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Impact of Methods of Selecting Incentive Schemes on Incentive
 Performance in Construction Projects in Lagos State Nigeria

³ Omotayo Olugbenga Aina¹, Jonathan Ademola Ayangade² and Akinlolu Tobi Akinyemi³

¹ Department of Building , Obafemi Awolowo University, Ile Ife , Nigeria

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7 Abstract

8 This study investigated the impact that methods of selecting incentive schemes had on the

 $_{9}$ $\,$ characteristics manifested by the schemes while being used by construction firms in Nigeria.

¹⁰ One hundred and four project managers of forty randomly selected construction firms

¹¹ participated in a questionnaire survey to determine the characteristics exhibited by incentive

12 schemes based on the methods employed for their selection. Findings revealed that for the

13 study-based selection method and the selection based on performance measurement, the use of

¹⁴ incentive schemes did not cause reduction in the quality of work, unhealthy competition

among workers nor fight among themselves. While selection based on tradition and discretion.
 caused the following; reduced quality of work, fighting among workers and generated

¹⁷ unhealthy competition among workers. The study therefore recommended the use of the

¹⁷ study-based selection and the selection based on performance measurement for incentive

¹⁹ schemes used in the construction industry.

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Index terms— methods of selecting incentive schemes, impact of methods of selecting incentive schemes, construction projects.

23 1 Introduction

he construction industry plays a vital role in the economy of Nigeria and its social development. It provides 24 25 social infrastructure and backbone for economic activities; this is because of the construction industry's capacity to provide employment on a large scale (Sanusi, 2008). It is expected that the vital role the construction industry 26 plays should ensure job stability, labour retention, enhanced worker output, but this is hardly the case as a 27 result of inefficiencies in the industrys' operations. Azasu (2003), submitted that there is a need to optimize 28 the use of human resources within the construction industry. This optimization can be partly achieved by the 29 use of incentive schemes, because incentives helps in enhancing worker performance. Incentives therefore, afford 30 organizations a genuine opportunity to create an environment in which employees work together to achieve good 31 results; and it also enable all parties to make reasonable returns and bear appropriate risks ?? Tang, et al., 2007). 32

³³ 2 Incentives generally refer to rewards used to induce workers ³⁴ to perform at a given extra level beyond

Author : Department of Building, Obafemi Awolowo University, Ile Ife , Nigeria. e-mail: tayoaina@yahoo.com a required level of achievement ??Makenzie, et al., 1998). required level of achievement ??Makenzie, et al., 1998). Incentives represent a benefit for an exceptional action which may be a stimulus for greater action; they are usually given to workers to motivate them for better performance.

39 Studies revealed that a number of incentives are available to suit many workers. Clark and Wilson (1961),

40 classified incentives as material (such as wages, fringe benefits, e.t.c), solidary (which are intangible rewards

41 from the act of association) and purposive incentives related to the goals of the organization. However, in the

42 construction industry, incentives offered to construction workers are the financial incentives given to manual 43 workers, non-financial incentives or semi-financial incentives given to managerial or clerical workers ??Harris and

44 Mc Caffer, 2005).

Incentive schemes are programmes developed purposely to encourage a specific course of action or stimulate workers to behave in a particular manner. According to Rao (2011), incentive schemes envisage a basic rate usually on time basis, applicable to all workers and incentive rates payable to the more efficient among workers as extra compensation for their deserved performance in terms of cost, time and quality. Specific types of incentive schemes used in the construction industry include the profit sharing, day work, piecework, standard time or hour system, hour saved system, e.t.c (Harris and McCaffer, 2005).

Recent studies have shown that incentive schemes have a huge impact on the workers generally. The study 51 conducted by (Burgess, et al., 2004), revealed that incentives had a substantial positive effect when applied in 52 small teams, and a negative response in large teams in the public sector. ??atz (2000), also pointed out the 53 importance of the team size in selecting a group-based incentive scheme. He explained that the smaller the 54 group, the greater the impact of the incentives on the motivation of workers; he further explained that basing 55 rewards on individual performance is generally associated with increased pressure on individuals to perform and 56 57 to accept responsibility for their own actions. Aina (2011), concluded that non-financial incentives performed 58 better than the financial incentives on construction workers; Suri (1970), showed that wage incentive succeeded

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⁶¹ A raising the productivity while increasing the workers' earnings; and Fagbenle, et al., (2004), concluded that ⁶² non-financial incentives significantly improved bricklayers' productive time.

However, the impact of incentive schemes is greatly affected by their methods of selection. Separate studies

64 conducted by Daniel and Gary (2006) When organizations commence the use of incentive schemes, they do this 65 with the purpose of achieving its effectiveness. However, the effectiveness of incentive schemes is manifested in

the characteristics resulting from the selection methods employed for the schemes. Rao (2011), opined that an

67 effectively selected incentive scheme should possess the following attributes: it must be simple to understand; it

68 must guarantee minimum wages irrespective of the performance of the workers; it must be simple and easy to

⁶⁹ operate; the plan should not be a costly affair; there should be very little gap between performance and pay; ⁷⁰ it should take the workers' union into consideration; and all workers must get an equal opportunity to earn the

71 incentive pay.

The Incentive Research Foundation's paper (2011), Motivating Today's Workforce, further explained that poorly selected incentive schemes can produce poor results, lack of motivational appeal or results to unintended consequences. Moreover, for incentive schemes to be effective in its selection, it must be fully integrated into the organization's culture, clientele and processes and products; it must be fair and transparent and it should be simple and flexible **??**Holtman, 2002). Bates (1999), had earlier explained that one of the most important

⁷⁷ ingredients in selecting incentive schemes is setting clear and attainable goals for employees. These goals must

78 be simple, quantifiable, and monitored by strong controls.

The benefits derivable from a well selected incentive scheme are several. For example, Bhattacharya (2011), explained that an effectively selected incentive scheme should increase the productivity of workers, enhance the quality of work and the working life of workers, create a climate for healthy competition among workers and reduce the cost of production per unit and reduce idle time.

Despite all these benefits, construction firms usually assume that the incentive scheme that works for one firm will work for every other firm (Allison and Jennifer, 2010). Furthermore, construction firms often attempt to select incentive schemes without considering in detail how the scheme will best suit their targeted workers. However, since incentive schemes cost money, care needs to be taken in ensuring that incentive schemes are well selected in order to avoid potential drawbacks.

Prominent among the drawbacks that could result from a poorly selected incentive scheme are the generation of potential rifts among workers, especially if some of the workers feel they are being unfairly treated; labour union opposition and low productivity (Bhattacharya, 2011).

Three major thoughts can be summed up from the foregoing, these include: (a) there is a need to effectively select incentive schemes (b) there are advantages derivable from such selection in (a) and (c) there are disadvantages emanating from neglect of the methods of selection. In the construction industry in Lagos state,

research have not addressed these areas, they thus constitute the questions to be addressed by this research.

95 4 II. Methods of Selecting Incentive Schemes

The need to achieve maximum efficiency in the use of labour for the sole purpose of boosting productivity has brought about the need for incentives. Incentive is a tool for stimulating human effort; people are encouraged to give out their best by inducing them to greater and more productive effort (Duleep, 2004). Incentive schemes are programmes developed purposely to encourage a specific course of action or stimulate workers to behave in a particular manner. Baumgarten (2013), submitted that a successful incentive scheme focuses on achieving organizational goals by driving the right behavior in employees. Since incentive schemes are a link between workers and considerable changes in their productivity, care needs to be taken in their selection. A key benefit
derivable from appropriate selection of incentive schemes is that workers meet their physical and financial goals
while organizations become more valuable and marketable.

A study conducted by Heathfield (2013), revealed that while some incentives can be dealt with quickly at an 105 operational level, some will require an important consideration of the methods for selecting the schemes for their 106 use; and a prominent reason for the failure of incentive schemes is that organizations do not take into account 107 the methods of selecting these schemes. Gregorio (2006) Burgress and Metcalfe (1999), argued that selection 108 of incentive schemes by subjective performance has a problem of being non-verifiable since selection is based on 109 subjective evaluation which is at risk of falsification by the superior officers. Furthermore, this is likely to be 110 particularly a problem in cases where extra pay associated with a good report comes directly from the assessor's 111 budget. 112

The importance of considering the selection of incentive schemes is inherent in the advantages and disadvantages manifested by incentives upon use. According to Mc Querrey (2012), incentive schemes could result to increase in the volume of output; reduction of cost of production per unit; reduction of labour turnover and idle time. Aaronson (2012), argued that while incentive schemes may have some benefits, it could deteriorate the quality of production output; affect the introduction of improved methods; and increase the number of clerical work due to calculations involved in computing incentive earnings. Most of these draw backs in the use of incentive schemes could be avoided when incentive schemes are selected using appropriate methods.

120 Studies conducted by ??aniel Selection of incentive schemes by performance measure is based upon supervisors' perception of employee's performance rather than objective results; selection of incentive schemes by tradition 121 involves selection based on the assumption that incentive schemes once adopted by an organization will most 122 likely continue to work for the organization; selection of incentive schemes based on performance measurement 123 makes use of objective data from employees performance and bases its selection on a well defined and understood 124 formulae; selection based on large group measure involves selection based on large group results from employees. 125 Incentive schemes selected through this method include the profit sharing and gain sharing schemes ??Gregori, 126 2006). Furthermore, selection based on broad financial measure entails selecting incentive schemes based on 127 broad financial results such as return on equity, return on assets, e.t.c. Daniel and Gary (2006), argued that 128 employees should not be evaluated or paid for results he or she has little or no impact upon. Lastly, selection 129 by discretion involves selection based on management's judgement where selection measure, criteria, and pay 130 potential are unpredictable and change frequently. 131

The choice of methods adopted by organizations is greatly influenced by a number of factors. Hottman (2002), listed the factors influencing the choice of methods for selecting of incentive schemes as: composition of workforce, culture, external environment, system of governance and strategy, types, incentive scheme's objective, cost and benefit analysis, timing, availability of standardized work measurement techniques, adequacy of work, availability of equitable wage structure, availability of improved and simplified work methods, presence of new workers, fluctuations in production, nature of tasks, financial capacity of the company, incentives scheme's term, level of understanding of incentive schemes by workers and the need for completion of tasks.

¹³⁹ 5 III. Methods of Data Collection and Analyses

This study utilized primary data generated through questionnaire survey. The questionnaires were administered 140 on one hundred and four (104) project managers of forty (40) construction firms selected randomly from the sixty 141 six construction firms in Lagos State that were registered with the Federation of Construction Industry (FOCI). 142 The questionnaire was designed to collect information on the effect of selection on the performance of incentive 143 schemes. The questionnaire comprised two sections. The first section was designed to collect information on the 144 145 methods they employ in selecting incentive schemes. The project managers were asked to rank the methods on a likert scale of always employed, often employed, sometimes employed, rarely employed and never employed. The 146 ratings were assigned a value of 4,3,2,1,0 respectively. 147

The second section of the questionnaire was designed to collect information on the characteristics manifested by incentive schemes upon selection. The project managers were asked to rank these characteristics on a likert scale of strongly agree, agree, undecided, disagree and strongly disagree. The ratings were assigned a value of 4,3,2,1,0 respectively.

The data on the methods of selecting incentive schemes and the characteristics of incentive schemes upon selection were analyzed with the use of mean and standard deviation. In order to determine the characteristics manifested by incentive schemes upon selection by each of the methods of selection, the Spearman's Rank Order Correlation was employed. The Spearman's Rank Order Correlation was employed for this analysis because data were obtained using the ordinal scale. The Spearman's Rank Order Correlation Coefficient is denoted by ? (rho), and it is expressed mathematically as:? = 16 ? d 2 _____ n (n 2 1)

158 Where: ? = rho rank correlation d = distance between corresponding ranks n = number of observations IV.

¹⁵⁹ 6 Results and Discussions

Summarized in the Table 1 are the results of the analysis of the responses on the methods employed by construction firms in selecting incentive schemes. The result indicated selection by discretion ranked first among the methods

employed by construction firms in selecting incentive schemes with a mean value of 2.50. Selection based on 162 performance measurement was ranked second with a mean value of 2.30. Selection by large group measure was 163 ranked least with a mean value of 0.95. From the foregoing, the analysis posits that incentive schemes are most 164 frequently selected by discretion. This result supports the view of Gregorio (2006) which confirmed that selection 165 of incentive schemes by management of organizations is mostly discretionary. ?? is the correlation analysis of 166 the methods of selecting incentive schemes and the characteristics manifested by the incentive schemes. This 167 correlation analysis was carried out to analyze the characteristics associated with each of the methods employed 168 by construction firms in selecting incentive schemes. 169

The result in column 1 of Table ?? shows that there is a strong positive correlation between variables relationship 170 among workers is ruptured as a result of incentive schemes offered (0.659), incentive schemes create a manipulative 171 effect on workers (0.705), incentive schemes often lead to unhealthy competition among workers (0.735), incentive 172 schemes cause workers to avoid risk taking or exploration of possibilities (0.676), incentive schemes undermine the 173 interest of workers (0.680), incentive schemes cause fight among workers (0.716), incentive schemes often lead to 174 reduction in the quality of work (0.543), and the selection of incentive schemes by subjective performance measure 175 at the 0.01 level of confidence while a strong negative correlation exists between variables-workers earnings are 176 not restricted as far as possible (0.622), the schemes are clear and easily calculable by all workers (0.690), the 177 178 schemes are fair in its calculation (0.768), incentive schemes guarantee extra pay that is consistent with extra 179 effort (0.666), and the selection of incentive schemes by subjective performance measure at the 0.01 level of 180 confidence.

The result showed that the selection of incentive schemes by performance measure causes incentive schemes to 181 manifest following characteristics-'relationship among workers is ruptured as a result of incentive schemes offered, 182 incentive schemes create a manipulative effect on workers, incentive schemes often lead to unhealthy competition 183 among workers, incentive schemes cause workers to avoid risk taking or exploration of possibilities, incentive 184 schemes undermine the interest of workers, incentive schemes cause fight among worker, incentive schemes often 185 lead to reduction in the quality of work'. Furthermore, incentive schemes exhibit the direct opposite of the 186 following characteristics upon selection schemes by subjective performance: 'workers earnings are not restricted 187 as far as possible, the schemes are clear, well understood and easily calculable by all workers, the schemes are 188 fair in its calculation, incentive schemes guarantee extra pay that is consistent with extra effort'. 189

The result in column 2 of Table ?? revealed that there is a strong positive correlation between variablesre-190 lationship among workers is ruptured as a result of incentive schemes offered (0.783), incentive schemes create 191 a manipulative effect on workers (0.658), incentive schemes often lead to unhealthy competition among workers 192 (0.754), incentive schemes cause workers to avoid risk taking or exploration of possibilities (0.779), incentive 193 schemes undermine the interest of workers (0.765), incentive schemes cause fight among workers (0.589), incentive 194 schemes often lead to reduction in the quality of work (0.640), and the selection of incentive schemes by tradition 195 at the 0.01 level of confidence. A strong negative correlation exists between variables-incentive schemes pose 196 difficulty in the introduction of improved methods, better tools and machines (0.241), workers earnings are not 197 restricted as far as possible (0.687), the schemes are clear, well 198

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Volume XIV Issue VIII Version I Year () A understood and easily calculable by all workers (0.814), the schemes are fair in its calculation (0.834), incentive schemes guarantee extra pay that is consistent with extra effort (0.627), and the selection of incentive schemes by tradition at 0.01 and 0.05 levels of confidence.

The result revealed on the one hand that, the selection of incentive schemes by tradition causes incentive 203 schemes to manifest the following characteristics-relationship among workers is ruptured as a result of incentive 204 205 schemes offered, incentive schemes create a manipulative effect on workers, incentive schemes often lead to unhealthy competition among workers, incentive schemes cause workers to avoid risk taking or exploration of 206 possibilities, incentive schemes undermine the interest of workers, incentive schemes cause fight among workers, 207 incentive schemes often lead to reduction in the quality of work. On the other hand, incentive schemes were 208 perceived by respondents to exhibit the direct opposite of the following characteristics upon selection schemes by 209 tradition: 'incentive schemes pose difficulty in the introduction of improved methods, better tools and machines, 210 workers earnings are not restricted as far as possible, the schemes are clear, well understood and easily calculable 211 by all workers, the schemes are fair in its calculation, incentive schemes guarantee extra pay that is consistent 212 with extra effort '. 213

The result in column 3 of Table ?? hows that there is a strong positive correlation between variablesworkers 214 215 earnings are not restricted as far as possible (0.535), the schemes are clear, well understood and easily calculable 216 by all workers (0.0.706), the schemes are fair in its calculation (0.717), incentive schemes guarantee extra pay 217 that is consistent with extra effort (0.545) and the study-based selection of incentive schemes at the 0.01 level of 218 confidence while a strong negative correlation exists between variables relationship among workers is ruptured as a result of incentive schemes offered (0.696), incentive schemes create a manipulative effect on workers (0.649), 219 incentive schemes often lead to unhealthy competition among workers (0.729), incentive schemes cause workers 220 to avoid risk taking or exploration of possibilities (0.691), incentive schemes undermine the interest of workers 221 (0.639), incentive schemes cause fight among workers (0.535), incentive schemes often lead to reduction in the 222 quality of work (0.533), and the studybased selection of incentive schemes at the 0.01 level of confidence The 223

result revealed the study-based selection of incentive schemes cause incentive schemes to manifest the following 224 characteristics-'workers earnings are not restricted as far as possible, the schemes are clear, well understood and 225 easily calculable by all workers, the schemes are fair in its calculation, incentive schemes guarantee extra pay that 226 227 is consistent with extra effort'. However, incentive schemes were perceived by respondents to exhibit the direct opposite of the following characteristics upon the study-based selection of incentive schemesrelationship among 228 workers is ruptured as a result of incentive schemes offered, incentive schemes create a manipulative effect on 229 workers, incentive schemes often lead to unhealthy competition among workers, incentive schemes cause workers 230 to avoid risk taking or exploration of possibilities, incentive schemes undermine the interest of workers, incentive 231 schemes cause fight among workers, incentive schemes often lead to reduction in the quality of work. 232

The result in column 4 of Table ?? shows that there is a strong positive correlation between variablesworkers 233 earnings are not restricted as far as possible (0.594), the schemes are clear, well understood and easily calculable 234 by all workers (0.681), the schemes are fair in its determination (0.678), incentive schemes guarantee extra pay 235 that is consistent with extra effort (0.652) and the selection of incentive schemes by performance measurement 236 at the 0.01 level of confidence while a strong negative correlation exists between variables-relationship among 237 workers is ruptured as a result of incentive schemes offered (0.609), incentive schemes create a manipulative effect 238 on workers (0.624), incentive schemes often lead to unhealthy competition among workers (0.629), incentive 239 240 schemes cause workers to avoid risk taking or exploration of possibilities (0.716), incentive schemes undermine 241 the interest of workers (0.674), incentive schemes cause fight among workers (0.682), incentive schemes often lead 242 to reduction in the quality of work (0.659), and the selection of incentive schemes by performance measurement at the 0.01 level of confidence. 243

The result revealed that incentive schemes manifest following characteristics-'workers earnings are not 244 restricted as far as possible, the schemes are clear, well understood and easily calculable by all workers, the 245 schemes are fair in its calculation, incentive schemes guarantee extra pay that is consistent with extra effort', 246 when selected by performance measurement. Also incentive schemes were perceived by respondents to exhibit the 247 direct opposite of the following characteristics upon selection schemes by performance measurement -relationship 248 among workers is ruptured as a result of incentive schemes offered, incentive schemes create a manipulative 249 effect on workers, incentive schemes often lead to unhealthy competition among workers, incentive schemes cause 250 workers to avoid risk taking or exploration of possibilities, incentive schemes undermine the interest of workers, 251 incentive schemes cause fight among workers, incentive schemes often lead to reduction in the quality of work. 252

The result in column 5 of Table **??** shows that there is a strong positive correlation between variables schemes create a manipulative effect on workers (0.310), incentive schemes often lead to unhealthy competition among workers (0.252), incentive schemes cause workers to avoid risk taking or exploration of possibilities (0.193), incentive schemes often results in reduction in labour cost (0.211), and the selection of incentive schemes by large group measure at the 0.01 level of confidence.

The result revealed that incentive schemes manifest majorly the following characteristics: 'incentive schemes create a manipulative effect on worker, incentive schemes often lead to unhealthy competition among workers, incentive schemes cause workers to avoid risk taking or exploration of possibilities, incentive schemes often results in reduction in labour cost', when selected by large group measure.

The result in column 6 of Table ?? shows that there is a strong positive correlation between variablesworkers 262 earnings are not restricted as far as possible (0.382), the schemes are clear, well understood and easily calculable 263 by all workers (0.351), the schemes are fair in its determination (0.395), incentive schemes guarantee extra pay 264 that is consistent with extra effort (0.326) and the selection of incentive schemes by broad financial measure at the 265 0.01 level of confidence; while a strong negative correlation exists between variables relationship among workers 266 is ruptured as a result of incentive schemes offered (0.359), incentive schemes create a manipulative effect on 267 workers (0.297), incentive schemes often lead to unhealthy competition among workers (0.629), incentive schemes 268 cause workers to avoid risk taking or exploration of possibilities (0.353), incentive schemes undermine the interest 269 of workers (0.381), incentive schemes cause fight among workers (0.340), incentive schemes often lead to reduction 270 in the quality of work (0.374), and the selection of incentive schemes by broad financial measure at the 0.01 level 271 of confidence. 272

The result revealed that incentive schemes manifest following characteristics-'workers earnings are not 273 restricted as far as possible, the schemes are clear, well understood and easily calculable by all workers, the 274 schemes are fair in its determination, incentive schemes guarantee extra pay that is consistent with extra effort' 275 when selected by broad financial measure. However, incentive schemes were perceived by respondents to exhibit 276 the direct opposite of the following characteristics upon selection schemes by broad financial measure -relationship 277 among workers is ruptured as a result of incentive schemes offered, incentive schemes create a manipulative effect 278 on workers, incentive schemes often lead to unhealthy competition among worker, incentive schemes cause workers 279 to avoid risk taking or exploration of possibilities, incentive schemes undermine the interest of workers, incentive 280 schemes cause fight among workers, incentive schemes often lead to reduction in the quality of work 281

The result in column 7 of Table ?? shows that there is a strong positive correlation between variables among workers is ruptured as a result of incentive schemes offered (0.555), incentive schemes create a manipulative effect on workers (0.614), incentive schemes often lead to unhealthy competition among workers (0.665), incentive schemes cause workers to avoid risk taking or exploration of possibilities (0.609), incentive schemes undermine the interest of workers (0.573), incentive schemes cause fight among workers (0.606), incentive schemes often lead to reduction in the quality of work (0.621), incentive schemes pose difficulty in the introduction of improved methods, better tools and machines (0.249) and the selection of incentive schemes by discretion at 0.01 and 0.05 levels of confidence, while a strong negative correlation exists between variables -workers earnings are not restricted as far as possible (0.479), schemes take the safety of workers into consideration (0.248), the schemes are clear, well understood and easily calculable by all workers (0.645), the schemes are fair in its determination (0.643), incentive schemes guarantee extra pay that is consistent with extra effort (0.676), between and the selection of incentive schemes by discretion at 0.01 and 0.05 levels of confidence.

The result revealed that incentive schemes manifest following characteristics-relationship among workers is 294 ruptured as a result of incentive schemes offered, incentive schemes create a manipulative effect on workers, 295 incentive schemes often lead to unhealthy competition among workers, incentive schemes cause workers to avoid 296 risk taking or exploration of possibilities, incentive schemes undermine the interest of workers, incentive schemes 297 cause fight among workers, incentive schemes often lead to reduction in the quality of work, when selected 298 by discretion. However, incentive schemes were perceived by respondents to exhibit the direct opposite of the 299 following characteristics upon selection schemes by discretion: workers earnings are not restricted as far as 300 possible, schemes take the safety of workers into consideration, the schemes are clear, well understood and 301 easily calculable by all workers, the schemes are fair in its determination, incentive schemes guarantee extra pay 302 303 that is consistent with extra effort. Where: Y1-Selection by subjective performance measure, Y2-Selection by 304 tradition, Y3 -Study based selection of incentive scheme, Y4 -Selection of incentive scheme based on performance measurement, Y5 -Selection based on large group measures, Y6 -Selection based on broad financial measure, 305 Y7 -Selection of incentive schemes by discretion and; X1-Relationship among workers is ruptured as a result of 306 incentive schemes offered, X2 -Incentive scheme creates a manipulative effect on workers, X3-Incentive schemes 307 often lead to unhealthy competition among workers, X4-Incentive schemes cause workers to avoid risk taking 308 or exploration of possibilities, X5-Incentive schemes undermine the interest of workers, X6-Incentive schemes 309 cause to fight among workers, X7-Incentive schemes often lead to reduction in the quality of work, X8-Incentive 310 schemes pose difficulty in the introduction of improved methods, better tools and machines, X9-Worker earnings 311 are not restricted as far as possible X10-Incentive schemes often results in reduction in labour costs, X11-Incentive 312 schemes take the safety of workers into consideration, X12-Incentive schemes stimulate workers to put in extra 313 effort, X13-The schemes are clear, well understood and easily calculable by all workers, X14-The schemes are fair 314 in its determination, X15.-Incentive schemes guarantee extra pay that is consistent with extra effort. 315

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³¹⁷ 9 V. Conclusion and Reccommendation

This study concludes that the most frequently used methods for selecting incentive schemes by construction firms were selection by tradition, selection based on performance measurement, and selection by discretion. Findings from this study have also proven that incentive schemes manifest certain traits after their selection through various methods.

On the one hand, upon the selection of incentive schemes by tradition, schemes were perceived to rupture 322 the relationship among workers, create a manipulative effect on workers, generate unhealthy competition among 323 workers, result to fight among workers, cause workers to avoid risk taking or exploration of possibilities, undermine 324 325 the interest of workers, lead to reduction in the quality of work, and restrict workers' earning among others. Similarly, upon the selection of incentive schemes by discretion, schemes were also perceived to rupture the 326 relationship among workers, generate unhealthy competition among workers, cause workers to avoid risk taking 327 or exploration of possibilities, cause fight, lead to reduction in the quality, pose difficulty in the introduction of 328 improved methods, better tools and machines among others. 329

On the other hand, upon the study-based selection of incentive schemes, incentive schemes did not restrict 330 workers earnings; schemes were perceived by workers to be clear, well understood and easily calculable; 331 relationship among workers was unaffected; workers did not feel manipulated; unhealthy competition was not 332 generated and quality of work was unaffected. Similarly, upon selection of incentive schemes based on performance 333 measurement, incentive schemes was perceived not to restrict workers earnings; schemes were perceived by workers 334 to be clear, well understood and easily calculable; schemes were considered by workers as fair in its determination; 335 extra pay consistent with extra effort was guaranteed; relationship among workers was not affected, workers did 336 not feel manipulated and the quality of work was not affected. 337

Based on the characteristics manifested by incentive schemes upon their selection, the study therefore recommends the use of the study-based selection and the selection based on performance measurement for incentive schemes used in the construction industry. The selection of incentive schemes through these methods will serve as a check ¹

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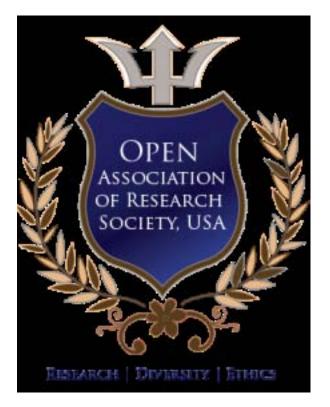


Figure 1:

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 ${\rm Glob} {\bf \$}/{\rm No}$ Methods 1. Selection by subjective performance 2. Selection by tradition 3. Study based selectio Jour-

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among work- ers isruptured as a result of incentive schemes offered. Incentive 104 scheme creates \mathbf{a} manipulative effect on work- ers Incentive 104 schemes often lead to unhealthy $\operatorname{competition}$ among

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