การประเมินกลไกแรงจูงใจของวิสาหกิจขนาดกลางและขนาดย่อมด้านวัฒนธรรมและความคิดสร้างสรรค์ในมณฑลยูนนาน โดยใช้กรอบการประเมิน CIPP

Evaluating incentive mechanisms of cultural and creative SMEs in Yunnan Province based on the CIPP Model

Received: October 14, 2025
Revised: November 5, 2025
Accepted: November 6, 2025

เฉิน จุนหรู*
Chen Junru*
ศิริเดช คำสุพรหม**
Siridech Kumsuprom**

*, **ภาควิชาบริหารธุรกิจ วิทยาลัยนานาชาติ มหาวิทยาลัยธุรกิจบัณฑิตย์
*, **Department of Business Administration, International College, Dhurakij Pundit University
*Email: chenjunru510@163.com
**Email: siridech.kum@dpu.ac.th

บทคัดย่อ

การวิจัยนี้ใช้กรอบ CIPP และ SEM เพื่อวิเคราะห์ว่าสิ่งจูงใจทางเศรษฐกิจไม่ใช่เศรษฐกิจและด้านพัฒนามีผลต่อผลการปฏิบัติงานของพนักงานใน SMEs อุตสาหกรรมวัฒนธรรมและความคิดสร้างสรรค์ของจีน อย่างไรผลการวิจัยพบว่า สิ่งจูงใจทางเศรษฐกิจและพัฒนาช่วยเพิ่มการรับรู้เชิงบวกต่อการดำเนินงานของระบบจูงใจขณะที่สิ่งจูงใจที่ไม่ใช่เศรษฐกิจมีผลจำกัด การดำเนินงานที่โปร่งใสและยุติธรรมมีบทบาทสื่อกลางสำคัญและนำไปสู่ผลลัพธ์ที่ดีขึ้น (เช่น ความทุ่มเท นวัตกรรม และความพึงพอใจ) โมเดล SEM มีความเหมาะสมดี (χ^2/df = 1.98, CFI = 0.97, RMSEA = 0.051) งานวิจัยนี้มีส่วนช่วยเติมช่องว่างเชิงทฤษฎีด้านแรงจูงใจใน SMEs และสามารถนำไปใช้โดยผู้ประกอบการ ผู้จัดการ HR และนักวิจัย เพื่อออกแบบระบบจูงใจที่ทั้งมีประสิทธิผลและเหมาะกับบริบทของอุตสาหกรรมสร้างสรรค์

คำสำคัญ: วิสาหกิจขนาดกลางและขนาดย่อม(SMEs) กลไกแรงจูงใจ ผลการปฏิบัติงานของพนักงาน โมเดล CIPP

Abstract

This study applied the CIPP model to examine how economic, non-economic, and developmental incentives influence employee performance in SMEs in China's cultural and creative industries. A survey of 470 employees was analyzed using SEM with CFA validation. Results showed that economic and developmental incentives significantly improved perceptions of incentive implementation, whereas non-economic incentives had weaker effects. Perceived implementation mediated the relationship between incentives and performance, with high-quality implementation—characterized by transparency, fairness, and participation—enhancing engagement, innovation, and job satisfaction. The SEM model demonstrated good fit (χ^2/df = 1.98, CFI = 0.97, RMSEA = 0.051). The study underscores the importance of combining financial and career development incentives with transparent processes, offering evidence-based guidance for SMEs in creative industries.

Keywords: SMEs, Incentive Mechanisms, Employee Performance, CIPP Model

Introduction

The cultural and creative industries (CCIs) contributed over 3% of global GDP, with SMEs accounting for nearly 60% of employment (Organisation for Economic Co-operation and Development [OECD], 2020). These firms depended heavily on human capital but often struggled to maintain employee motivation. Prior research indicated that excessive reliance on monetary rewards and weak implementation reduced incentive effectiveness, whereas balanced systems combining economic, non-economic, and developmental incentives promoted innovation and retention (Liang et al., 2023). Implementation quality was

equally crucial; employees' perceptions were strongly shaped by transparency, fairness, and participation (Gao & Zhang, 2023; Abdul Majid et al., 2023). In China—particularly in Yunnan Province, where cultural tourism and creative sectors were regionally significant—many SMEs emphasized short-term financial rewards rather than structured career development, resulting in limited innovation and higher turnover (He, 2022; Su et al., 2022). Younger creative workers increasingly valued autonomy and growth opportunities, yet inconsistent or informal implementation weakened the impact of such incentives (Liang et al., 2023).

Despite increasing scholarly attention, few studies integrated incentive types and implementation processes within a single analytical model, especially in the context of Chinese creative SMEs. This study therefore adopted the CIPP framework—Context, Input, Process, and Product—to examine how incentives were designed, implemented, and transformed into employee performance outcomes. The model incorporated industry dynamics, incentive mechanisms, and employee responses, testing classical motivation theories while offering practical guidance for aligning incentives with organizational objectives and employee expectations.

Research Objectives

Objective 1 : To analyze the impact of economic, non-economic, and developmental incentives on employees' perception of incentive implementation in SMEs within Yunnan's cultural and creative industries.

Objective 2 : To assess how employees' perception of incentive implementation affects their performance outcomes in the context of cultural and creative SMEs in Yunnan Province.

Objective 3 : To develop a practical and operational evaluation model for incentive effectiveness within the CIPP framework that can be applied to SMEs in Yunnan's cultural and creative industries

Scope of Study

This study examined SMEs in Yunnan Province's cultural and creative industries. Yunnan was chosen for its distinctive ethnic culture, strong cultural tourism development, and concentration of creative enterprises, offering a representative context for analyzing incentive mechanisms in human capital–intensive sectors (Zhou & Mo, 2025). The sample consisted of employees from SMEs in cultural tourism, design studios, media production, arts and crafts, and digital creative fields. Following Chinese and EU standards, only firms with fewer than 250 employees were included (OECD, 2020).

The study focused on three types of incentives—economic, non-economic, and developmental (Gao & Zhang, 2023)—and their implementation in terms of transparency, fairness, and feedback/ participation. Employee performance served as the sole outcome

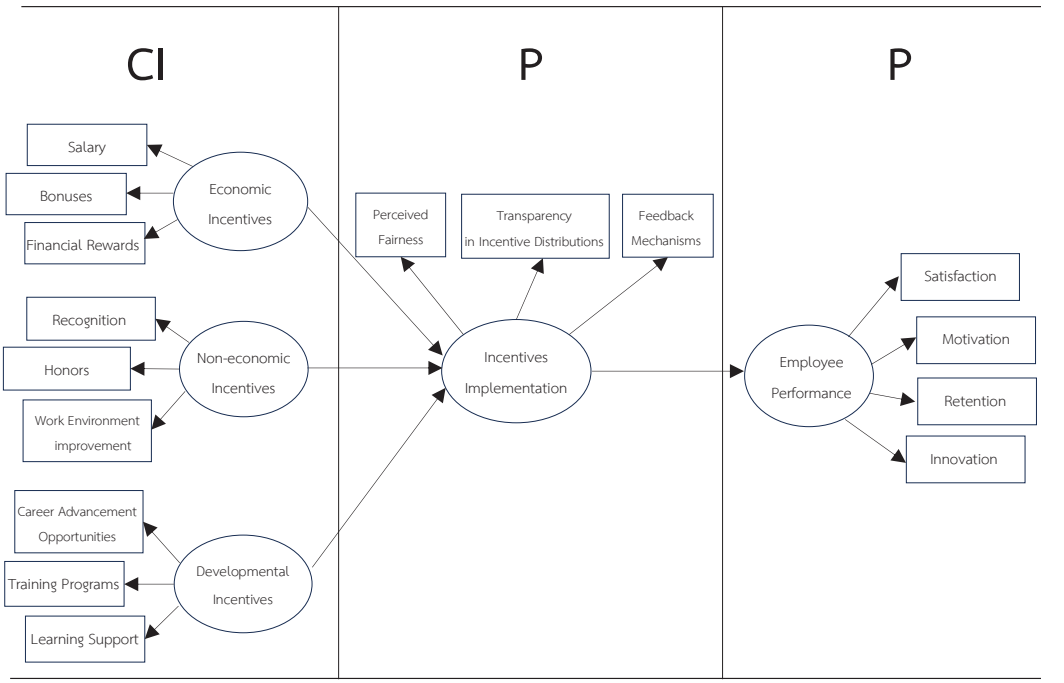
variable; financial or long-term organizational performance was not considered. Data were obtained through structured questionnaires, and all findings were interpreted within Yunnan's specific regional, cultural, and organizational context.

Research Methods

This study adopted a quantitative research design, employing Structural Equation Modeling (SEM) to validate the causal relationships proposed in the conceptual model. The conceptual framework, illustrated in Figure 1, was constructed based on the CIPP model and encompassed inputs (economic, non-economic, and developmental incentives), processes (incentive implementation, measured through transparency, fairness, and feedback/participation), and outputs (employee performance), thereby enabling a systematic evaluation of incentive mechanisms and their performance outcomes.

Figure 1

Framework of Study



The research focused on employees working in small and medium-sized enterprises (SMEs) within Yunnan Province's cultural and creative industries, including design, media, cultural tourism, and the arts. Restricting the study to one province ensured contextual consistency, while SMEs—defined as firms with fewer than 250 employees according to international and national standards—provided a relevant setting given their com-

mon challenges in managing human resources. A stratified random sampling strategy was employed across major creative subsectors, and questionnaires were distributed through the assistance of human resource departments. This procedure ensured balanced representation across different creative fields.

The study focused on employees of cultural and creative SMEs in Yunnan Province. Following SEM sampling recommendations (at least 10 participants per observed variable), 502 questionnaires were distributed online. After data screening, 470 valid responses were retained (94%), ensuring adequate statistical power. A stratified random sampling approach was adopted based on industry sub-sectors (cultural tourism, design, media, crafts, digital creativity) and job roles (managers, creative staff, administrative staff) to ensure representativeness. The questionnaire consisted of 42 items: 15 on incentive types (economic, non-economic, developmental), 15 on incentive implementation (transparency, fairness, feedback/participation), 8 on employee performance, and 4 demographic questions, all rated on a five-point Likert scale.

Content validity was confirmed by five experts using IOC values (≥0.80). Reliability was strong (Cronbach's α = 0.82–0.91). KMO = 0.927 and Bartlett's test was significant ($p < 0.001$), supporting factor analysis. CFA results indicated good construct validity, with CR values of 0.88–0.93 and AVE values of 0.55–0.72. Finally, the study adhered strictly to ethical guidelines. Participation was voluntary and anonymous, informed consent was obtained from all respondents, and confidentiality of both individual and organizational information was ensured. The research protocol was reviewed and approved by an institutional ethics committee.

Results and Discussion

A total of 502 questionnaires were distributed to SMEs in the cultural and creative industries, yielding 470 valid responses and an effective response rate of 93.63%. The sample largely comprised a young and well-educated workforce: 60.4% were aged 18–25, 19.1% were 36–45, and 96% held at least a bachelor's degree, including 23.2% with postgraduate qualifications. In terms of roles, 63.8% were frontline staff, 17.9% were founders or owners, and the remainder held supervisory or managerial positions. Firm size was predominantly small, with 43.6% of respondents working in companies with fewer than 50 employees. These characteristics ensured both data quality and representativeness across different organizational levels and firm sizes.

Table 1

Demographic Profile of Respondents

Characteristic	Category	n	%
Age	18–25	284	60.4
	26-35	32	6.8
	36-45	90	19.1
	46-55	56	11.9
	55 and above	8	1.7
	Total	**470**	**100.0**
Education	High school or below	11	2.3
	Vocational college	8	1.7
	Bachelor's degree	342	72.8
	Master's degree	78	16.6
	Master's degree	31	6.6
	Total	**470**	**100.0**
Position	Frontline employee	300	63.8
	Supervisor	24	5.1
	Middle manager	23	4.9
	Senior manager	39	8.3
	Founder/owner	84	17.9
	Total	**470**	**100.0**
Company size	≤ 50 employees	205	43.6
	51–100 employees	100	21.3
	101–150 employees	55	11.7
	151–200 employees	35	7.4
	201–300 employees	75	16.0
	Total	**470**	**100.0**

Descriptive statistics confirmed data suitability. All observed variables had means above 3.0 on a five-point Likert scale, with standard deviations between 0.6 and 1.0, indicating balanced distributions. Economic Incentives scored 3.2–4.2, with lower satisfaction in salary but highest in bonuses. Non-Economic Incentives ranged from 3.8 to 4.2, reflecting favorable views of supervisory feedback and team culture. Developmental Incentives ผaveraged 3.2–4.0, showing approval of training and promotion, though mentoring support

was weaker. For Incentive Implementation, transparency and fairness both averaged 3.76, while feedback and participation reached 3.92. Employee Performance scored 3.7–4.2, with work engagement and innovation rated highest.

Table 2

Descriptive Statistics

Construct	Mean Range	SD Range
Economic Incentives (EI)	3.2–4.2	0.7–1.0
Non-Economic Incentives (NEI)	3.8–4.2	~0.7
Development Incentives (DI)	3.2–4.0	0.7–0.8
Incentive Implementation–Transparency	3.76	0.84
Incentive Implementation–Fairness	3.76	0.84
Incentive Implementation–Feedback & Participation	3.92	0.76
Employee Performance (EP)	3.7–4.2	0.7–0.9

To ensure reliability and validity, confirmatory factor analyses (CFA) were conducted for all latent constructs. Standardized loadings ranged from 0.66 to 0.82, exceeding the 0.60 threshold. Individual models showed good fit (CFI > 0.95, RMSEA < 0.06), confirming convergent validity. Within the integrated model, Composite Reliability (CR) ranged from 0.882 to 0.927 and Average Variance Extracted (AVE) from 0.553 to 0.719, both above accepted benchmarks (CR > 0.70, AVE > 0.50). Discriminant validity was also supported using the Fornell–Larcker criterion; for example, the correlation between Incentive Implementation (II) and Employee Performance (EP) was 0.55, while their √AVE values were 0.85 and 0.77, both higher than the correlation.

Table 3

Reliability and Convergent Validity of Constructs

Construct	Standardized Loading (Range)	CR	AVE	√AVE
Economic Incentives (EI)	0.72-0.81	0.882	0.599	0.76
Non-Economic Incentives (NEI)	0.66–0.75	0.886	0.603	0.71
Development Incentives (DI)	0.75–0.82	0.889	0.607	0.80
Incentive Implementation (II)	0.70–0.75	0.927	0.719	0.85
Employee Performance (EP)	0.70–0.81	0.891	0.553	0.77

After confirming the reliability and validity of the measurement model through CFA, the structural equation model was estimated using the Maximum Likelihood method to examine the relationships among incentive types, incentive implementation, and employee performance. The overall model demonstrated an acceptable to good fit (χ^2/df = 1.983, CFI = 0.968, TLI = 0.958, IFI = 0.969, GFI = 0.913, RMSEA = 0.051, SRMR = 0.046), with all indices meeting the recommended cut-off values proposed by Hu and Bentler (1999) and Hair et al. (2019). These indices indicated that the structural paths were statistically reliable and provided a robust basis for hypothesis testing. The results supported the CIPP logic of "Input → Process → Product," validating the theoretical structure of the model.

Table 4

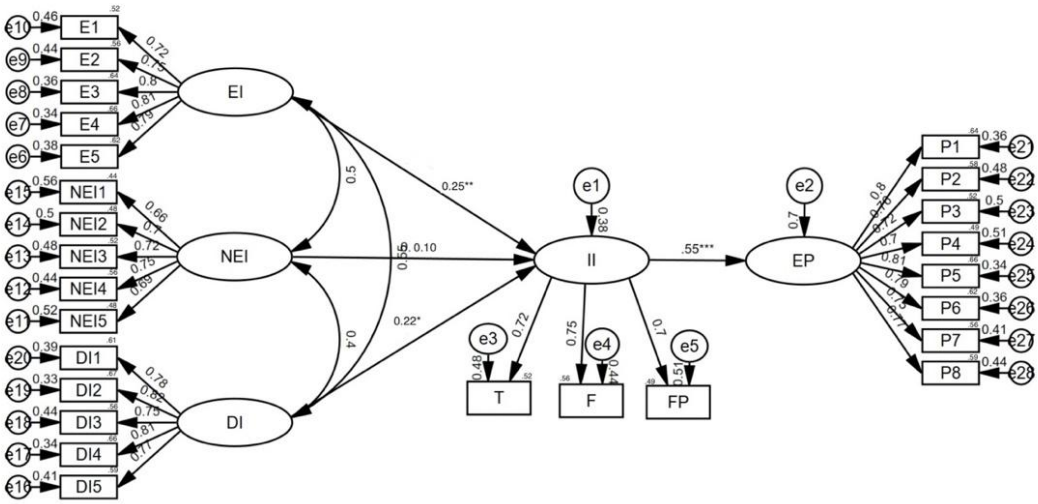
Model Fit Indices for the Overall Model

Fit Index	Model Value	Recommended Threshold
χ^2/df	1.983	< 3.00
GFI (Goodness-of-Fit)	0.913	≥ 0.90
CFI (Comparative Fit)	0.968	≥ 0.90
IFI (Incremental Fit)	0.969	≥ 0.90
TLI (Tucker-Lewis Index)	0.958	≥ 0.90
RMSEA	0.051	< 0.06
SRMR	0.046	< 0.08

The standardized path relationships are presented in Figure 2, which displays only the significant paths and their standardized coefficients. As shown in the figure, Economic Incentives (EI) and Development Incentives (DI) both pointed toward Incentive Implementation (II), which in turn predicted Employee Performance (EP). By contrast, the path from Non-Economic Incentives (NEI) to II was weak and failed to reach statistical significance. This visual summary clearly depicted the theoretical linkages and the empirical support for the tested model.

Figure 2

SEM Model



As presented in Table 5 and Figure 2, economic incentives (β = 0.25, $p < 0.01$) and developmental incentives (β = 0.22, $p < 0.05$) significantly enhanced employees' perceptions of incentive implementation, whereas non-economic incentives (β = 0.10) did not show a meaningful effect. Incentive implementation also exhibited a strong positive influence on employee performance (β = 0.55, $p < 0.001$), confirming its mediating role between incentive inputs and performance outcomes. These results were consistent with the CIPP logic of Input → Process → Product, indicating that the effectiveness of incentives rested not only on their design but also on how fairly, transparently, and participatively they were implemented. The insignificant impact of non-economic incentives may be attributable to their informal and non-standardized use in Chinese cultural and creative SMEs, which limited employees' recognition of such practices as part of a credible implementation process.

Table 5

Path Coefficients and Hypothesis Testing Results

Path	Standardized Coefficient	Significance Level
Economic Incentives (EI) àIncentive Implementation (II)	0.25	$p < 0.01$ **
Non-Economic Incentives (NEI) àIncentive Implementation (II)	0.1	Not significant
Development Incentives (DI) àIncentive Implementation (II)	0.22	$p < 0.05$ *
Transparency (T) àIncentive Implementation (II)	λ=0.72	λ> 0.70
Fairness (F) àIncentive Implementation (II)	λ=0.75	λ> 0.70
Feedback & Participation (FP) àIncentive Implementation (II)	λ=0.70	λ> 0.70
Incentive Implementation (II) àEmployee Performance (EP)	0.55	$p < 0.001$ ***

This study employed the CIPP framework and SEM to examine the incentive–implementation–performance chain in cultural and creative SMEs. Within the CIPP structure, Context referred to industry conditions in Yunnan; Input comprised economic, non-economic, and developmental incentives; Process captured implementation quality—transparency, fairness, and feedback/participation; and Product corresponded to employee performance. The model demonstrated an excellent fit (χ^2/df = 1.98, CFI = 0.97, TLI = 0.96, RMSEA = 0.05, SRMR = 0.05), supporting its structural soundness. Addressing RQ1, economic (β = 0.25, $p < 0.01$) and developmental incentives (β = 0.22, $p < 0.05$) significantly improved employees' perceptions of implementation, while non-economic incentives did not (β = 0.10, $p > 0.05$). This indicated that not all inputs translated into effective processes. For RQ2, implementation exerted the strongest effect on performance (β = 0.55, $p < 0.001$), confirming that transparent, fair, and participatory processes were crucial for converting incentives into engagement and innovation. In line with RQ3, strong validity indicators (loadings = 0.66–0.82; CR = 0.88–0.93; AVE = 0.55–0.72) and supported structural paths verified the CIPP logic of "Input ⟶ Process ⟶ Product," demonstrating that the model could be feasibly applied to evaluate incentive effectiveness in cultural and creative SMEs.

Discussion

In the context of cultural and creative SMEs in Yunnan Province, this study found that economic and developmental incentives significantly affected incentive implementation, whereas non-economic incentives were not statistically significant. This outcome was closely linked to both industry characteristics and cultural norms. Creative SMEs typically operated under conditions of income instability, competitive pressure, and project-based employment, leading employees to place greater value on tangible financial returns and sustainable career advancement rather than on recognition or emotional support (Liang et al., 2023; Wang & Lin, 2024). Within China's "face culture" and a high-uncertainty environment, non-economic incentives lacked institutionalization and were often perceived as subjective or inconsistent, making them less influential in evaluations of fairness and transparency (Ghasemi & Shakerian, 2025; Hu et al., 2025). Thus, although intangible incentives carried psychological value, their impact on implementation perceptions remained limited when clear standards, open procedures, and consistent delivery were absent.

Theoretically, these findings supported the CIPP logic of "Input–Process–Product." Economic, non-economic, and developmental incentives constituted the input stage, but their effectiveness depended on the process—specifically, the transparency, fairness, and feedback and participation embedded in implementation (Deci & Ryan, 2000; Skinner, 1953). Incentive implementation functioned as a significant mediator, suggesting that incentives did not directly enhance performance; rather, they produced effects only when employees perceived the process as credible and just. This clarified why some firms "offer rewards but fail to motivate"—the issue was not the absence of incentives, but the lack of trustworthy execution.

Overall, the study confirmed the applicability of the CIPP model to cultural and creative SMEs in China and emphasized that incentive effectiveness relied on both content and process quality. Practically, SMEs should institutionalize and communicate financial and developmental incentives, and transform non-economic incentives from informal gestures into structured, verifiable mechanisms. At the policy level, governments could support SMEs through tax incentives, training subsidies, or talent development funds to help establish transparent and equitable incentive systems, thereby improving employee retention and industry competitiveness.

Further Studies

This study was limited to cultural and creative SMEs in Yunnan Province and adopted a cross-sectional design. Future research could extend the model to other regions or industries to test its external validity, employ longitudinal or multi-source data (e.g., supervisor evaluations or objective performance metrics) to strengthen causal inferences, and further explore why non-economic incentives did not significantly influence implementation perceptions, including potential moderating factors such as organizational culture or generational differences.

References

Abdul Majid, A. H., Mengge, X., Jamaluddin, N. A., & Andriyanty, R. (2023). Relationships of HRM functions, Chinese culture and employee outcomes in privately-owned SMEs in China. *Sustainable Business and Society in Emerging Economies, 5*(3), 155-166. https://doi.org/10.26710/sbsee.v5i3.2600

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry, 11*(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01

Gao, X., & Zhang, W. (2023). Can Innovation incentive policies improve the innovation performance of knowledge workers? Evidence from Chinese State-owned enterprises. *Sustainability, 15*(3), Article 2424. https://doi.org/10.3390/su15032424

Ghasemi, M., & Shakerian, S. (2025). Incentives on the motivation and job performance: Insights from community health workers in Iran. *BMC Health Services Research, 25,* Article 1429. https://doi.org/10.1186/s12913-025-13543-6

Hair, J. F., Babin, B. J., Anderson, R. E., & Black, W. C. (2019). *Multivariate data analysis* (8th ed.). Pearson Prentice.

He, Y. (2022). *Graduates' employability in the creative industry in China: What competencies, qualities, and skills Chinese graduates with an undergraduate degree in fine art need for employment in China* [Doctoral dissertation, University for the Creative Arts]. UCA. https://research.uca.ac.uk/id/eprint/6258

Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal, 6,* 1-55. http://dx.doi.org/10.1080/10705519909540118

Hu, N., Ma, J., Wei, W., Jiang, X., Zhu, A., & Zhang, C. (2025). The combined effect of perception of pay fairness and institutional transparency on physicians' work enthusiasm: A mixed method study from China. *Frontiers in Public Health, 13,* Article 1555684. https://doi.org/10.3389/fpubh.2025.1555684

Liang, Z., Suntrayuth, S., Sun, X., & Su, J. (2023). Positive verbal rewards, creative self-efficacy, and creative behavior: A perspective of cognitive appraisal theory. *Behavioral Sciences, 13*(3), 229. https://doi.org/10.3390/bs13030229

Organization for Economic Co-operation and Development. (2020, September 7). *Culture shock: COVID-19 and the cultural and creative sectors.* https://doi.org/10.1787/08da9e0e-en

Skinner, B. F. (1953). *Science and human behavior.* Macmillan.

Su, W., Guo, X., Ling, Y., & Fan, Y.-H. (2022). China's SMEs developed characteristics and countermeasures in the post-epidemic era. *Frontiers Psychology, 13,* Article 842646. https://doi.org/10.3389/fpsyg.2022.842646

Wang, S., & Lin, Z. (2024). Pay structure and firm technological innovation: Comparative research based on three pay gaps. *Humanities and Social Sciences Communications, 11,* Article 373. https://doi.org/10.1057/s41599-024-02820-0

Zhou, G., & Mo, L. (2025). Assessing the influencing factors of performance on cultural and creative supply chain: An empirical study in Mainland China. *Sage Open, 15*(1). https://doi.org/10.1177/21582440251319605