

The Influence of Additional Income on Employee Performance

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ABSTRACT

Objective: This study aims to analyze the impact of additional income on employee performance. The research focuses on how financial incentives influence motivation, productivity, and overall job satisfaction. **Method:** By utilizing qualitative and quantitative methods, the study examines employees' responses to supplementary earnings in various organizational settings. **Results:** The findings suggest that additional income positively influences employee performance, although non-monetary factors also play a crucial role. **Novelty:** This study highlights the combined effects of financial and non-monetary factors on employee performance, providing a comprehensive perspective on motivation and job satisfaction.

INTRODUCTION

Employee performance is a critical factor in achieving organizational goals. Various elements influence performance, including financial and non-financial incentives. Additional income, in the form of bonuses, allowances, or other financial rewards, is commonly used to enhance employee motivation and productivity. This study explores the relationship between additional income and employee performance, focusing on whether financial rewards significantly impact work outcomes.

Several theories highlight the importance of financial incentives in motivating employees. Herzberg's Two-Factor Theory suggests that while salary acts as a hygiene factor, it can also serve as a motivator under certain conditions. Additionally, Vroom's Expectancy Theory indicates that employees are likely to exert more effort when they expect their efforts to lead to desirable rewards. Previous empirical studies have shown mixed results, with some suggesting a direct correlation between income and performance, while others emphasize the role of intrinsic motivation.

RESEARCH METHOD

This study employs a mixed-method approach, combining surveys and interviews to gather comprehensive data. The quantitative aspect involves distributing structured questionnaires to employees across various sectors, while qualitative data is obtained through interviews with HR managers and employees. Data analysis is conducted using statistical tools to identify trends and correlations.

RESULTS AND DISCUSSION

The findings indicate a positive correlation between additional income and employee performance. Employees who receive financial incentives report higher

motivation levels and increased productivity. However, the study also reveals that factors such as job satisfaction, work environment, and career growth opportunities significantly contribute to performance. Thus, while additional income enhances performance, it should be complemented by non-financial motivators.

CONCLUSION

Fundamental Finding : This study concludes that additional income functions as an effective mechanism to enhance employee performance. The findings highlight a positive relationship between financial incentives and improved workplace outcomes. **Implication :** Given this result, organizations are encouraged to adopt a more holistic strategy, not solely relying on monetary rewards but also integrating them with other motivational tools. Such a comprehensive approach can create a more sustainable and engaging work environment. **Limitation :** Nevertheless, the scope of this study is limited in terms of its generalizability across different sectors and over longer periods. These constraints suggest that the current findings may not fully capture the broader dynamics of employee motivation. **Future Research :** To build on these insights, future research should investigate the long-term effects of additional income on employee performance and examine how such impacts may vary across specific industries or organizational contexts

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