuvan University which do not compensate for the hard effort made by teachers while performing their job (i.e. knowledge creation, course dissemination, students' evaluation, and meeting several criteria set by UGC Nepal), and teachers have become irritated that their hard work yielded so little. Furthermore, monetary incentives do not motivate the teachers as there is no marginal difference in pay between a high performer and a low performer. This study has delimitation for a lower sample size. The study does not assess the mediating effect of job satisfaction between incentives and teachers' job performance in QAA-certified colleges in Nepal. So future studies in this regard will be useful. The inferences drawn by this study will be helpful to all the stakeholders such as UGC Nepal, HEIs, teachers, and policymakers who are directly or indirectly involved in the reform of higher education.

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