

Canadian Journal of Marketing Research

ISSN: 0829-4836

<https://canadian-jmr.com/index.php/cjmr>

CANADIAN JOURNAL
OF MARKETING
RESEARCH
Published by the Canadian Marketing Research Society
ISSN: 0829-4836

canadian-jmr.com

Research Article

Compensation and Incentives in Marketing: HRM Approaches to Motivating and Rewarding Marketing Teams

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Article History

Received: 17.08.2026
Accepted: 21.09.2026
Published: 15.10.2026

DOI: 10.61336/cjmr.1604.15

Abstract: Reward strategy is a contemporary reward management technique that managers and academics are using to a greater extent. To ensure that the motivation and Incentive plan functions flawlessly, it must be examined and refined over time, just like any other sophisticated HRM techniques and tactics. In this paper, the dimensionalities of the incentive approach which fluctuates at all moments have been collected via the pattern of periods and clarified. Management would obtain outstanding earnings for the firm they oversaw if they applied the incorporated reward plan appropriately. The plan will not just boost employee productivity and play a significant part in managerial choices, but it will also address current and future issues with compensation.

Keywords: Compensation, Incentives, Rewarding, HRM, Motivation

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INTRODUCTION

Since many employees would not complete activities without money, labour is usually referred to simply as “work” and is necessary for survival. Lacking compensation, work would likely be seldom and limited to tasks that are pleasurable but may not be the most essential for society. However, employment can be powerful and satisfying. Given that nearly every labour portion of GDP is generated via paid instead of volunteer activity, evidence suggests that compensation influences staff behaviour. Businesses like Factors Affecting and Merced Solutions use staff management and the idea of rewards to deliver knowledge to other businesses. These approaches have become popular in the corporate world. Not just in the United States as well as in Europe, namely in Germany and Switzerland, organizations such as Safelite and others who employ incentives and promotions as inspiration integrate the findings and discussions of the idea of incentives into their pay policies.

The research potentially explores the key contributions of key incentives and compensations plans for the marketing initiatives. The strategic HRM approaches are potentially evaluated for the motivation of marketing team members. The rewarding systems of employees at the marketing teams are investigated for the marketing operations and business developments [1]. Human Resource operations of the businesses are potentially evaluated to observe the strategic approaches in rewarding the marketing team members.

Literature Review

Types of Incentive Payments: The term “incentive pay” refers to a broad category of remuneration. Three categories exist for it: Continuous absolute payment, absolute payment and payments that are mostly relative.



Figure 1: The Significant Types of Incentive Payment Types
(Adapted from Balogh *et al.* [1])



Figure 2: Effective Compensation Planning
(Adapted from Dutta *et al.* [5])

When using independent incentives in conjunction with input-based compensation, employees are compensated according to time units like hours, days, weeks, or years. On the other hand, some temporary jobs allow the employee to choose how much input they provide and utilize input-based compensation with ongoing incentives [2].

Worker choices may be addressed and higher and lower effort rates can be motivated via continuing output-based programs, such as those used by salespeople, cab drivers, piece-rate labour in farming and taxi and Uber workers. These systems, however, might potentially be subject to swings in external variables, such as market circumstances. Great incentives are created to complete the task at hand using continuous performance-based incentive systems, which concentrate on a particular output level. The Task Rabbit and Upwork are two instances from the freelance industry. Relative efficiency may inform both input- and output-centered methods. For example, an employee competition might determine who gets promoted [3] (Figure 1).

MATERIALS AND METHODS

The study potentially adopts secondary approach to gather potential data about the existing incentives and compensations benefits for employees. The common compensation strategies for enhancing the operations of marketing teams are potentially explored throughout the study. By adopting the secondary method of conducting the study, researchers have targeted to develop an effective framework for motivating the marketing team members for efficient development of marketing operations (Figure 2).

RESULTS

In evaluating the secondary studies about the topic, there has been observed that accounting has made advances in defining the way compensation and its structure influence employee dedication and incentives have an impact on conduct. The majority of extra pay is inframarginal, which means that it exceeds balances the waste from the extra time given. Carefully selected compensation techniques may have a favourable impact on employee happiness and performance.

Group-Based Incentives

Incentives based on teamwork might be advantageous for highly skilled employees who can mentor less skilled individuals. On the other hand, a worker who receives piece rates according to individual production could lack the necessary incentives to inspire their colleagues. Peer impacts may influence performance via encouragement, mentoring, or tracking in conjunction with incentives [4]. Theoretical projections from these models-like positive close spillover effects-have been confirmed by real-world evidence. In bigger contexts, like medical facilities, team rewards may be helpful because they promote the acceptance of more productive production techniques. Participation plans or options for staff members may be thought of as all-encompassing team incentives. While the reward for the dedication of a single employee may be tiny compared to the expenses, the capacity to impact other workers multiplies the influence of efforts on income [5].

Empirical evidence indicates that collective incentives provide favourable outcomes in terms of output, compensation, job security and staff control of the company. Research suggests that a shift from single piece-rate compensation to team productivity resulted in an approximately 20% increase in overall output. Employee behaviour is greatly influenced by compensation and achievement may be impacted if the system of wages is altered expectations [6].

In a nutshell, high-skill professionals who can assist others in developing their abilities may benefit from collaborative incentives. However, the particular environment and amount of work needed to assist others determine how successful these rewards are.

Incentive Structures

In exchange for a worker's labour, incentive schemes provide comfort, possibilities for personal development, making decisions participation, difficulties and obstacles. They're a market type of human resources value and represent an allocation factor for the repayment of various investments in human capital. To compensate workers for their labour, rewards might be used as retaliation or as provided services [7]. Additionally, it serves as a motivator, Impacting client attention, working excellence and eagerness to pick up new abilities. The regulative function of incentives is expressed in several areas, namely allocation of the workforce and controlling labour force excellence. The entire Incentive is a contemporary approach to rewards that integrates non-monetary advantages with motivational strategies. It starts with full pay and covers all resources that companies have at their disposal to draw in, inspire and keep workers. Total incentives embrace business culture and give workers a say in how the firm is run, going above and beyond traditional compensation. It offers a more comprehensive perspective of what a business may contribute to its workers and what workers can commit to their employers [8]. Total Incentive is a cutting-edge approach to human resource management that advances the economic and social setting both macro- and via microscopy by accelerating firm growth (Figure 3).

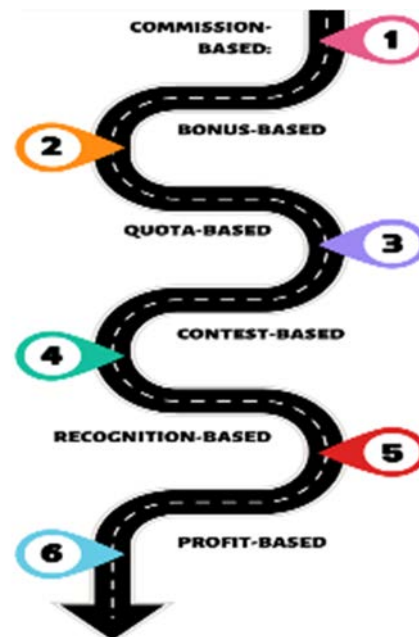


Figure 3: Some Common Incentive Structures
(Adapted from Das and Dash [4])

DISCUSSION

Function of Overall Reward Approach in Management

The whole Incentive method is a leadership technique that enhances workers' productivity, job happiness and efficiency in addition to their civic responsibility and mental agreement. This technique helps firms to better understand workers' work lives and requirements, resulting in a good attitude regarding the company. Studies indicate that companies that use non-conventional information and incentive systems often have higher performance levels. Considerable shareholder value may be added by creating a combined incentives system that offers technological tools, enhances responsibility, versatility, interest and retention superiority and is effectively communicated. In organizational decision-making procedures, the entire incentive is also quite important [9]. Numerous businesses have adopted total compensation as an efficient incentive system. Research indicates that although total pay may influence participation, the link is rarely statistically meaningful. To achieve the ideal harmony that results from working together across functions, components of incentive and appreciation might be just as important as structure.

Employee Motivation and Loyalty

Studies have shown that a variety of variables, including pay and incentives personal motivations, behavioural traits and organizational circumstances, may have an impact on an employee's dedication. It increases Client fulfilment by having a favourable relationship with both work happiness and customer service. Emotional and social variables also impact satisfaction with work. Career growth, confidence in teammates and executives, employee compensation, collaboration and independence have an obvious and indirect link with satisfaction with work. Theories such as Herzberg's two-factor model and Maslow's Hierarchy of Wants have been used to study staff motivation. Effective management and an excellent work setting may boost task motivation. Motivational variables may favourably affect staff loyalty, having a boost in inspiration resulting in an increase in turnover and a significant level of loyalty.

The Elements that Impact Employee Motivation and Loyalty

The cooperative efforts of coworkers" toward a shared objective are referred to as "team spirit" in the workplace. In comparison to working alone, teamwork-a collaborative connection and interaction system inside an organization-offers several benefits, such as higher efficiency, dedication, happiness and excellent service. When workers are given autonomy and collaborate well, their motivation is strengthened, which leads to improved output and top-notch customer service. Raising motivation among workers also improves company efficiency and work satisfaction [4].

By making sure provided salary and benefits are reflected in workers' financial accounts, compensation serves as a Human Resource Management (HRM) strategy that aids in employee retention. Pay structures and company culture make sense together as it's thought of as a way to retain and inspire workers. The best kind of pay is financially reward-related and how the incentive is designed and carried out affects both staff inspiration and real-world outcomes [1] (Figure 4).



Figure 3: Some Key Factors of Employee Motivation
(Adapted from Kang, [9])

Table 1: Key Findings from the Study

HRM Strategy	Impact on Motivation	Impact on Rewards
Incentive Payments for individual, group, performance-based	Different types of incentive payments can be highly motivating. However, effectiveness of the payment system depends on factors like design and alignment with goals	It potentially offers tangible rewards for performance improving the morale and satisfaction
Reward Structures in terms of total rewards, incentive packages	Efficient structure of reward systems provides a comprehensive approach to rewarding employees, enhancing job satisfaction and engagement	It significantly provides a variety of rewards in terms of both monetary and non-monetary types to meet individual needs
Employee Recognition	Effective recognition programs boost employee morale, fosters a positive work environment.	It effectively facilitates non-monetary rewards that can highly motivate employees
Career Development	The provided career development opportunities to employees offer potential opportunities for growth and advancement of employees.	It can be integrated to performance-based rewards, such as promotions or increased responsibilities
Work-Life Balance Initiatives	The balancing strategies improve the job satisfaction among employees reducing stress and increasing motivation	It can be a significant part of a total rewards package, demonstrating commitment to employee well-being

Nonetheless, it is uncommon to find a precise definition of the connection between pay and loyalty among workers. Pay is a component of Total Quality Management (TQM) techniques, which subsequently impact staff loyalty via the facilitation of worker fulfilment. It has also been shown that low pay contributes to a lack of staff loyalty. In general, the promotion of staff inspiration and devotion within firms is greatly aided by team spirit and compensation (Table 1).

CONCLUSION

Staff conduct and their understanding of the organization’s foundational principles are significantly influenced by compensation and incentive programs. Aligning these processes with the characteristics of a culture that emphasizes is crucial, however. These mechanisms can only have a beneficial behavioural impact if they are consistent with the values and standards of the company. The study finds compensation and incentive systems that complement one other to foster a culture that emphasizes and proposes a causal link between them.

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