

Incentives: The Key to Unlocking the Relationship between Antecedent Factors and Worker Productivity?

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Abstract

Incentives have always been seen as a central aspect influencing worker productivity. The present systematic review attempts to shed light on the sophisticated interaction between antecedent factors, incentives, and worker productivity. Using an existing body of research, we aim to disentangle the way through which incentives moderate the relationship between antecedent factors and productivity consequences. The methodological approach to the review is rigorous, comprising a complete search strategy, unambiguous inclusion and exclusion criteria, and a well-structured data extraction form. The major conclusion is that incentives have an instrumental role in fostering antecedent factors, such as job characteristics or organizational culture, and individual attributes, including abilities and knowledge, into positive worker productivity. Secondly, the review emphasizes the heterogeneity in the design and nature of incentives, including extrinsic related to monetary rewards and non-financial appreciation, that lead to varying impacts on productivity. Lastly, the review identified several moderators and boundary conditions that moderate the way incentives will work fraudulently in other cases while they will become instrumental in driving productivity in other conditions. The review ventured into the psychological aspect of why and how incentives work, referencing expectancy theory, goal-setting theory, and self-determination theory. By comparing intrinsic and extrinsic incentives, the review provides an account of how to build incentives for delivering quality and quantity of worker output. In addition, the review examined how badly designed incentive systems would crowd out inner motivation and create perverse incentives. By relying on the findings, we show the role of context in determining the effectiveness of incentives systems, considering organizational and worker levels. Overall, the review contributes to the body of knowledge currently available, guiding future studies on how antecedent factors interplay with incentives determine the level of productivity in the workspace.

Keywords: incentives; worker productivity; antecedent factors; motivation, reward