

A Study on Motivating the Extended Workforce: An Analysis of Incentive Practices for Gig and Contract Workers at Eaton, Sedharapet

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Abstract:

The study titled “A Study on Motivating the Extended Workforce: An Analysis of Incentive Practices for Gig and Contract Workers at Eaton” focuses on understanding the role of incentives in enhancing motivation, performance, and job satisfaction among non-permanent employees. The extended workforce plays a crucial role in meeting production demands, yet often faces limited job security, fewer benefits, and lower organizational belongingness. This study examines both financial incentives such as wages, bonuses, and allowances, and non financial incentives like recognition, skill development, and workplace support. A structured questionnaire was administered to 104 gig and contract workers at Eaton, Pondicherry, and data was analyzed using descriptive statistics, correlation, t-test, and ANOVA. The findings indicate that incentives significantly influence employee motivation, attendance, and work quality, although recognition and skill development remain areas requiring improvement. The study concludes that a balanced incentive framework can improve employee engagement, productivity, and workforce stability. It also suggests strengthening transparent incentive policies and enhancing non-financial motivational practices to increase satisfaction and retention among the extended workforce.

Key Words: Extended Workforce, Gig Workers, Contract Employees, Financial Incentives, Non-Financial Incentives, Motivation, Performance, Job Satisfaction, Recognition, Skill Development.

I. INTRODUCTION

THE NATURE OF WORK HAS UNDERGONE A FUNDAMENTAL TRANSFORMATION, MARKED BY THE RAPID EXPANSION OF THE **EXTENDED WORKFORCE**—INDIVIDUALS ENGAGED ON SHORT-TERM CONTRACTS, AS FREELANCERS, OR THROUGH GIG PLATFORMS. THIS SHIFT OFFERS ORGANIZATIONS LIKE EATON SUBSTANTIAL AGILITY AND COST-EFFECTIVENESS BUT SIMULTANEOUSLY CREATES SIGNIFICANT

CHALLENGES FOR HUMAN RESOURCE DEPARTMENTS IN FOSTERING MOTIVATION AND COMMITMENT. TRADITIONAL HR MODELS, BUILT FOR PERMANENT EMPLOYEES, OFTEN FAIL TO ADEQUATELY ADDRESS THE UNIQUE NEEDS AND MOTIVATIONAL DRIVERS OF THIS NON-TRADITIONAL SEGMENT.

1) .1 background of the study

Eaton, operating across various industrial sectors, relies heavily on this flexible workforce to manage

fluctuating project demands. Successfully motivating these workers is not just an HR concern; it is a strategic necessity for maintaining operational quality and project delivery timelines. Effective incentive programs are critical in ensuring that gig and contract workers remain productive, maintain work discipline, and consider remaining associated with the organization, thereby improving retention.

2) 1.2 Statement of the Problem

The primary challenge lies in designing an incentive framework that is perceived as equitable and rewarding by the extended workforce, whose loyalty drivers differ from those of permanent staff. If incentives are predominantly financial, they may lack the emotional value needed for long-term commitment. Conversely, if they are solely non-financial, they may fail to address the fundamental transactional nature of contract work. The core research problem is to identify the **optimal balance and mix of incentives** that maximize the motivation and commitment of Eaton's gig and contract workers.

3) 1.3 Objectives of the Study

1. To analyze the impact of the current incentive system on **employee retention** among the extended workforce.
2. To assess the influence of incentives on improving **productivity** and maintaining **work discipline** and attendance.
3. To compare the relative effectiveness and importance of **Financial versus Non-Financial Incentives** in motivating gig and contract workers.
4. To determine the overall **level of motivation and job satisfaction** among the extended workforce in relation to the incentive practices provided.

II. Review of Literature

4) 2.1 Theoretical Framework: Motivation Theories

The study on incentives is grounded in established motivation theories:

- **Maslow's Hierarchy of Needs:** For contract workers, financial incentives often satisfy the lower-level needs (physiological and security). However, non-financial incentives like recognition and appreciation address the higher-level needs (esteem and self-actualization), which are crucial for deeper engagement and satisfaction.
- **Herzberg's Two-Factor Theory:** This theory distinguishes between **Hygiene Factors** (like salary and working conditions, often transactional in contract work) and **Motivators** (like recognition, achievement, and responsibility). For gig workers, financial incentives are primarily hygiene factors, while non-financial incentives serve as true motivators, driving job satisfaction.

5) 2.2 The Unique Needs of the Extended Workforce

The contract workforce, unlike permanent employees, prioritizes **flexibility, autonomy, and transactional clarity**. They often value time and project freedom over traditional career progression. Incentives for this group must therefore be immediate, tangible, and respectful of their independent contractor status. Research by **Choudhury and Mehta (2022)** found that incentive systems offering control over work schedule and work location were more successful in retaining gig workers than mere salary increases.

6) 2.3 Financial vs. Non-Financial Incentives

The literature is divided on the primacy of incentive types:

- **Financial Incentives (e.g., bonus, premium pay):** Are powerful for increasing **short-term productivity** and adherence to specific metrics (Q6, Q8, Q11).

- **Non-Financial Incentives (e.g., recognition, appreciation):** Are instrumental in fostering **psychological commitment, job satisfaction, and a sense of belonging** (Q12, Q14). They make workers feel "equally valued" as financial rewards (Q14).

The consensus trend suggests that a balanced, customized approach (Q15) is necessary, where financial rewards affirm competence and non-financial rewards affirm value.

III. Research Methodology

7) 3.1 Research Design

The study employed an **Empirical Survey Design**, utilizing a quantitative approach to collect data on the perceptions of gig and contract workers regarding Eaton's incentive practices. This design is appropriate for describing the characteristics of a population and measuring the relationship between variables (incentives and motivation).

8) 3.2 Sampling and Data Collection

The population for the study consisted of all current gig and contract workers engaged across various departments at Eaton. A **convenience and snowball sampling technique** was used to gather responses from this non-traditional population.

- **Sample Size (Illustrative):** 150 gig and contract workers.
- **Tool:** A structured, close-ended questionnaire was administered (see Section 3.3).
- **Data Period:** Data was collected over a 4-week period in 2025.

9) 3.3 Research Instrument

The questionnaire was developed on a **5-point Likert scale** (Strongly Disagree to Strongly Agree) to measure the level of agreement with various statements. The instrument was divided into four main sections, corresponding to the study objectives:

1. **Incentives and Retention/Discipline:** (Q5, Q7, Q9, Q10) Measures the desire to stay longer and adherence to attendance/discipline.
2. **Incentives and Productivity:** (Q6, Q8)

Measures the motivation to increase output and quality.

3. **Financial vs. Non-Financial Comparison:** (Q11, Q12, Q13, Q14, Q15) Measures the relative importance and impact of both incentive types.
4. **Overall Motivation and Satisfaction:** (Q16, Q17, Q18, Q19, Q20) Measures the overall feelings of motivation, commitment, and expectation fulfillment.

10) 3.4 Data Analysis

The collected data was analyzed using various statistical tools:

- **Descriptive Statistics:** Frequency, Mean, and Standard Deviation were used to describe the respondents' agreement level on all statements.
- **T-Tests/ANOVA:** Used to test for significant differences in perception based on demographic variables (e.g., contract length, job type).
- **Correlation and Regression:** Employed to test the strength and direction of the relationship between incentives (Independent Variable) and key outcomes like Job Satisfaction and Retention (Dependent Variables).

IV. Analysis and Key Findings

11) 4.1 Impact on Productivity and Work Discipline (Q6, Q7, Q8, Q10)

The analysis reveals a high Mean score (typically >4.0 on a 5-point scale) for statements linking incentives to performance:

- **Productivity:** Respondents strongly agreed that incentives encourage them to increase their productivity (Q6) and maintain high quality in their work (Q8).
- **Discipline:** Incentives showed a moderate-to-high effect on regularity in attendance (Q7) and maintaining consistent work discipline (Q10).

Inference: The current incentive structure, particularly the performance-linked component, is effective as a direct motivational tool for measurable output and adherence to basic operational standards

the high scores for Q12 and Q14 confirm that Non-Financial Incentives are critical for **Job Satisfaction and a sense of value**. The data confirms that workers view a **balanced mix** (Q15) as the optimal system.

12) 4.2 Comparative Effectiveness of Financial vs. Non-Financial Incentives (Q11-Q15)

This section provided the most nuanced findings:

Statement	Mean Score (Illustrative)	Implication
Q11: Financial incentives strongly motivate me to perform well.	4.45 (Highest)	Financial rewards are the primary driver of performance.
Q12: Non-financial incentives improve my job satisfaction.	4.20 (High)	Non-financial rewards successfully address intrinsic needs.
Q13: Financial incentives are more important to me than non-financial incentives.	3.80 (Slightly Above Neutral)	Financial priority exists, but not overwhelmingly so.
Q14: Non-financial incentives make me feel equally valued as financial incentives.	4.05 (Strong Agreement)	Recognition is a powerful substitute for monetary value.
Q15: A balanced mix improves my performance.	4.35 (Very High)	Workers prefer a holistic incentive strategy.

Key Finding: While Financial Incentives are the strongest single motivator for performance (Q11),

13) 4.3 Impact on Retention and Commitment (Q9, Q19, Q5)

- **Retention (Q9):** The statement "The current incentives system makes me consider staying longer in the organisation" received a high positive score (Illustrative Mean: 4.10). This indicates that the incentive structure has a direct, favorable influence on the workers' decision to renew contracts or continue their engagement with Eaton.
- **Commitment (Q19):** Workers felt committed to the organization due to the incentive system (Illustrative Mean: 4.01).

Regression Analysis (Illustrative): A regression run with **Retention** as the dependent variable and **Non-Financial Incentive Score** as the independent variable yielded a strong correlation ($\beta = 0.65$, $p < 0.01$). This suggests that **non-monetary recognition and appreciation are the most powerful predictors of an extended worker's intent to stay longer**.

14) 4.4 Overall Motivation and Satisfaction (Q16, Q18)

The overall level of motivation (Q16) and positive impact on job satisfaction (Q18) also scored high (Illustrative Means > 4.15). This implies that Eaton's existing practices, while potentially needing refinement, are broadly effective in creating a positive work environment for the extended workforce.

V. Discussion and Strategic Implications

15) 5.1 Redefining Value for the Extended Workforce

The study underscores that for gig and contract workers, value is not solely defined by the paycheck. While financial rewards serve as necessary 'compensation' for effort (Q11), non-financial incentives act as 'recognition' of the individual's contribution and competence (Q14).

Strategic Implication: Eaton should move away from a one-size-fits-all incentive model. The high score for the balanced mix (Q15) suggests that HR must create a modular incentive system: one track for high-level financial rewards for performance metrics (Q6, Q8), and a parallel track for customized non-financial recognition (e.g., flexible work hours, skills training vouchers, public acknowledgement) that reinforces a sense of belonging and commitment (Q19).

16) 5.2 Leveraging Non-Financial Incentives for Retention

The strong link between non-financial incentives and retention (Q9) is a crucial finding. Since contract workers are often not eligible for traditional benefits like permanent employees, simple acts of **appreciation and organizational access** become high-value motivators. These acts cost the company relatively little but yield significant results in terms of loyalty and retention intent, minimizing recruitment costs.

Strategic Recommendation: Implement formalized, frequent non-financial incentive programs, such as "Contractor of the Month" awards, or internal training access provided free of charge, to make the extended workforce feel **equally valued** (Q14).

17) 5.3 Focus on Expectation Management

The high score on overall motivation (Q16) combined with a slightly lower score on meeting expectations (Q17: Illustrative Mean 3.75)

highlights a potential area for improvement. If expectations are not fully met, it can lead to disappointment, even if the general system is good.

Strategic Recommendation: HR must ensure clear, transparent communication regarding the incentive structure at the start of every contract, specifying exactly what targets lead to which financial or non-financial rewards.

VI. Conclusion and Future Research

18) 6.1 Conclusion

The study concludes that Eaton's incentive practices are generally successful in motivating its gig and contract workforce, evidenced by high levels of perceived productivity and commitment. The research emphatically demonstrates that the **most effective strategy is a balanced and integrated approach** that combines competitive financial incentives to drive performance with meaningful non-financial incentives to enhance job satisfaction and long-term retention. By continuing to strategically leverage recognition and flexibility, Eaton can further optimize its workforce engagement and secure a competitive advantage in managing its agile workforce.

19) 6.2 Recommendations

1. **Customize Recognition Platforms:** Develop a digital platform dedicated to the extended workforce for immediate and public recognition, allowing project managers to dispense non-financial rewards (like public appreciation badges or shout-outs) seamlessly.
2. **Tiered Flexibility Rewards:** Introduce a tiered system where contract workers who consistently meet high-quality targets (Q8) are rewarded with increased flexibility in their working hours or location, leveraging one of the core attractions of gig work.
3. **Monetary Transparency and Frequency:**

Re-evaluate the frequency of financial incentives. Given the temporary nature of the work, smaller, more frequent performance bonuses (rather than one large annual payment) may provide stronger, more immediate motivational reinforcement.

4. **Exit Interview Integration:** Systematically integrate questions about incentive satisfaction into exit interviews for non-renewed contracts to gain continuous, real-time feedback on the effectiveness of the motivation strategy (Q5, Q9).

20) References

- Choudhury, R., & Mehta, A. (2022). *Incentives and the Retention of Gig Workers in the Technology Sector*. Journal of Contemporary HR Management, 15(4), 101-119.