The Influence of Monetary Incentive Packages on Enhancing Employees' Innovative Behaviour at the Tanzania Ports Authority

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ABSTRACT

The study was designed to investigate the influence of monetary incentives package in enhancing employees' innovative behaviour at Tanzania Port Authority. Abraham Maslow's Hierarchy of Needs theory guided this research. The research deployed cross sectional research design while stratified sampling technique and purposive sampling techniques were used to select members of sample size who were I71 respondents from the target population of 300 staff. Data were collected through questionnaire and analysis was done using descriptive and regression analysis for quantitative data. The study revealed that various incentives packages are offered by TPA, and these are salary, merit pay, recognition and bonuses. Also, employees are paid fairly for the work they do, which motivates employees to contribute new ideas The study further indicated that employees are motivated to come up with new ideas or innovations in their work while employees feel that their contributions and achievements at work are recognized. The study concludes that incentive packages offered at TPA enhance employees' innovative behaviour at Tanzania Port Authority. The study recommends that the policy makers should ensure that monetary incentives provide a tangible reward for employees' efforts, which can lead to increased engagement and commitment to innovation. Also, the policy makers should ensure that organisation establishes mechanisms for recognizing and rewarding innovative efforts through non-monetary means such as public acknowledgment, career advancement opportunities, or increased decision-making autonomy.

Keywords: Employees' Innovative Behaviour, Monetary Incentive Packages, Tanzania Port Authority

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I. INTRODUCTION

Across the globe, there's a widespread understanding that incentive packages such as monetary incentives serve as a crucial instrument for management to guide employees' motivation towards desired outcomes, such as enhanced efficiency and increased performance. They tend to be dedicated to roles they believe can meet their needs through the rewards offered for their efforts (Ajila & Abiola, 2016). From that point of view, incentives package play a crucial role in enhancing employee performance within organizations, and their significance is evident across different countries. For instance, in the United States, a highly competitive market, rewards serve as powerful motivators for employees. American employees value recognition and financial incentives, such as performance bonuses, profit-sharing plans, and stock options. These incentives package not only acknowledge and appreciate their contributions but also provide tangible benefits that can significantly influence their performance (Abdul, *et al*., 2019).

In a similar vein, in Japan, monetary incentives packages are regarded as critical in inspiring employees and assuring their dedication to organizational goals. In this sense, Japan's distinct cultural environment emphasizes face-saving and hierarchy, making recognition and incentives especially successful (Yun *et al,,* 2017). In the United Kingdom, incentives packages are also important in improving employee performance. Employees in the United Kingdom value a combination of financial incentives, such as performance-based pay and competitive salaries, as well as non-monetary incentives, such as flexible working hours, training and development opportunities, and work-life balance programs (Buck, 2013).

In many African countries, communal recognition and respect are highly valued, and firms can tap into this cultural feature to drive staff by offering rewards. Whether it is in the form of financial bonuses, promotions, or public recognition, awards provide both physical and intangible recognition that raises morale, stimulates productivity, and fosters a sense of pride and loyalty among employees (Obiaga & Itakpe, 2021). In Nigeria, awards contribute to the development of a culture of healthy competition and meritocracy within Nigerian public organizations. Employees are inspired to strive for excellence and continuously improve their skills and talents when excellent performance is recognized and rewarded. This promotes a sense of fairness and transparency in the workplace, as employees

understand that their efforts will be recognized and rewarded based on their performance rather than favouritism or nepotism (Uzochukwu, 2023).

In Kenya, where public service plays a crucial role in delivering essential services to citizens, recognizing and rewarding exceptional performance can foster a culture of excellence. Through providing tangible rewards such as bonuses, promotions, or even public recognition, employees are encouraged to go above and beyond their regular duties, leading to increased job satisfaction and a sense of pride in their work (Langat, 2021). The introduction of a rewards system is critical in improving employee performance in Tanzanian government agencies. A rewards system is important since it serves as a motivator. Employees are encouraged to thrive in their work and contribute to the overall success of the organization by recognizing and rewarding great performance (Hokororo, 2020).

In Tanzania, where public organizations frequently confront problems such as bureaucratic processes and limited resources, a well-designed rewards system can increase morale and drive personnel to go the extra mile in providing high-quality public services (Kyaruzi, 2020). However, in Tanzania, like in many other countries, public organizations face several challenges related to the rewards system for employee performance. There are the limited financial resources available for rewards and recognition. Public organizations in Tanzania often operate with constrained budgets, which restrict their ability to offer competitive monetary incentives to employees (Mbaga, 2021). This makes it challenging to attract and retain top talent, as employees may be enticed by better compensation packages in the private sector. Additionally, the limited resources results in unequal distribution of rewards, leading to perceptions of fauvoritism and unfairness among employees. Therefore, it is in this context this study sought to assess the influence of monetary incentive packages on enhancing employee innovative behaviour at Tanzania Port Authority.

1.1 Statement of the Problem

An incentive package stands as a vital organizational tool for enhancing individual performance, as evidenced by Kyaruzi (2020), who highlights the direct correlation between incentive motivation and individual output. The importance of a reward system for employees cannot be overstated; it's an irreplaceable component that necessitates organizational strategies aimed at fostering employee motivation and commitment. Among these strategies, motivation through incentives emerges as a key approach to ensure employees engage with their work enthusiastically and willingly (Tep, 2019). However, despite different organizations in Tanzania include Tanzania Port Authority (TPA) having a tendency of giving incentives to its employees; still the incentives that are offered do not match with the services that they deliver. In that regard low employee innovative behaviour can have significant consequences for TPA, including decreased productivity, lower efficiency, and reduced competitiveness. Moreover, it can affect the organization's ability to adapt to changing circumstances and meet the evolving needs of its customers. Furthermore, there are several gaps in the literature regarding the influence of incentives packages on employees' innovative behaviour at TPA. Firstly, there is a lack of studies that have specifically focused on TPA, making it difficult to generalize the findings of other organizations to this context. Secondly, there is limited research on the types of incentives that are most effective in enhancing employees' innovative behaviour at TPA. More specifically, the research intended to investigate the influence of monetary incentive packages on enhancing employee innovative behaviour at Tanzania Port Authority.

1.2 Research Objective

To investigate the influence of monetary incentives package in enhancing employees' innovative behaviour at Tanzania Port Authority

II. LITERATURE REVIEW

2.1 Theoretical Review
2.1.1 Maslow's Hierarchy of Needs

Abraham Maslow's Hierarchy of Needs is a foundational psychological theory that categorizes human needs into a five-tiered pyramid, ranging from basic physiological needs to the more complex self-actualization needs. According to Yun *et al*. (2017), Maslow theorized that individuals are motivated to satisfy these needs sequentially, beginning with fundamental requirements such as food and shelter, and progressing towards higher-order needs like esteem and self-actualization. In the context of the workplace, this hierarchy can be directly applied to employee motivation and satisfaction. For instance, physiological needs in the workplace might be met through adequate compensation and a comfortable work environment. Safety needs could be addressed through job security and safe working conditions, while social needs might be satisfied by fostering a sense of belonging through teamwork and supportive company culture. Esteem needs can be fulfilled by recognizing and rewarding employees' achievements

and opportunities for career advancement can help employees achieve self-actualization (Yun *et al*., 2017). The practical application of Maslow's theory in the workplace is evident in how organizations design their reward systems. A well-structured reward system can help satisfy various levels of Maslow's hierarchy, thereby enhancing employee engagement and performance. For example, Kyaruzi (2020) highlights that rewards contribute to job satisfaction by recognizing employees' efforts, which fulfils their esteem needs and motivates them to continue performing well. Similarly, Divandari *et al*. (2018) emphasize that when rewards are aligned with team achievements; they not only satisfy social needs but also promote collaboration and a positive workplace culture. This alignment of rewards with different levels of Maslow's hierarchy can lead to a more motivated and productive workforce, ultimately contributing to the organization's success.

2.2 Empirical Review

2.2.1 The Influence of Monetary Incentives Package in Enhancing Employees' Innovative Behaviour

Mbaga (2021) assessed the role of incentive packages in retaining competent employees at Wiafrica Tanzania Limited. Employing a case study design with qualitative and quantitative approaches, the study found that leave packages, performance bonuses, employee recognition, training, and career development were the main rewards offered. These were found to significantly contribute to retaining talented staff, with challenges in reward policy implementation noted. On the other hand, Orockakwa (2018) examined the impact of incentive packages on employees' performance at Cameroon Development Corporation (CDC), Bota-Limbe Cameroon. Using structured questionnaires and multiple regression analysis, the study found that reward dimensions collectively predict employee performance, suggesting the importance of both intrinsic and extrinsic rewards for motivation.

Divandari *et al.,* (2018) explored the relationship between service compensation and individual performance using hierarchical regression. They found that performance-based pay had a stronger impact on employee performance than fixed payments, with self-success and reward expectations moderating this relationship. Putri *et al.*, (2019) investigated the effect of self-efficacy, competence, and compensation on financial management employees' performance, with motivation as a moderator. Multiple linear regression analysis revealed positive effects of these variables on performance, with motivation strengthening the effect of compensation. Also Hokororo (2020) studied the effects of incentive packages on employee performance in Rombo District council. Their analysis showed significant positive relationships between monetary rewards, employee promotion, recognition, and performance, suggesting the importance of clear policies on these rewards. Manzoor and Haider (2021) analyzed the impact of intrinsic rewards on employee performance, with a focus on employee motivation as an intervening factor. Their findings, based on confirmatory factor analysis and structural equation modeling, demonstrated a positive and significant relationship between intrinsic rewards and performance, mediated by employee motivation. Uzochukwu (2023) investigated the effect of incentive packages on employee productivity in the Nigerian hospitality industry. The author found that wage and salary rewards, as well as retirement benefits, significantly influenced employee quality of service delivery and commitment. The study recommends regular promotions to further encourage staff and enhance industry performance.

Thus it clearly indicates that several studies have been conducted in the matters related to the incentive package inside and outside Tanzania. Nevertheless, most of these studies did not exhaustively focus on the matters related to the innovative behaviour. Hence this current study filled the identified gap to investigate the influence of monetary incentives package in enhancing employees' innovative behaviour at Tanzania Port Authority.

III METHODOLOGY

3.1 Research Design

A cross-sectional research design was utilized, providing a snapshot of the current state of affairs regarding the influence of monetary incentive packages on enhancing employee innovative behaviour at Tanzania Port Authority at a specific point in time. Cross-sectional studies allowed for the comparison of different groups or conditions at a single point in time (Saunders *et al.*, 2019).

3.2 Population of the Study

Study population refers to the entire group of individuals, objects, or entities that meet the specific criteria set by a researcher and from which a sample is drawn for analysis. The study population is the larger group the researcher is interested in studying and making inferences about (Cohen *et al.,* 2014). The study population involved 300 staff who works at the Tanzania Port Authority (TPA, 2024).

3.3 Sample Size

Since the population of staff working at TPA is known, hence Yamane (1967) formula was used and it is described with a confidence level of 95% and margin of error of 5% (1-0.05), the formula is expressed as hereunder;

$$n = \frac{N}{1 + N\left(e^2\right)}$$

Where: n= is number of sample (required)

N = Total population (300) and

e = Error tolerance (level) or margin of error (0.05)

Using above formula, the sample size is calculated as indicated below;

300/ (1+300(0.05)^2) = 300/1.75= 95.411

Therefore, the sample size of this study was 171 respondents

Table 1

Sample Distribution

S/N	Respondents	Number of respondents	Percentage
1	Senior staff	7	4.0
2	Operational staff	164	96.0
Total		**171**	**100.0**

3.4 Sampling Techniques

For the purpose of this study, stratified sampling strategy was used to select 164 respondents from TPA. In that regard, they were grouped into strata based on age, work experience and level of education. This design is relevant since it provides equal chance to the staff. On the other hand, purposive sampling strategy was used to get 7 senior staff. The reason behind to use purposive sampling strategy was based on the fact that not every information could be obtained through other staff.

3.5 Data and Data Collection Methods

A questionnaire serves as a tool for gathering information, where a chosen group of individuals is provided with a written series of inquiries to ascertain their actions, thoughts, or emotions (Cohen *et al.,* 2014). Questionnaires were administered to the 164 operational staff. The questionnaire that was used in this research was structured with the closed-ended questions. The questionnaire was chosen because it is easy to administer. This exercise of data collection was conducted for one week.

3.6 Validity and Reliability of Data

To assess the consistency of each variable's scale, the study employed Cronbach's Alpha, a measure of internal reliability. Cronbach's Alpha treats all items equally reliable, aiming for a minimum value of 0.7 across all indicators. This threshold serves as the cut off point for the alpha coefficient. Additionally, the study sought expert opinion from the supervisor to ensure the content validity of the data collection instruments.

Table 2

Reliability Statistics

Variables	Cronbach's Alpha
Bonuses	0.981
Salary	0.987
Merit pay	0.987
Employees' innovative behaviour	0.982

The table presents reliability statistics for various variables measured in a study, specifically focusing on the internal consistency of these variables as assessed by Cronbach's Alpha. Cronbach's Alpha is a widely used statistic that evaluates the degree to which items in a scale are consistent with one another. A higher value indicates greater reliability.

Bonuses (0.981): This high value suggests that the items measuring bonuses are highly consistent, indicating that respondents likely perceive bonuses similarly across different contexts or questions. Salary (0.987): The salary variable also shows an excellent level of internal consistency. This implies that the questions related to salary yield

similar responses, reinforcing the reliability of this measure. Merit Pay (0.987): Similar to salary, merit pay exhibits a very high Cronbach's Alpha score, suggesting that employees' perceptions or experiences regarding merit pay are uniformly understood among respondents. Employees' Innovative Behaviour (0.982): This variable reflects a strong internal consistency as well, indicating that the measures used to assess innovative behavior among employees are reliable and likely capture a coherent construct.

The implications of these high reliability scores are significant for researchers and practitioners: The high values indicate that researchers can be confident in the measurements taken for each variable. This means that any conclusions drawn from this data will have a solid foundation since the instruments used to collect data are reliable.

3.7 Data Analysis

Quantitative data gathered underwent thorough analysis, employing descriptive statistics and inferential methods. Results were conveyed through frequencies, percentages, means, and standard deviations. This process involved aggregating responses, calculating percentage variations, and elucidating the data's significance in accordance with the study's aims.

IV FINDINGS & DISCUSSION

4.1 Descriptive Statistics
4.1.1 New Ideas of as the Result of Potential Bonuses

Respondents were required in this study to determine whether employees are motivated to come up with new ideas or innovations in my work because of the potential for bonuses. Figure 1 provides what was grasped from respondents through questionnaire:-
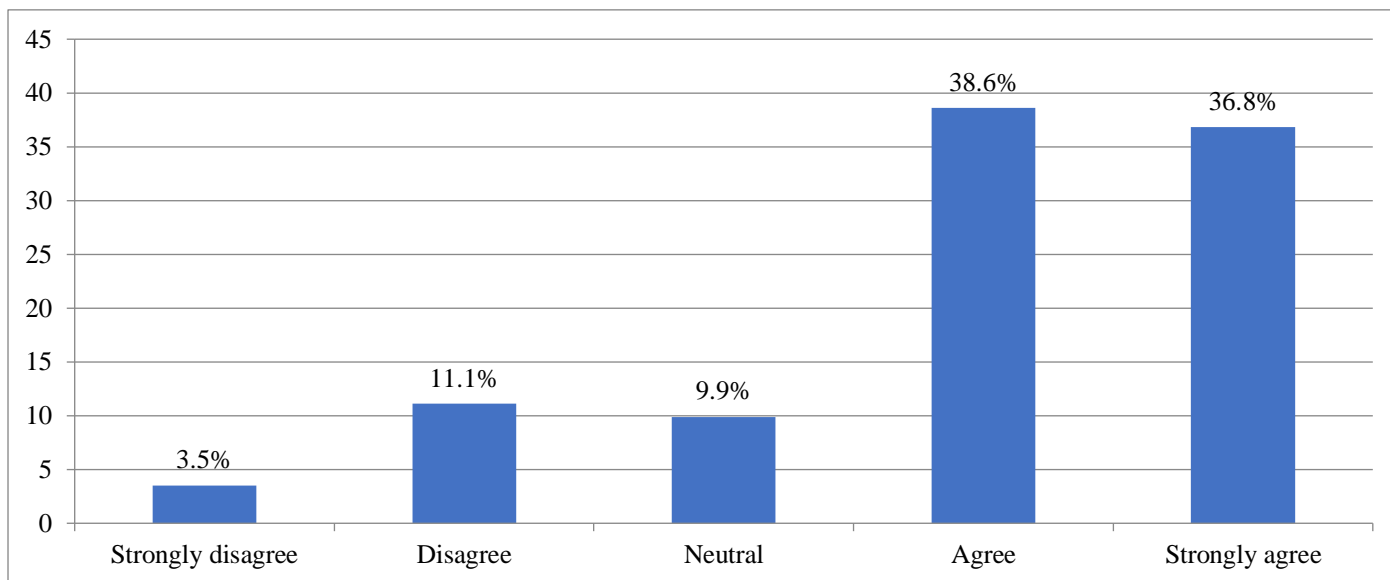

Figure 1
New Ideas of as the Result of Potential Bonuses

The study indicated that 3.5% of respondents strongly disagreed that employees are motivated to come up with new ideas or innovations in my work because of the potential for bonuses, 11.1% disagreed and 9.9% were neutral while 38.6% said to have agreed and 36.8% said to have strongly agreed with the statement. Therefore, large portion of respondents agreed that employees are motivated to come up with new ideas or innovations in my work because of the potential for bonuses. Findings suggest that employees at the Tanzania Port Authority may be motivated to come up with new ideas or innovations in their work because of the potential for bonuses. Thus onuses serve as extrinsic motivators that can incentivize employees to go above and beyond their regular duties. Through offering bonuses for innovative ideas, the organization encourages employees to think creatively and contribute to the improvement of processes and services. This can lead to increased efficiency, productivity, and overall success for the Tanzania Port Authority. Bonuses tied to innovation can enhance employee engagement and satisfaction. When employees see that their efforts are recognized and rewarded, they are more likely to feel valued and motivated to continue generating new ideas. This positive reinforcement can create a culture of innovation within the organization, where employees are encouraged to take risks and think outside the box. The study findings are linked by Mbaga

(2021) that bonuses for innovation can help attract and retain top talent. Employees who are driven by challenges and opportunities for growth may be more inclined to join an organization that values and rewards innovation. Additionally, existing employees who feel supported in their creative endeavours are likely to stay with the company long-term, reducing turnover rates and ensuring continuity in knowledge and skills.

4.1.2 Fair Payment Salary

Respondents were also required in this study to determine whether employees are paid fairly for the work they do, which motivates employees to contribute new ideas. Figure 2 provides what was grasped from respondents through questionnaire:-
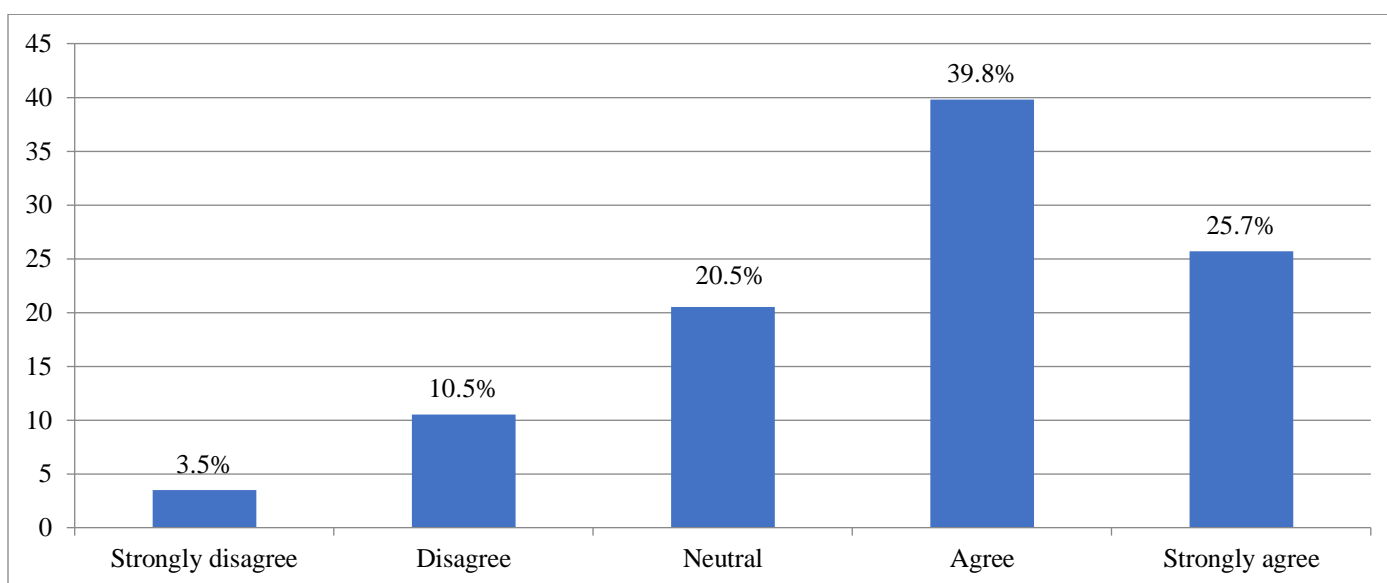

Figure 2
Fair Payment Salary

The study indicated that 3.5% of respondents strongly disagreed that employees are paid fairly for the work they do, which motivates employees to contribute new ideas, 10.5% disagreed and 20.5% were neutral while 39.8% said to have agreed and 25.7% said to have strongly agreed with the statement. Therefore, large portion of respondents agreed that employees are paid fairly for the work they do, which motivates employees to contribute new ideas. Respondents were also required in this study to determine whether employees are paid fairly for the work they do, which motivates employees to contribute new ideas. Therefore, large portion of respondents agreed that employees are paid fairly for the work they do, which motivates employees to contribute new ideas. The findings suggest that employees at the Tanzania Port Authority are paid fairly for the work they do, which in turn motivates them to contribute new ideas. Fair compensation is a crucial factor in ensuring employee motivation and satisfaction in the workplace. When employees feel that they are being compensated fairly for their efforts, they are more likely to be engaged, productive, and willing to go above and beyond in their roles. Fair pay is not just about the amount of money employees receive; it also encompasses factors such as internal equity (ensuring that employees are paid fairly compared to their colleagues within the organization), external equity (ensuring that employees are paid fairly compared to industry standards), and individual performance-based pay (rewarding employees based on their contributions and achievements). When these elements are present in an organization's compensation structure, employees are more likely to feel valued and motivated to perform at their best. Hokororo (2020) argue that fair compensation acknowledges the value of an employee's contributions, skills, and expertise.

4.1.3 Salary Increases

Respondents were also required in this study to determine whether salary increases would encourage employees to spend more time on innovative projects. Figure 3 provides what was grasped from respondents through questionnaire.
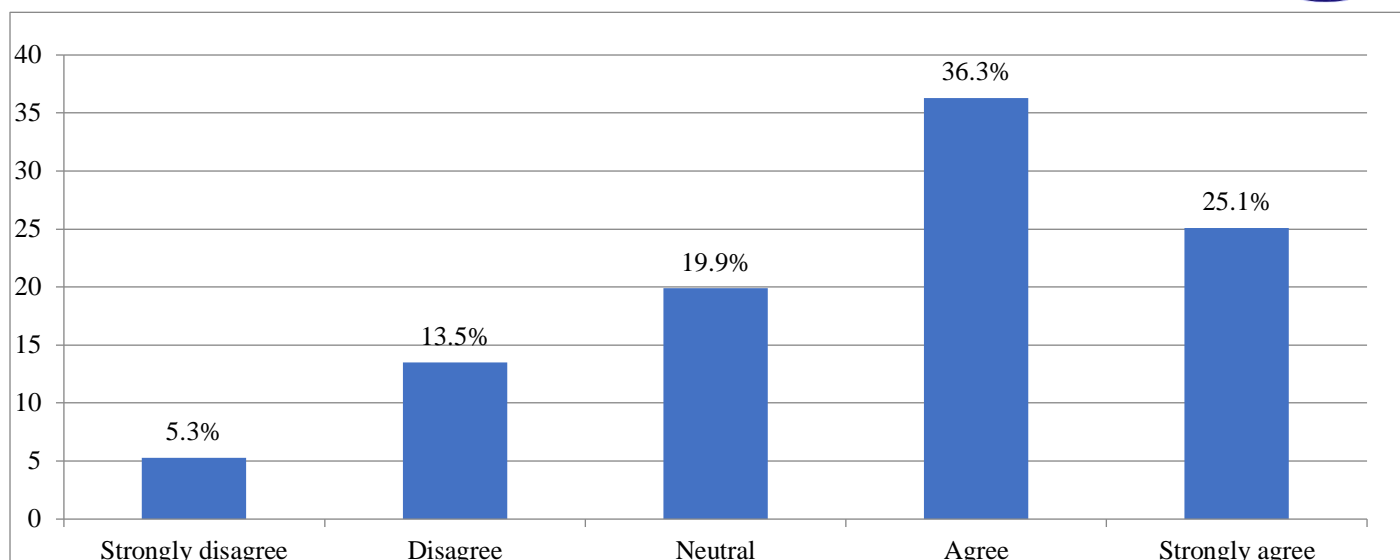
Figure 4
Salary Increase

The study indicated that 5.3% of respondents strongly disagreed that salary increases would encourage employees to spend more time on innovative projects, 13.5% disagreed and 19.9% were neutral while 36.3% said to have agreed and 25.1% said to have strongly agreed with the statement. Therefore, large portion of respondents agreed that salary increases would encourage employees to spend more time on innovative projects Findings suggest that salary increases at the Tanzania Port Authority would likely encourage employees to spend more time on innovative projects. That is to say higher salaries can serve as a strong motivator for employees to put in extra effort and dedication towards their work. When employees feel that their hard work is being recognized and rewarded through increased compensation, they are more likely to be motivated to excel in their roles and contribute innovative ideas to the organization. Higher salaries can attract and retain top talent within the organization. Through offering competitive salaries, the Tanzania Port Authority can attract skilled individuals who are capable of driving innovation within the organization. Additionally, higher salaries can help in retaining existing talented employees who might otherwise seek better-paying opportunities elsewhere. This retention of skilled workforce can lead to a more innovative and productive work environment. The study findings are supported by Manzoor and Haider (2021) that increased salaries can also enhance employee satisfaction and morale. When employees feel that they are being fairly compensated for their work, they are more likely to be satisfied with their jobs and feel valued within the organization. This sense of satisfaction and value can boost employee morale, leading to a more positive work culture where employees are motivated to engage in innovative projects. Moreover, higher salaries can reduce financial stress among employees, allowing them to focus more on their work and creative endeavors rather than worrying about meeting basic financial needs. When employees are not preoccupied with financial concerns, they can dedicate more time and energy towards exploring new ideas and implementing innovative solutions within the organization.

4.1.4 The Prospect of Merit Pay

Respondents were also required in this study to determine whether the prospect of merit pay makes employees more motivated to be innovative in their work. Figure 5 provides what was grasped from respondents through questionnaire:-
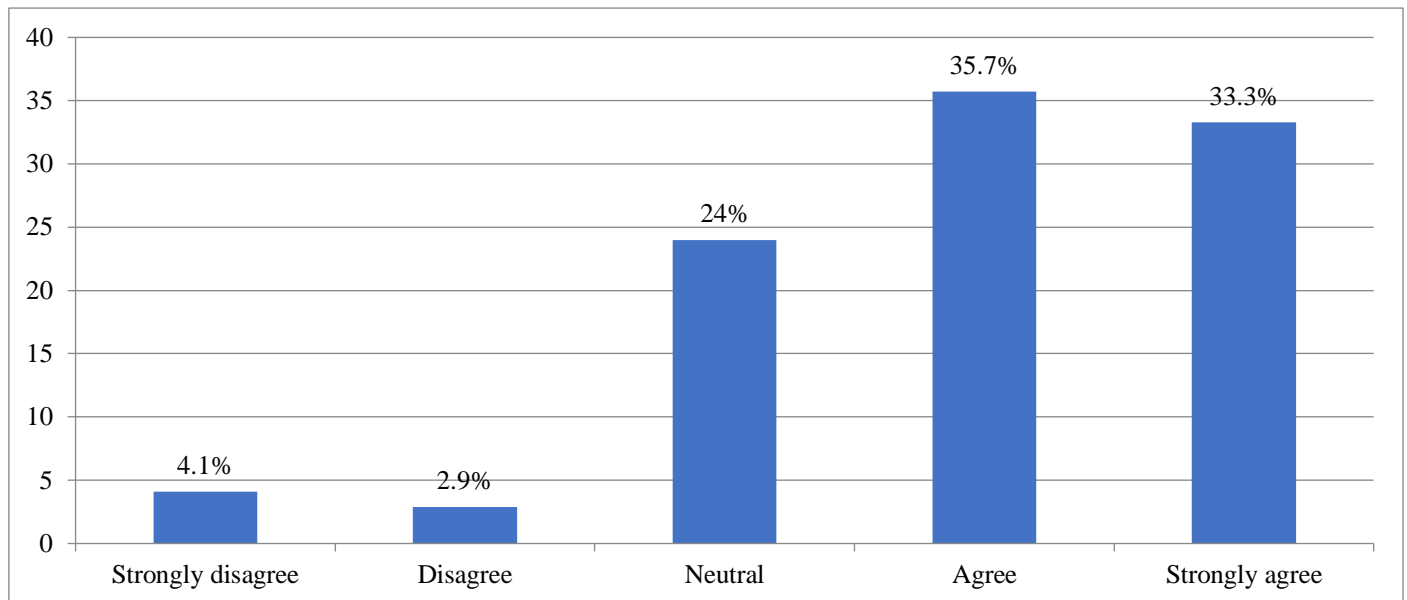
Figure 5
The Prospect of Merit Pay

The study indicated that 4.1% of respondents strongly disagreed that the prospect of merit pay makes employees more motivated to be innovative in their work, 2.9% disagreed and 24% were neutral while 35.7% said to have agreed and 33.3% said to have strongly agreed with the statement. Therefore, large portion of respondents agreed that the prospect of merit pay makes employees more motivated to be innovative in their work. The prospect of merit pay serves as a strong motivator for employees to be more innovative in their work by linking performance directly to financial rewards. When employees know that their efforts, creativity, and problem-solving skills will be recognized and rewarded with higher pay, they are more likely to go beyond basic job requirements. This incentivizes them to find new ways to improve processes, develop better products, or enhance services, as their innovative contributions can lead to tangible benefits such as salary increases, bonuses, or other performance-based rewards. This is in line with Putri et al. (2019) that merit pay also fosters a competitive environment where employees strive to stand out by thinking creatively and contributing ideas that can have a positive impact on the organization. Employees who might otherwise be content with maintaining the status quo are encouraged to seek out novel approaches, experiment with new techniques, and take calculated risks. This drive for recognition and financial reward pushes them to not only work harder but also to think more strategically about how they can add value to the organization. Additionally, merit pay systems create a culture of accountability and ownership. When employees are aware that their compensation is tied to their individual performance, they are more likely to take responsibility for their outcomes and invest in the success of their projects. Innovation, in this context, becomes a key means of demonstrating competence and securing higher pay, which, in turn, reinforces a cycle of continuous improvement and creativity within the workplace.

4.1.5 Merit Pay and New Solutions

Respondents were also required in this study to determine whether merit pay incentivizes employees to develop new solutions/processes. Figure 5 provides what was grasped from respondents through questionnaire:-
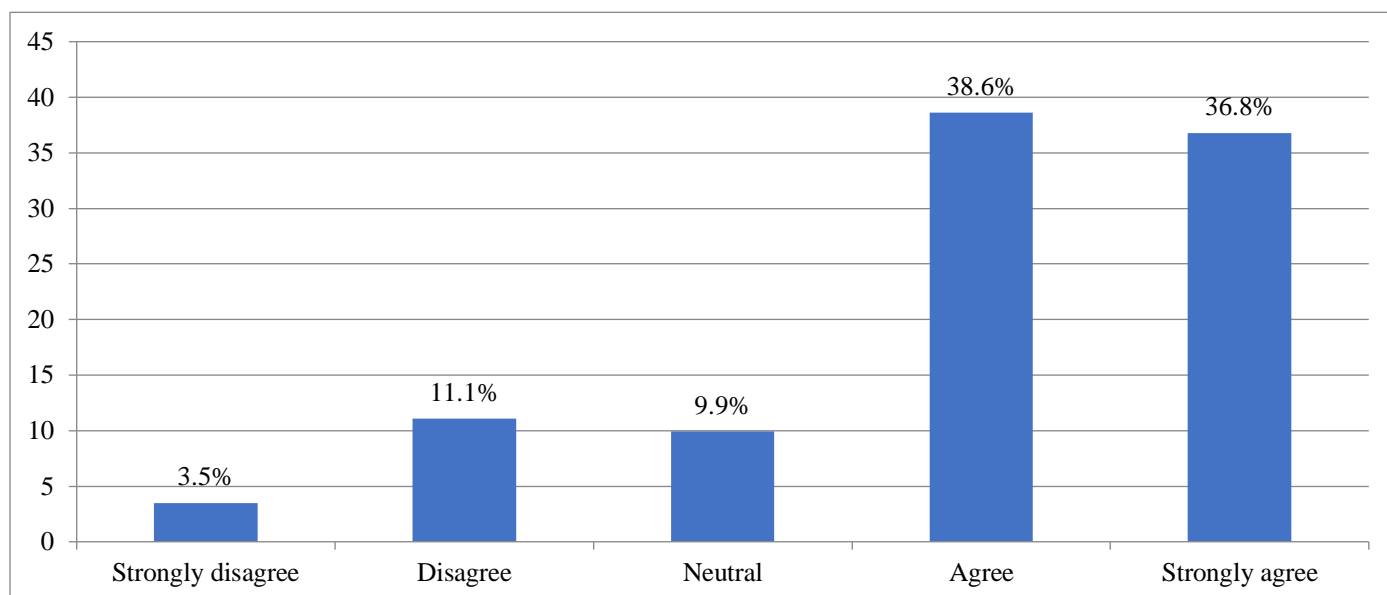
Figure 5
Merit Pay and New Solutions

The study indicated that 3.5% of respondents strongly disagreed that merit pay incentivizes employees to develop new solutions/processes, 11.1% disagreed and 9.9% were neutral while 38.6% said to have agreed and 36.8% said to have strongly agreed with the statement. Therefore, large portion of respondents agreed that merit pay incentivizes employees to develop new solutions/processes. Merit pay incentivizes employees to develop new solutions and processes by directly linking their compensation to performance outcomes, thereby fostering a culture of innovation. When employees know that their efforts to improve efficiency, creativity, and overall performance will be recognized and rewarded, they become more motivated to go beyond routine tasks. This incentive structure encourages individuals to think critically about how they can add value, whether through optimizing existing procedures, introducing new technologies, or finding creative solutions to operational challenges. Additionally, merit-based pay fosters a sense of ownership and accountability in the workplace. Employees are encouraged to take the initiative to solve problems, as their ability to improve processes could lead to tangible financial benefits. As they engage in this proactive behaviour, they also develop a deeper understanding of the business, which often results in more innovative and practical solutions. The desire to outperform peers and achieve personal goals can lead to a continuous cycle of improvement, benefitting both the employee and the organization as a whole. According to Hokororo (2020) merit pay aligns individual goals with organizational objectives. Employees striving for merit-based rewards are more likely to focus on contributing to areas where their innovations can make a measurable impact. This not only drives personal development but also helps the organization stay competitive by fostering an environment where improvements and new ideas are consistently pursued.

4.2 Regression Analysis
4.2.1 Model Summary

The provided table summarizes the results of a regression analysis, specifically focusing on the relationship between various predictors—Bonuses, Salary, and Merit Pay—and a dependent variable that is not explicitly stated but can be inferred to relate to employee performance or satisfaction based on common research contexts. The model summary includes several key statistics: R Square, Adjusted R Square, and Standard Error of the Estimate.

Table 3
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919[a]	.845	.843	.197

a. Predictors: (Constant), Bonuses, Salary, Merit pay

The R Square value of 0.845 indicates that approximately 84.5% of the variance in the dependent variable can be explained by the independent variables included in the model (Bonuses, Salary, and Merit Pay). This high

percentage suggests a strong relationship between these predictors and the outcome variable. In practical terms, this means that if an organization were to adjust its bonuses, salary structures, or merit pay systems, it could expect significant changes in employee performance or satisfaction levels. The Adjusted R Square value of 0.843 is slightly lower than the R Square value but still very high. This statistic accounts for the number of predictors in the model relative to the number of observations. It provides a more accurate measure when comparing models with different numbers of predictors. The closeness of these two values indicates that adding additional predictors may not significantly improve the model's explanatory power; thus, it suggests that the current model is well-specified without unnecessary complexity. The Standard Error of Estimate (SEE) is reported as 0.197. This statistic measures how far off predictions made by the regression model are from actual observed values on average. A lower SEE indicates better predictive accuracy; hence an SEE of 0.197 suggests that while there is some error in predictions made by this model, it remains relatively low compared to potential variability in employee performance or satisfaction metrics.

From an organizational perspective, these findings imply that effective compensation strategies involving bonuses, salaries, and merit pay can have a substantial impact on employee outcomes. Companies might consider investing in these areas to enhance overall workforce performance and satisfaction levels. However, it is also essential for organizations to regularly evaluate their compensation structures against industry standards and employee feedback to ensure they remain competitive and aligned with employee expectations. Moreover, understanding that approximately 15% of variance remains unexplained by this model invites further investigation into other factors influencing employee performance or satisfaction—such as work environment, management practices, or personal attributes—which could be integrated into future models for more comprehensive insights. In conclusion, this regression analysis provides valuable insights into how financial incentives correlate with employee outcomes while highlighting areas for further exploration.

4.2.2 Analysis of Variance (ANOVA)
In the table, the "Sum of Squares" (SS) quantifies the variation in employees' innovative behavior attributable to different sources.

Table 4
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.775	2	17.888	458.636	.000[b]
	Residual	6.552	168	.039		
	Total	42.327	170			

a. Dependent Variable: Employees' innovative behaviour
b. Predictors: (Constant), Monetary incentive, Non-monetary incentive

The total sum of squares is 42.327, which is divided into two components: regression and residual. The regression sum of squares (35.775) indicates the variation explained by the model, while the residual sum of squares (6.552) represents unexplained variation. The degrees of freedom (df) for regression is 2, corresponding to the number of predictors (Monetary and Non-monetary incentives), while for residuals, it is 68, calculated as total observations minus the number of groups being compared (70 - 2). The total degrees of freedom sums up to 70.

The mean square values are derived by dividing each sum of squares by its respective degrees of freedom. For regression, Mean Square = SS/df = 35.775/2 = 17.888, and for residuals, Mean Square = SS/df = 6.552/68 = 0.0965. These mean square values are crucial as they provide a basis for calculating the F-statistic. The F-statistic is calculated as the ratio of mean square regression to mean square residual: F = Mean Square Regression / Mean Square Residual = 17.888 / 0.0965 ≈ 185.636. This high value indicates that there is a significant effect due to at least one predictor variable on employees' innovative behavior. The significance level (Sig.) associated with this F-statistic is reported as .000, which indicates that there is a less than 0.1% probability that these results occurred under the null hypothesis (which posits no effect). In social science research, a significance level below .05 typically suggests strong evidence against the null hypothesis; thus, we can conclude that both monetary and non-monetary incentives significantly influence employees' innovative behaviour. The implications drawn from this ANOVA analysis suggest that organizations aiming to enhance their employees' innovative behavior should consider implementing both monetary and non-monetary incentives effectively. Given that these factors collectively explain a substantial portion (approximately 84% based on R^2 calculation from SS values) of variance in innovative behavior among employees, strategic investments in these areas could lead to improved performance outcomes. Furthermore, since both types of incentives have shown significant effects, organizations may benefit from exploring how these incentives can be tailored or combined for maximum impact on innovation within their workforce. In summary, this ANOVA analysis

provides robust evidence supporting the notion that incentivizing employees through financial rewards and recognition can foster an environment conducive to innovation.

4.2.3 Coefficient

The data presented in Table 5 provides insights into the relationship between various independent variables - namely bonuses, salary, and merit pay—and the dependent variable, which is employees' innovative behaviour. The coefficients listed in the table are crucial for understanding how each of these factors influences innovative behavior among employees.

Table 5

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.241	.140		1.717	.088
	Bonuses	.621	.068	.624	9.161	.000
	Salary	.316	.068	.317	4.657	.000
	Merit pay	.219	0.057	.218	3.82	.000

a. Dependent Variable: Employees' innovative behaviour

The unstandardized coefficients (B) indicate the amount of change in the dependent variable for a one-unit change in the independent variable while holding other variables constant. For instance, the coefficient for bonuses is 0.621, suggesting that for every unit increase in bonuses, employees' innovative behavior increases by approximately 0.621 units. This strong positive relationship is further supported by a significance level (Sig.) of 0.000, indicating that this finding is statistically significant. Similarly, salary has an unstandardized coefficient of 0.316, meaning that an increase in salary correlates with an increase in innovative behavior by about 0.316 units. Again, this result is statistically significant with a p-value of 0.000. Merit pay also shows a positive relationship with an unstandardized coefficient of 0.219 and a significance level of 0.000. The standardized coefficients (Beta) allow for comparison between the different independent variables by standardizing their scales. In this case, bonuses have the highest Beta value at 0.624, followed by salary at 0.317 and merit pay at 0.218. This indicates that bonuses have the most substantial effect on fostering innovative behavior among employees compared to salary and merit pay.

The implications of these findings are significant for organizations aiming to enhance employee innovation. The strong positive correlation between bonuses and innovative behaviour suggests that financial incentives can be effective motivators for encouraging creativity and innovation within teams or departments. Organizations consider implementing or enhancing bonus structures to promote such behaviors. Moreover, while salary also plays a role in influencing innovative behavior, its impact is less pronounced than that of bonuses according to the standardized coefficients. This could imply that while competitive salaries are essential for attracting talent, additional performance-based incentives like bonuses may be more effective in driving innovation. Lastly, merit pay contributes positively to innovative behavior but appears to have a lesser impact compared to bonuses and salary based on both unstandardized and standardized coefficients. Organizations need to evaluate how they structure merit pay systems to ensure they effectively encourage innovation alongside other forms of compensation. In summary, organizations should focus on creating robust incentive structures that prioritize bonuses as a means to foster an environment conducive to innovation among employees.

V. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusions

The study concluded that there is significant relationship between monetary incentive package and employees innovative behaviour since employees are motivated to come up with new ideas or innovations in their work because of the potential for bonuses while employees are paid fairly for the work they do, which motivates employees to contribute new idea. Monetary incentives serve as a powerful motivator for employees. The potential for bonuses acts as a tangible reward that encourages individuals to think outside the box and develop new ideas or solutions. When employees know that their efforts could lead to financial gain, they are more inclined to take risks in their work, propose novel concepts, or improve existing processes. In addition to monetary incentives, fair compensation plays a crucial role in fostering an environment conducive to innovation. When employees feel they are compensated fairly for their contributions, it enhances job satisfaction and loyalty. This sense of fairness can lead to increased engagement and willingness to share ideas without fear of being undervalued or overlooked. A fair pay structure ensures that employees feel respected and valued, which can further motivate them to contribute creatively.

5.2 Recommendations

Monetary incentives play a crucial role in enhancing employees' innovative behaviour. Hence the policy makers should ensure that monetary incentives provide a tangible reward for employees' efforts, which can lead to increased engagement and commitment to innovation. This is because monetary rewards can help attract and retain top talent who are driven by financial incentives. Furthermore, policy makers should ensure that human resource department designs clear and transparent reward structures tied to specific innovation goals. Organizations should ensure that the criteria for earning monetary rewards are well-defined and aligned with the company's strategic objectives. It is essential to communicate effectively about the availability of monetary incentives to motivate employees to actively participate in innovation initiatives. Moreover, organizations should regularly review and adjust monetary incentive packages based on the outcomes achieved to maintain employee motivation and drive continuous innovation.

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