AN ASSESSMENT OF THE IMPACT OF NON-MONETARY INCENTIVES ON EMPLOYEES PERFORMANCE: A STUDY OF NIGERIAN COMMUNICATION COMMISSION (NCC)

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BEING A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, AHMADU BELLO UNIVERSITY, ZARIA. IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS IN BUSINESS ADMINISTRATION (MBA)

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DECLARATION

This project titled "An Assessment of the impact of non-monetary incentives on Employee's Performance- A study of Nigeria Communication Commission is the outcome of my own research effort. The various sources of data used are clearly acknowledged by way of reference.

_____ _____

SANI, Maryam **Date**

CERTIFICATION

This is to certify that this Project title: An Assessment of the Impact of Non-Monetary Incentives on Employee's Performance; A study of Nigeria Communication Commission, meet the partial requirement governing the award of Degree of Masters in Business Administration (MBA), and therefore approved for its contribution to knowledge and literacy presentation.

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DEDICATION

This research project is pleasantly dedicated to Almighty Allah whose fear is the beginning of wisdom, the author and finisher of our faith, the most gracious, most merciful and whom as given me the strength, and good health during the course of study; to my beloved husband; Alhaji Shuaibu Idris Aliyu, his support and efforts cannot be evaluated; his contribution, love and affection cannot be quantified. May Almighty Allah reward him abundantly and (Amen).

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My regards and appreciation goes to my husband towards his financial and moral contribution. Also to the staffs of Nigerian Communication who has made my research productive by giving the necessary information I need.

Appreciation also goes to my wonderful parents, siblings and my friends that have been very helpful to me during my research work. May Allah reward them abundantly.

Lastly I say. Alhamdulillah.

ABSTRACT

*This study is particularly informed by the need to assess the impact of non-monetary incentives on employee performance. To do this, requisite data was sourced via primary and secondary sources. Primary data was sourced through the instrument of a questionnaire, while secondary data requisite for this study was sourced from performance appraisal report viz-a-viz non-monetary incentives implemented by the organization. Due to the structured (closed ended) and unstructured (open ended) nature of question data useful for analysis were mostly nominal and interval in nature while, the secondary data were mostly ratio in nature. Consequently, the research questions were analyzed using single (%) and calculation of means (x). However, to test the hypothesis, the secondary data was analyzed using regression analysis facilitated by Ms-Excel software. It was found that employee performance was significantly related to non-monetary rewards and that the organization actually implements variants of non-monetary incentives. However, implementation of non-monetary incentives was considered unjust and unfair by employees and the fact that some form of non-monetary incentive was actually not effective. The researcher therefore, recommended the implementation of non-monetary incentives however without discrimination. The promotion in particular should be made on the basis of performance and not on "**connection**" basis.*

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CHAPTER ONE
INTRODUCTION

1.1 Background To The Study

Employee performance simply is the target and goal achievement of an entity facilitated by the contributions – labour which is skilled or unskilled and possible suggestions to decisions or policies made by the entity the employee works for. That is to say, the extent to which an organization's objective (goals) are being achieved courtesy to the role played by the employee is what employee performance is all about. Consequently, employee performance include all of the employees efforts in terms of his/her commitment to work, punctuality, willingness to work extra hours, exerssion of innovation in the execution of task to mention but a few directed at goal achievement at effective cost.

However, this performance of employee which is desired by entities in both private and public sectors is a function of employee motivation. These motivations are broadly referred to as monetary and non-monetary incentives. It is a general belief that reward system seek to attract people to join an organization, to keep them coming to work and motivate them to perform to high levels (Puwanenthiren Pratheepkanth, 2011).

Evidently, both employers and employees do have their needs intertwined or dependent on each other. It is however mostly use one that the employees performance depends on the corresponding compensations, recognition and benefits. Studies have shown that organizations are increasingly realizing that they have to establish a blend or balance between the employee's contribution to the organization and the organization's

contribution to the employee. Whereas, the compensation to the component of the rewards content is monetary and is mostly believed as major motivator of employees, no doubt, the role played by non-monetary incentives – promotions, flexible work hours, recognition, awards, healthcare, off-day, leave, free bus services to mention but a few in motivation employees cannot be relegated to the background.

Indeed, the environment in which an employee works, how he or she is made to contribute towards decision/policy making of the organization, un-biased promotion and the expectations of career advancement can greatly motivate an employee to perform or put in his or her best towards organizations goal/objective achievement.

Consequently, in this study, the researcher seeks to ascertain the impact of non-monetary incentives and employee performance (productivity) in the public sector.

1.2 Statement of Problem

The general belief about performance of employees in the workplace is that; performance of an employee is a function of his or her motivation by the employer. Although what motivates an employee at any point in time may be very difficult if not impossible to find, generally; one of the widely accepted motivators of employees has been money.

Whereas, money seemed to be the greatest or better still, the only reason for which employees many choose to work, experience has shown that money alone is not enough. This fact is buttressed by the variants of motivational theories the researcher has been exposed to – Abraham Maslow's need hierarchy, Herzberg's hygiene theory, theory X and Y of William Ochi to mention but a few.

Infact, in Maslow's pyramids of human needs, are belongingness and self esteem/actualization as needs which motivate one. Theories X and Y aver that, the average man is not willing to work except he/she is coerced. The hygiene theory considers the environment of the workplace as being conducive hence motivating to the worker to put in his or her best.

It is against this backdrop that the researcher seeks to assess the impact of non-monetary incentives on the performance of employees of the Nigeria Communications Commission.

1.3 Objectives of the Study

The primary reason for this study is to examine the impact of non-monetary incentives on employee performance (productivity) in Nigeria Communication Commission. Other specific objectives are:

To bring to light the fact that the NCC indeed implements other than money, non-monetary incentives in motivating their staff. Besides, in this study the application of these incentives and how they have actually improved on employee performance is given due attention. The study also brings to the fore specific non-monetary incentives used by the management of NCC in their quest for employee motivation geared at enhancing employee performance.

The researcher is particularly concerned whether indeed other than money, there are other incentives put in place by NCC to motivate her employees. Besides, whether or not those non-monetary incentives have enhanced performance of the employees

particularly in bringing about increased productivity of employees, their commitment to work, punctuality to mention but a few.

1.4 Research Questions

Consequently upon the research problem stated above, the following research questions are considered pertinent:

1. Are there functional non-monetary incentives in NCC?
2. How has non-monetary incentives affected workers in NCC?
3. How related are non-monetary incentives and employee performance?
4. What specific non-monetary incentives have been adopted by NCC so far?

1.5 Statement of Hypothesis

From the research questions rated above, the following research hypothesis being a tentative answer to one of the research questions is hereby stated below in the null and its alternate formats respectively:

H_0: There is no significant relationship between non-monetary incentives and employees performance.

H_1: There is significant relationship between non-monetary incentives and employee performance.

1.6 Significance of The Study

This study apart from helping us meet up with academic programme will also broaden our knowledge and expose her to real practical experience and training in the field of research for the purpose of problem solving.

The study will give more light into the effectiveness of the use of non-monetary incentives in motivating employees meet in their work environment, especially where incentives are emphasized. It will also help organizations to know the likely incentives to put in place in motivating employees.

In addition, it will assist management to engage in staff welfare development in order to improve the output of productivity of employees. This study will also serve as a useful tool for those in the management sciences discipline who would like to carry out further research in this area.

Besides, management will learn how best to assess and apply the various patterns of non monetary incentives in Nigerian Communication Commission, that is the study becomes necessary because it is going to point out ways of how the management will maintain their workers, towards improving their performance so as to increase the productivity of the organization.

1.7 Scope of The Study

Whereas, there are both monetary and non-monetary incentives in existence, we cannot in this single study take cognizance of both. We are particularly concerned with the non-monetary incentives in existence in NCC.

Besides, in this study, we are confining ourselves to the public sector rather than the private sector hence the choice of NCC as a creation of law by the Federal Government of Nigeria. Consequently, because it is not feasible for the researcher to go round all of the commissions offices in the thirty six (36) states including Federal Capital

Territory (FCT), we are geographically considering; Abuja, Lagos and Port Harcourt offices only at the NCC in this research from the period of 2005 to 2011.

1.8 Limitations of Study

Indeed a study of this nature requires drawing generalizations to reflect what is tenable in all of NCC offices in Nigeria. However, it is not feasible for the researcher to get across all of the offices cutting across the entire country, hence the choice of Abuja, Lagos and Port Harcourt offices as earlier stated.

Besides, the attitude of respondents some of which were never willing to divulge information or simply fill out the questionnaire was very inhibitual to the smooth course of this study.

Lastly, we will not pretend to think that the questions or options from which respondents where to choose from, were all clearly understood by the respondents indeed, it is true that some of the non-monetary incentives suggested sounded strange to some employee. No doubt this is like to affect respondents as some may tick for the sake of ticking an option, but not because they understood what they ticked. The implication is that there is bound to be some form of bias.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In an organization, there should be more than financial reward given to employees in order to motivate them. Financial rewards most times are in short term while non-financial reward is long term goals. Non-financial rewards provide significant levels of employee satisfaction at little or no cost and the least costly non-financial reward is "Thank You". It has been noticed that most employees do not thank their employees enough for their efforts. Companies/organization looking to reward performance and to promote a productive work ethic among their employees are said to increasingly embrace financial rewards. Also, non-financial rewards tend to focus more on the personal needs most people.

Many high performance companies understand the importance of offering awards and incentives that recognize, validate, and value outstanding work. They help keep the employees motivated and productive, and are effective methods of reinforcing company expectations and goals. When the management of a department gets together to put an incentive program into place, they have to decide which awards are worth the effort. They also have to consider the perceived value of earning the award, as well as the effort that is required to earn it. Management and employees may perceive nonmonetary incentives to be more valuable than the retail value of the award in cash. Non-monetary rewards in the workplace can be creative, powerful tools used by leaders to create a

motivational environment, in which employees may find to be meaningful, which will help them work at their optimal levels to accomplish company objectives.

Rewards are defined as something that increases the frequency of an employee action. This definition points to an obvious desired outcome of rewards and recognition, which is to improve performance.

It is important for employees to be reminded that extra efforts are noticed and rewarded. Non-monetary recognition can be very motivating, helping to build feelings of confidence and satisfaction. The purpose of non-monetary incentives is to reward associates for excellent job performance through opportunities (Ballentine, Kepner, Mckenzie, & Wysocki, 2003). Retention research identified consistent employee recognition as a key factor in retaining top performance workers (Ryan, n.d.). recognizing employees provides them with practical feedback, it makes it easier to get the work done and it helps them be more productive. Proving non-monetary rewards also helps management achieve their job goals.

Non-cash incentives have valuability, which can increase motivation because they are earned rather than purchased. These non-cash incentives capitalize on affective reactions to the award. They increase the utility value of the award and its significance. They also have separability, meaning individuals separate the award from other compensation, which makes the award unique, causing their performance to stand out. Non-cash incentives are also more socially acceptable to acknowledge. Most people are uncomfortable bragging about cash awards, but enjoy talking about the tangible non-cash incentives they have received (Jeffrey, 2003).

Non-monetary rewards, such as plaques and certificates, can be effective for both symbolic and emotional reasons. Many people feel these awards have memory value because they continue to have meaning long after a cash award would be spent. They have trophy value as well because the award can be shown off to others. When management considers giving non-monetary awards to employees, they can be creative and use items that are very unique, and reflect a particular organization or team goal. Non-monetary rewards are also less costly than cash awards, but they still provide the same level of performance improvements.

What types of non-monetary awards are most effective? The type of recognition employees appreciate the most is to be recognized by people they work directly for. According to research performance Bob Nelson (2004), 78% of employees indicated that it was very or extremely important to be recognized by their managers when they do good work. The number one choice for recognition is sincere praise given in a timely manner, such as thank you notes. According to research performed by Allen and Helms (2002), they confirmed the importance of regular expressions of appreciation by managers and leaders to encourage behavior of employees to reach strategic goals. Developmental opportunities, such as being assigned to special projects, can also be a powers form of non-monetary recognition. Being chosen to accomplish a company initiative is motivating. It helps employees gain new skills and experiences, demonstrates trust in their abilities, and adds variety to an individual's work.

Janet Wiscombe (2002), stated that compensation is right and recognition is a gift. To successfully recognize employees, emphasize on the success instead of dwelling on the

things that went wrong. Deliver recognition and reward openly and publicly. Give recognition in a personal and honest manner. Tailor the recognition and reward to the unique needs of the people involved. Timing is crucial, so contribution should be recognized throughout a project. Reward contribution close to the time when an achievement is realized, since delays can weaken the impact. Strive for a clear, unambiguous, and well-communicated connection between accomplishment and reward. Make sure people understand why they received an award and what criteria were used to determine it. Also, recognize recognition by recognizing the people who recognize others for excellence.

Non-monetary recognition can be more effective than cash awards, because they can help the employees with their self-esteem, as well a s giving them deserved recognition, and a feeling of fulfillment with their jobs. Creative use of personalized non-monetary rewards reinforces positive behavious and improves employee retention and performance. They are a benefit to companies by being a means for them to provide their employees with rewards of excellence, but also being a cost saver to the company. They are beneficial to the employees by serving motivational tools to help them reach higher levels of job performance by receiving positive recognition from their managers and peers. Money is not always a prime motivator for employees. Non-monetary incentives can be inexpensive to give, but priceless to receive.

Therefore the Nigerian Communication Commission should tap into the idea of using non-monetary incentives as a motivation tool of her workers to enhance their productivity.

2.2 Concept of Motivation

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating". Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment (Shanks.2005). According to Butkus & Green (1999), motivation is derived from the word "motivate", means to move, push or influence to proceed for fulfilling a want (Kalimullah et al, 2010).

Bartol and Martin (1998) describe motivation as a power that strengthens behavior, gives route to behavior, and triggers the tendency to continue (Farhad et al, 2011). This explanation identifies that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their destinations. In view of Bedeian, (1993) it is an internal drives to satisfy an unsatisfied need and the will to accomplish. Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at an objective.

It is the concluding product of interface among personality behavior and organizational distinctiveness (IRCO). It symbolizes those psychological procedures that foundations the stimulation, route, and determination of deliberate actions that are target oriented (Farhad et al, 2011). Also motivation is a progression of moving and supporting goal-directed behavior (Chowdhury.M.S, 2007). It is an internal strength that drives individuals to pull off personal and organizational goals (Reena et al, 2009).

Motivation is a set of courses concerned with a kid of strength that boosts performance and directs towards accomplishing some definite targets (Kalimullah et al, 2010). According to Barron (1983), it is an accrual of diverse routes which manipulate and express our activities to attain some particular ambitions (Rizwan et al, 2010). Porter and miles (1974) proved that the motivation boosts expresses and continues conduct (Khadim et al1999). The motivation of an individual envelops all the motives for which he selects to operate in a definite approach (Lefter et al). In fact motivation is "inside another person's head and heart" (Khadim et al).

Among financial, economic and human resources, the latest are more essential and have the capability to endow a company with competitive edge as compared to others (Rizwan et al, 2010). Employee Performance fundamentally depend on many factors like performance appraisals, employee motivation, Employee satisfaction, compensation, Training and development, job security, Organizational structure and other, but the area of study is focused only on employee motivation as this factor highly influence the performance of employees.

Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations (Shadare et al, 2009). A motivated employee is responsive of the definite goals and objectives he/she must achieve, therefore he/she directs its efforts in that direction. Rutherford (1990) reported that motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organizations to persuade motivation of their employees (Kalimullah et al, 2010).

Getting employees to do their best work even in strenuous circumstances, is one of the employees most stable and greasy challenges and this can be made possible through motivating them.

Along with perception, personality, attitudes, and learning, motivation is a very important part of understanding behaviour. Luthan (1998) asserts that motivation should not be thought of as the only explanation of behaviour, since it interacts with and acts in conjunction with other mediating processes and with the environment.

Luthan stress that, like the other cognitive process, motivation cannot be seen. All that can be seen is behaviour, and this should not be equated with causes of behaviour. While recognizing the central role of motivation, Evans (1998) states that many recent theories of organizational behaviour find it important for the field to reemphasize behaviour. Definitions of motivation abound. One thing these definitions have in common is the inclusion of words such as "desire", "want", "wishes", "aim", "goals", "needs", and" incentives". Luthan (1998) defines motivation as, “a process that starts with a physiological deficiency or need that activates a behaviour or a drive that is aimed at a goal incentive”.

Therefore, the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives. Relative to this, Minner, Ebrahimi, and Watchel, (1995) state that in a system sense, motivation consists of these three interacting and interdependent elements, i.e., needs, drives, and incentives.

Managers and management researchers have long believe that organizational goals are unattainable without the enduring commitment of members of the organizations.

Motivation is a human psychological characteristic that contributes to a person's degree of commitment (Stoke, 1999). It includes the factors that cause, channel, and sustain human behaviour in a particular committed direction. Stoke (in Adeyemo 1999) goes on to say that there are basic assumptions of motivation practices by managers which must be understood.

First, that motivation is commonly assumed to be a good thing. One cannot feel very good about oneself if one is not motivated. Second, motivation is one of several factors that go into a person's performance. Factors such as ability, resources, and conditions under which one performs are also important. Third, managers and researchers alike assume that motivation is in short supply and in need of periodic replenishment. Fourth, motivation is a tool with which managers can use in organizations. If managers know what drives the people working for them, they can tailor job assignments and rewards to what makes these people "tick." Motivation can also be conceived of as whatever it takes to encourage workers to perform by fulfilling or appealing to their needs. To Olajide (2000), "it is goal-directed, and therefore cannot be outside the goals of any organization whether public, private, or nonprofit".

Motivation can be achieved extrinsically by monetary incentives, or through punishments and intrinsically through non-monetary incentives. This work discusses the scope of non-monetary incentives in motivation of employees towards performance.

2.3 Theories of Motivation

The theories that explained the concept of motivation are discussed below:

2.3.1 Content Theories of Motivation

Content theories attempt to explain those specific things which can actually motivate the individual at work. These theories are concerned with the identifying people's needs and their relative strengths and the goals they pursue in order to satisfy these needs. Content theories place emphasis on the nature of needs and what motivates (Laurie J. Mullins, 2005).

Laurie further stated the major content theories of motivation, which include:

- Maslow's hierarchy of needs model;
- Alderfer's modified need hierarchy model;
- Herzberg's two factor theory; and
- McClelland's achievement motivation theory

Each of these theories can individually elucidated as here under.

MASLOW'S: According to Maslow (1954), the basic proposition is that people are wanting beings, they always want more and what they want depends on what they already have. He suggests that human needs are arranged in a series of levels; a hierarchy of importance, however, the hierarchy is usually shown as ranging through five main levels, starting from the lowest level. These include: physiological needs, safety needs, love needs, esteem needs and self actualization.

- **Physiological Needs:** include efforts to retain normal functioning such as satisfaction of hunger and thirst, the need for oxygen , sleep sensory activity etc

- **Safety Needs:** include safety & security, freedom from pain or threat of physical attack, protection from danger or deprivation
- **Love Needs:** They include affection, sense of belonging, social activities, and friendships.
- **Esteem:** These include both self respect and the esteem of others
- **Self Actualization Needs:** This is the development and realization of one's full potential.

However, there are number of problems, relating to Maslow's theory to work situation. Laurie (2002) stated some problems, which include:

- People do not necessarily satisfy their needs, especially higher level needs, just through the work situation, they satisfy them through other areas of their life as well.
- There is the time, which elapses between the satisfaction of lower level need and that of a higher level need.
- Some rewards or outcomes at work satisfy more than one need. Even for people within the same level of hierarchy, their motivating factors will not be the same.

Despite the criticisms and doubts about its limitations, Sauders (2004), contends that the theory has had a significant impact on management approach to motivation and the design of organizations to meet individual needs, and it is a convenient framework for viewing the different needs and expectations that people have where they are in the hierarchy and the different motivations that might be applied to people at different levels.

Alderfer (1969) stated that "individual's progress through the hierarchy from existence needs, to relatedness needs, to growth needs as the lower level needs become satisfied". The model became known as the ERG theory. Alderfer, suggests:

- Existence needs are concerned with sustaining human existence and survival and cover physiological and safety needs of material nature.
- Relatedness needs are concerned with relationships to the social environment and cover love or belonging affiliation etc.
- Growth needs are concerned with the development of potential and cover self-esteem and self actualization.

However, he further explained that these needs are more continuum than hierarchical levels and more than one need may be activated at the same time, and the lower-level needs do not have to be satisfied before a higher-level need emerges as the motivating influence.

McCelland's (1965), identified four main around based and socially development motives:

- The achievement motive
- The power motive
- The affiliative motive and
- The avoidance motive.

The relative intensity according to McClelland's of the motives varies between individuals. It also tends to vary between different occupations. He saw the achievement

need as the most critical for the country's economic growth and success because the need to achieve is linked to entrepreneurial spirit and the development of the available resources.

McClelland suggests four steps in attempting to develop achievement drive:

- Striving to attain feedback on performance
- Developing models of achievement by seeking to emulate people who have performed well.
- Attempting to modify their self-image and to see themselves as needing challenges and success.
- Controlling day –dreaming and thinking about themselves in more positive terms.

2.3.2 Process Theories of Motivation

The process theories attempt to identify the relationship among the dynamic variables which make up motivation. These theories are concerned more with how behavior is initiated, directed and sustained. Process theories place emphasis on the actual process of motivation. They provide a further contribution to our understanding of the complex nature of work motivation. Many of the process theories cannot be linked to a single writer, but major approaches and leading writers under this heading include: Expectancy-based models-Vroom, Equity theory, and Goal theory-Locke (Laurie J Mullins, 2005).

Expectancy theory is a generic theory of motivation and cannot be linked to a single individual writer. More recent approaches to expectancy theory have been associated with the work of Vroom. According to Vroom (1960), the theory is based on

the idea that people prefer certain outcomes from their behavior over others and they anticipate feelings of satisfaction, should the preferred outcome be achieved. He based his model on three key variables, they include: valence, instrumentality, and expectancy (VIE). On the one hand valence is the feeling of about specific outcome and the attractiveness of or preference for a particular outcome and the attractiveness of or preference for a particular outcome to the individual.

On the other hand, instrumentality leads to a distinction between first-level outcomes and second level outcomes are performance related and they refer to the quantity of output or to the comparative level of performance, while the second-level outcomes are need related through achieving high performance. Finally, the expectancy theory is the relationship between a chosen course of action and its predicted outcome.

According to Laurie (2005), equity theory focuses on people's feelings of how fairly they have been treated in comparison with the treatment received by others.

It is based on exchange theory, because people evaluate their social relationships in the same way as buying and selling an item. People expect certain outcomes in exchange for certain contributions or inputs. People also compare their own position with that of others. Their feelings about equity of the exchange are affected by the treatment they receive when compared with what happens to other people. The theory further stated that people place a weighting on these various inputs and outcomes according to how they perceive their importance, that is, when the ratio of other peoples total outcomes to total inputs equals the perceived ratio of other people's total outcomes to total inputs,

there is equity. But when there is an unequal comparison of ratios, the person experiences a sense of inequality.

Kreitner (1997), suggest several practical implications of equity theory, they include:

- It provides managers with another explanation of how beliefs and attitudes affect job performance.
- It emphasizes the need for managers to pay attention to employees perception of what is fair and equitable.
- Managers benefit by allowing employees to participate in making decisions about important outcomes.
- Employees are more likely to accept and support organizational change when they believe it is implemented fairly.

The Goal theory is based mainly on the work of Edwin Locke. Locke (1968) proposed that intentions to work towards goals are major source of work motivation. That is, goals tell an employee what needs to be done and how much effort will need to be expended. The evidence strongly supports the value of goals and the specific goals increase performance; that difficult goals when accepted, result in higher performance than easy goals, and that feedback leads to higher performance than non-feedback. Locke further stated the practical implications of goal theory to the manager.

- Specific performance goals should systematically be identified and set in order to direct behavior and maintain motivation.

- Goals should be set at a realistic level.
- Complete accurate and timely feedback and knowledge of results is usually associated with high performance.

It is important to consider the role of individual characteristics because different individual needs and interests have to be compromised with the organizations'. People are motivated by unmet needs and these varies from person to person according to their particular circumstances, values and beliefs, family, education, personality, and work experience etc. While some individuals may value a job with more creativity over a high-salaried job, others may seek to work more to earn more money. These demonstrate that differences in individuals can affect their work behaviors.

Variables originating from the nature of the job affect motivation in the sense that job related characteristics such as increased autonomy, the significance of the tasks, variety of activities and teamwork may result in improved motivation for some individuals. But here, it is important to consider the influence of individual characteristics at the same time, since everyone does not want -to the same degree- to have an enriched job, nor perform better when assigned to such a job.

As a third level of influence, work environment is important for motivation regarding the quality of peer-group interactions, leadership styles and salary and reward systems. As shown in Hawthorne studies (Roethlisberger & Dickson, 1939) peer-group influence can affect an employee's effort. In addition to this, supervisors can have a considerable influence in the motivational process. They have role in the structuring of work activities and the ability and freedom of employees to pursue their own personal

goals on the job. Supervisors can provide feedback about the employees' performance, as well as letting them to participate in the decision making process by asking their ideas. The nature of relationship between the superior and subordinates, effectiveness of communication among them also affects the motivational process. Finally, as part of the work environment, the existence and the degree of utilization of recognition systems can also affect how employees behave at work.

To sum up, there are many variables affecting the motivational process which are integrated and complementary to each other. Any incentive program referring to the question of how to increase employee motivation focuses on one or more of these variables.

Non-monetary incentives have the benefit of addressing most of these variables affecting motivation. In other words, as the types of non-monetary incentives that can be offered in a public organization are numerous, they provide the opportunity to motivate employees in a variety of ways in contrast to monetary incentives.

For example, first variable that was mentioned as affecting motivation is related with individuals' different interests and needs. Individuals also have different preferences in terms of how to be recognized for the work they do. Nonmonetary incentives can take the form of improving working conditions, recognizing good work through small gifts, letters of appreciation, plagues, tickets to restaurant etc., providing some services for the employees, organizing social activities in the work place, assigning challenging duties etc. Consequently, the use of non-monetary incentives may provide this variety to meet different individual needs and interests.

Second, some non-monetary incentives are related with the characteristics of the job such as encouraging the employees by providing them with autonomy in their job, assigning challenging duties, variety of tasks, giving more responsibility etc. In this sense they also utilize job-related factors affecting motivation.

Third, non-monetary incentives contain elements from the work environment such as consideration of group interactions and leadership styles etc. Providing feedback, appreciating the good work, asking their ideas, greeting the employees are some of the non-monetary incentives that fall under the title of work environment characteristics affecting motivation. To conclude, non-monetary incentives are expected to be effective in motivating the public employees, given their variety in addressing factors affecting motivation.

2.3.3. Intrinsic and Extrinsic Motivation

Motivation in work is often described as being “intrinsic” or “extrinsic” in nature (Sansone & Harackiewicz, 2000). Thus, it is possible to argue that the variables affecting motivation have intrinsic and extrinsic motivational effects. As the question of how to increase employee motivation focuses on one or more of those variables mentioned above affecting motivation, we can also conclude that any incentive tool, whether it is monetary or non-monetary, is designed to provide extrinsic or intrinsic motivation or both.

In the psychology literature, intrinsically motivated behavior is stated to arise from innate psychological needs, such as needs for competence and autonomy (Deci & Ryan, 1985; Kasser & Ryan, 1996). Intrinsic motivation means a self-generated urge that comes from inside a person and influences him/her to behave in a particular way or to move in a

particular direction. They are connected to job related and social incentives such as opportunity to use one's ability, interesting work, recognition of a good performance, development opportunities, a sense of challenge and achievement, participation in decision making, and being treated in a caring and thoughtful manner etc.

For example an employee may be willing to put forth a sustained effort by working extra hours because of the feeling that the project he/she is working on is challenging and worth to complete it at once to see the output. In this situation, the individual takes action because the likely outcome of that action appeals directly to what he/she values. The intrinsic motivators are likely to have a deeper and long-term effect because they are inherent in individuals. These kinds of incentives are largely a result of the worker's satisfaction with his or her job. To sum up, intrinsic motivation originating from within the person or from the activity itself, affects behavior, performance, and well-being positively (Ryan & Deci, 2000).

On the other hand, extrinsic motivation is said to exist when behavior is performed to attain externally administered incentives. Extrinsic motivation is related to “tangible” incentives such as wages and salaries, fringe benefits, cash bonuses, security, promotion, wall plaques, free dinner or movie tickets etc. For example, an employee may be motivated to come to work on time everyday with the desire to gain the monetary reward awarded for perfect on-time attendance for a month.

The problem with extrinsic motivation is that it rarely has any useful long term effect. The use of extrinsic motivators to energize the employees may lead to a situation

where those reinforcers -particularly monetary ones- must get bigger and better all of the time just to repeat the same results (McCann, 2000).

Luthans and Kreitner (1975) uses the term “contrived rewards” to refer to incentives that may generate extrinsic motivation, and “natural rewards” to refer to intrinsic motivators. According to them, although contrived rewards can be positive reinforcers, they have some drawbacks. First, they generally involve costs for the organization.

Second, they tend to lead to satiation rather quickly. An employee can be motivated by an extrinsic incentive only so long before he/she becomes satiated, that is, people may get tired of most contrived rewards such as receiving a wall plague each time. On the other hand, Luthans and Kreitner (1975) note that incentives that exist in the natural occurrence of events (natural or intrinsic incentives) such as challenging task assignments, autonomy, time off, recognition, friendly greetings etc. are of much more value than the contrived rewards.

In contrast to extrinsic rewards, they do not generally lead to satiation. It is not common that people get tired of appreciation and attention. Another advantage of intrinsic rewards is that while it is difficult for supervisors to give out extrinsic rewards frequently, they can easily provide intrinsic motivation for employees by recognizing their efforts and addressing their social needs in the work place.

To conclude, although their effectiveness may depend on the situation, intrinsic and extrinsic incentives are two important tools in ensuring motivation in the work place. After these explanations, it is possible to argue that non-monetary incentives as a motivational tool address both intrinsic and extrinsic motivation concepts. While

monetary incentives may only be classified as a factor leading to extrinsic motivation, non-monetary incentives with its diversity can motivate employees both intrinsically and extrinsically. For example, tangible nonmonetary incentives such as small gifts, free food or drink, internet access, tickets to movie/theatre/sports facilities etc. or social non-monetary incentives such as company picnics, after-work parties, friendly greetings by the supervisor, recognition of a good job, feedback about performance etc. may have extrinsic motivational powers.

On the other hand, job-related non-monetary incentives such as meaningful work, variety of tasks, more responsibility, teamwork opportunities, training programs, participation in decision making, flexible working hours etc. may motivate employees intrinsically. In other words, they help to produce self generated motivation. Thus, non-monetary incentives provide multi-dimensional employee motivation in the work place, in contrast to the single dimension of monetary incentives.

2.4 Theories of Motivation Related With Non-Monetary Incentives

Each person is motivated by different things and it is important to know how they are motivated in order to direct motivation towards the realization of organizational goals. Reviewing the theories of motivation helps us to understand what drives people to initiate action and to engage in certain practices in the workplace. After elaborating on each of these processes, it would be possible to comment on the effectiveness of non-monetary incentives as a motivational tool.

There are several theories of motivation which focus on different variables in an attempt to explain motivation in the organizational setting. Each of these theories offers

perspectives that are not necessarily contradictory but complementary. They are generally studied under three categories: content theories, process theories and reinforcement theory (Samson and Daft, 2002).

Content theories focus on the analysis of underlying human needs. They provide insight into the needs that motivate people in organizations. People have different needs such as money, interesting work, social life, family life, achievement or recognition for a good job etc. These needs convert into an internal drive that motivates specific behavior in an effort to fulfill the needs. It is important to know what employees need in order to evaluate the potential effectiveness of an incentive system. For example, if an employee in a work place needs the supervisor's appreciation for his/her contribution, or a challenging job with variety of tasks more than a salary increase, he/she won't probably be motivated enough with a monetary incentive.

Or one can imagine the situation of a public employee in Turkey who would like to spend that evening celebrating his daughter's birthday at home, however, was asked to work three extra hours in the evening at work. In return, he would be paid 650.000TL per each extra hour he would work, according to 2004 Budget Law (Hurriyet, 2003). In such a case, it is questionable whether the employee would really be motivated to work overtime in return for a monetary compensation. On the other hand, a tangible non-monetary incentive such as two tickets to an amusement park might work better for a father in that situation.

To conclude, the needs of employees will shape the effectiveness of incentives in the motivation of employees. This thesis study tries to shed light on whether the needs of

public employees match with non-monetary incentives. If they are likely to match, then, it may be expected that they can reinforce employees for directing energies and priorities towards attainment of organizational goals. As it is discussed in later sections, non-monetary incentives have the potential to meet diversity of needs, particularly the needs that monetary incentives cannot satisfy.

Process theories deal with the thought processes that influence individuals' behavior. Individuals assess their interactions with their work environment and process theories of motivation consider what people are thinking about when they decide whether or not to exert effort into a particular activity. They also concern how employees seek rewards in work circumstances, how they select behaviors with which to meet their needs and determine whether their choices were successful.

Reinforcement theory, on the other hand, concern the process employees learn the desired work behavior. The reinforcement approach to employee motivation ignores the issues of employee needs and thinking processes described in the content and process theories. Reinforcement theory merely looks at the relationship between behavior and its consequences. It concentrates on how to change or modify the employees' behavior in the work environment through the use of instant rewards and punishments.

In line with the purposes of this thesis study, the following theories of motivation concerning non-monetary incentives are analyzed in the above sections: hierarchy of needs theory, ERG theory, motivation-hygiene theory, McClelland's theory of needs as the content theories of motivation; job characteristics theory, expectancy / valence theory, equity theory and goal-setting theory as the process theories of motivation. Following

these, reinforcement theory of motivation is analyzed. Each section provides a brief discussion on how nonmonetary incentives might be incorporated into these theories of motivation.

2.4.1. Hierarchy of Needs Theory

One of the first theories that describe behavior as being directed toward the satisfaction of human needs is the hierarchy of needs theory by Abraham Maslow. His theory is a theoretical foundation for many of need based approaches to motivation.

According to Maslow (1943), people are motivated to satisfy their needs and those needs can be classified into the following five categories that are in an ascending hierarchy: Physiological needs, security needs, social needs, esteem and self-actualization needs. The first three are characterized as lower level needs while the last two are higher order needs.

Physiological needs are the basic biological needs like air, water, food and shelter. In the organizational setting, these are reflected in the needs for adequate heat, air and a base salary to guarantee survival. Safety needs are the needs for security and protection from danger. In an organizational workplace, safety needs refers to the needs for safe jobs, fringe benefits and job security.

Social needs are the needs for interaction with other people, belongingness, love etc. These needs reflect the desire to be accepted by one's peers, have friendships, be part of a group and be loved. In the work environment, these needs affect the desire for good relationships with co-workers, participation in a work group and a positive relationship with supervisors.

Esteem is the desire for respect, which is affected by the person's standing reputation, his need for attention, recognition, achievement and appreciation etc. Maslow illustrated two versions of esteem needs, a lower one and a higher one. The lower one is the need for the respect of others, the need for status, recognition, attention, reputation, appreciation, dignity etc. The higher form involves the need for self-respect, including such feelings as confidence, competence, achievement, mastery, independence, and freedom. Within organizations, esteem needs reflect a motivation for recognition, an increase in responsibility, high status and appreciation for contributions to the organization.

Self-actualization refers to the desire for self-fulfillment; it is a drive for individuals for self-development, creativity and job satisfaction. They are related to developing one's full potential, increasing one's competence and becoming a better person. Providing people with opportunities to grow, to be creative, and to offer training for advancement are the means that self-actualization needs can be met with in the organization.

Maslow argued that as each lower level need is substantially satisfied, individuals are motivated by the next higher level need. That is, the needs are satisfied in sequence. According to Maslow's argument, a person desiring job security would dedicate his or her efforts to ensure it and would not be concerned with seeking recognition. Maslow also claimed that higher levels of satisfaction for a particular need decrease its potential as a motivator.

There are some criticisms to Maslow's hierarchy of needs theory. One main criticism is that there is little empirical evidence to support Maslow's assumptions (Drenth, Thierry & Willems, 1984). Second, his methodology was problematic (Boeree, 1998). Maslow's methodology was that he picked a small number of people that he himself declared self-actualizing such as Abraham Lincoln, Thomas Jefferson, Albert Einstein, then he looked at their biographies, writings, the acts and words of those he knew personally, and so on. From these sources, he developed a list of qualities that seemed characteristic of these people and reached conclusions about what self-actualization is.

Third, Maslow assumes that human beings will move up the hierarchy, satisfying one need before moving on. But, there are many examples that refute this thought. Many of the best artists and authors, which can be thought of as self-actualized, suffered from poverty, bad upbringing, neuroses, and depression (Boeree, 1998). That is, they were far from having their lower needs taken care of. For example Van Gogh and Galileo suffered from mental illness, and yet were able to produce works that made a difference.

To conclude, in spite of the criticisms, Maslow's work is important in terms of recognizing the needs being pursued by employees and shedding some light on the social and psychological needs of individuals in addition to material needs. With the higher order needs of esteem and self-actualization,

Maslow emphasizes the importance of non-monetary incentives in motivating the people. Non-monetary incentives address these higher order needs, rather than any basic needs such as food and shelter. If it is awarded as an appreciation of a contribution, a

tangible non-monetary incentive will remind the employees of their performance and recognition for it, filling the needs for self-esteem and it will create esteem in the eyes of co-workers, family, and friends. It will satisfy employees' recognition and respect needs. On the other hand, as it is mentioned in the section discussing benefits of non-monetary incentives over cash, it is not easy to brag about the cash incentives, which leads to a potential decrease in its power to serve esteem needs.

Also, social non-monetary incentives such as a verbal recognition by supervisors or letter of appreciation to the employees contribute their self-esteem, while social activities such as after-work parties, company picnics, sports activities etc. satisfy the belongingness and friendship needs of employees.

Job-related no-monetary incentives work on the self-actualization needs of employees. Providing employees with opportunities to grow like training programs, letting them to be creative in their jobs, giving them more responsibility and autonomy helps employees' self-fulfillment.

The implication of Maslow's theory is that non-monetary incentives can be most effective on employees who are meeting their basic needs and satisfaction of basic needs is not alone enough to motivate employees. In light of this, nonmonetary incentives have an important place in satisfying other needs of employees which cannot be met by compensation. Within the limitations of the scope of the survey study, the present study will also help to understand whether public employees in Turkey have moved beyond the basic physiological and security needs as primary motivators.

2.4.2. ERG Theory

Clayton P. Alderfer (1972) reformulated Maslow's theory and he proposed that there are three basic needs: Existence (nutritional and material requirements like pay and conditions.), Relatedness (need for meaningful social relations, relationships with family and friends and at work with colleagues) and Growth (need for developing one's potential, the desire for personal growth and increased competence).

The ERG model and Maslow's theory are similar. His theory is a simplified form of Maslow's hierarch of needs theory but he added that all these basic needs can motivate behavior at the same time and might not be activated in any hierarchical order. That is, any one need may take precedence over others regardless of whether the others are fulfilled or not. This implies that some individuals may prefer to have non-monetary incentives in an organization such as training programs, social activities, public praise etc. rather than having monetary incentives in the first place. Moreover, contrary to Maslow who argued that when satisfied a need becomes less important to an individual, according to Alderfer, that relatedness or growth needs become more important when satisfied. This means that team - working arrangements can continue to motivate employees and are not necessarily superseded by growth needs.

Alderfer proposed that the hierarchy among these needs is more complex due to the frustration-regression principle (Samson and Daft, 2002). It means that failure to meet a high-order need may activate a regression to an already fulfilled lower-order need. For example, an employee who is not appreciated for doing a good job at work may not be

realizing his self-esteem need. Then, this need may revert to a lower-order need and he may redirect his or her efforts towards making a lot of money.

Like Maslow's hierarchy of needs theory, Alderfer's theory points out the need for organizations to find ways to satisfy belongingness needs of employees through social activities in organization, to recognize employees, encourage their participation in decision making, offer opportunities of development and autonomy in job. To conclude, ERG theory also supports the idea that non-monetary incentives are necessary in the motivation of employees.

2.4.3 Mc-Clelland's Acquired Needs Theory

McClelland (1975) suggests that some needs that individual's have are acquired during the individual's lifetime. That is, people may learn them through life experiences rather than being born with these needs. Thus, they differ from individual and individual. He identifies three needs important in the work place leading motivation, regardless of culture or gender: need for achievement, need for affiliation, and need for power.

McClelland noted that early life practices determine whether people gain these needs. If children are promoted to do things for themselves and receive support, they will acquire a need to achieve, if they are reinforced for having strong human relationships, they will develop a need for affiliation. If they get happiness from controlling others, they will acquire a need for power.

According to his theory, achievement motivated people strive to attain challenging goals. They prefer tasks that enable them to use their skills and initiation in problem solving and enjoy doing something not done before. They like to get immediate feedback

on how they have done so that they can enjoy the experience of making progress toward objectives. People with a high need for achievement tend to be entrepreneurs.

People with a high need for affiliation like joining groups, participating in pleasant social activities and they obtain great satisfaction from being accepted by others. These individuals prefer to work in an environment that provides significant personal interaction and it is likely that they appreciate social incentives. They are able to establish good working relationships with other employees.

The need for power may be classified as "personalized power" or "socialized power" (McClelland, 1975). Power motivated individuals like to influence and direct others. They want loyalty to their leadership rather than to the organization. When the leader leaves the organization there is likely disorder and decrease of team morale and direction. Socialized power need is usually referred as effective leadership. These leaders use their power in a way that benefits others and the organization rather than only contributing to the leader's status and gain.

They seek power to make sure that tasks are accomplished and to empower others who further the leader's vision for the organization. A high need for power often is correlated with successful attainment of top levels in the organizational hierarchy (Samson and Daft, 2002). This is due to the fact that while achievement needs can be met through the task itself, power needs can be met only by ascending to a level at which a person has power over others.

Acquired needs theory implies that the same set of circumstances in a work environment may cause employees to react in different ways as they have different needs.

Thus, employees can be motivated differently in the workplace. For example power motivated individuals can be granted the opportunity to manage others, growth opportunities or greater autonomy in their jobs, which are job related non-monetary incentives. People with high need for achievement may be motivated by other job-related non-monetary incentives such as assigning challenging tasks with reachable goals or giving frequent feedback.

People with affiliation needs may be more willing to work in a team environment, or may be satisfied with social activities in the organization which can be provided by social non-monetary incentives. To conclude, non-monetary incentives may also be effective in meeting power, achievement and affiliation needs of individuals proposed by McClelland.

2.4.4 Motivation-Hygiene Theory

Frederick Herzberg studied the factors in the work environment that caused satisfaction and dissatisfaction among the workers. He interviewed hundreds of workers about times when they were highly motivated to work and other times when they were dissatisfied and unmotivated at work. He found that the factors causing job satisfaction were different from those causing job dissatisfaction and they cannot be treated as opposites of one another (Herzberg, 1966).

Herzberg argued that two entirely separate dimensions contribute to an employee's behavior at work: hygiene factors and motivators. Hygiene factors refer to the presence or absence of job dissatisfiers. When hygiene factors are reduced, work is dissatisfying. They are considered maintenance factors that are necessary to avoid dissatisfaction but

they do not themselves contribute to the job satisfaction and motivation of personnel. That is, they only maintain employees in the job. In line with Herzberg's view, unsafe working conditions or a noisy work environment will cause employees to be dissatisfied with their job but their removal will not lead to a high level of motivation and satisfaction. Some other examples of hygiene factors are salary, status, security, supervision, company policy etc.

On the other hand, motivators, leading to job satisfaction, are associated with the nature of the work itself. They are those job-related practices such as assignment of challenging jobs, achievement, work itself, recognition, responsibility, advancement and opportunities for growth in the job etc. Herzberg argued that when motivators are absent, workers are neutral towards work, but when motivators are present, workers are highly motivated to excel at their work. In contrast, hygiene factors can only work to prevent job dissatisfaction. Thus, hygiene factors and motivators represent two distinct factors (Samson and Daft, 2002).

Based on the arguments of the theory, adequate hygiene factors should be provided to meet the basic needs of employees and to prevent dissatisfaction with the job. In addition to this, motivators that are intrinsic to the work itself should be integrated to the process to meet higher-level needs and drive employees towards greater achievement and satisfaction.

Herzberg (1971, pp. 3) stated that "...the factors which make people happy all are related to what people did: the job content... what made people unhappy was related to the situation in which they did their job: job environment, job context..." According to

him, employees are satisfied with a work that is interesting and challenging and they will be motivated to do work that they identify to be important. Thus, it is possible to motivate employees with the work itself. In fact, Herzberg emphasizes that true motivation comes from within a person, that is, intrinsically, not extrinsically. In line with this view he suggested that jobs can be redesigned and enriched to integrate "motivators" to the job, so that employees will be willing to exert effort in their work. He argued that jobs should have adequate challenge to fully utilize employees' abilities and employees who prove to have increasing levels of ability should be given increasing levels of responsibility.

Accordingly, Herzberg contributed to the idea of "job enrichment". Job enrichment is adding more tasks to a job to provide greater involvement and interaction with the task. Adding tasks can make the jobs more challenging to the employees and it may enable the employees to use their talents, demonstrate their potential.

Herzberg's theory is commonly criticized because of his methodology and the reliability of the results leading to limitations on the study (Ratzburg, 2004). The original sample population consisted of 200 middle management professionals. There is the criticism that the sample size is small and the theory applies to only middle management professionals. However, numerous replication studies have been conducted to check the validity of the original results. In most of the cases, the results were similar to the results obtained by Herzberg and they indicated that motivators are the primary cause of job satisfaction (Ratzburg, 2004).

Another criticism is that the result of the study was two-factor because when things are going well, people tend to take credit for satisfaction but when they don't go

well they blame failure on their environment (Imperial, 2004). Also, the assumption that practically every employee will respond positively to a job with high motivating factors may not be universally true. Herzberg's theory is considered to be valid for employees whose lower order needs are satisfied (Ratzburg, 2004).

Motivation-hygiene theory has important implications for this thesis study. It constitutes a good framework for the validity of the argument that non-monetary incentives can be as effective as monetary incentives in the motivation of personnel. Herzberg points out that what really motivate employees are the assignment of challenging jobs, achievement, work itself, recognition, responsibility, and opportunities for growth in the job. They have the power to motivate employees intrinsically.

As an external factor, monetary incentives may prevent job dissatisfaction but do not necessarily motivate employees. Likewise, job-related non-monetary incentives such as job with variety of tasks and responsibilities, meaningful work, autonomy, participation in decision making, growth opportunities etc. and social non-monetary incentives such as appreciation for a good work address what Herzberg referred in his theory as "motivators".

These non-monetary incentives are expected to motivate employees intrinsically. Thus, Herzberg's theory offers insights to support the view that job-related nonmonetary incentives may have the power to drive public employees to exert much effort in their job, as much as monetary incentives.

According to two-factor theory, it is expected that public employees would be motivated by job-related and social non-monetary incentives and would need monetary incentives and other environmental factors to avoid dissatisfaction with the job.

2.4.5. Job Characteristics Model

Job characteristics model by Hackman and Oldham (1980) tries to explain what the characteristics of motivating jobs are. They argue that jobs can be redesigned through enrichment to contribute positively to the motivating potential of a job. According to their research, there are five core job characteristics that create three psychological states and can be used to describe the motivating potential of a job:

Skill Variety:

It describes the degree to which a job necessitates the practice of a number of different skills, abilities, or talents. Activities in a job will be distinct enough to require the use of different skills.

Task Identity:

It defines the extent to which job allows completion of a whole and identifiable piece of work from beginning to end.

Task Significance:

It refers to the importance of the job; the degree to which the job has an effect on the lives of other people, the immediate organization or outside the organization.

Autonomy:

It is the degree to which individuals are allowed discretion, independence and control over their work, are free to schedule them and determine the procedures to be used.

Feedback:

It is the degree to which the individuals are provided direct and clear information about the effectiveness of their performance. Besides supervisory feedback, it includes the opportunity to observe the results of their performance.

According to Hackman and Oldham, all these factors can be used to enrich the jobs. Jobs can be more enriching when employees utilize multiple skills and talents instead of repeating one skill over and over again. Similarly, as part of task identity, if employees can have a whole picture of the job through to its final stage rather than only dealing with a small part of the whole process, task can be more enriching.

Also significance of the tasks in terms of its effects on other people's lives can enrich the jobs. The importance of autonomy is that when employees have the chance to control their work schedule and the process, job enrichment can be promoted. And finally, feedback is an essential step for job enrichment because it gives employees the opportunity to improve their work, make necessary adjustments in a timely manner and know where they are going.

The combination of these five scales produces a "Motivating Potential Score" (MPS). It is defined as (Hackman and Oldham, 1980):

$$MPS = \frac{[(\text{Task Variety} + \text{Task Identity} + \text{Task Significance})] \times \text{Autonomy} \times \text{Feedback}}{3}$$

These job characteristics create three psychological states (Hackman and Oldman, 1980):

1. Experienced meaningfulness of the work (through skill variety, task identity and task significance): Individuals evaluate the job as generally meaningful, valuable, and worthwhile.
2. Experienced responsibility for work outcomes (through autonomy): Individuals feel personally accountable and responsible for the outcome of their work.
3. Knowledge of results (through feedback): Individuals are informed about how effectively they are performing their job.

According to Hackman and Oldham's research, jobs with high score in terms of a combination of five job characteristics (task variety, task identity, task significance, autonomy and feedback) lead to higher job satisfaction and motivation than jobs with low scores. In other words, work that is characterized as enriched is generally highly motivating. However, Hackman and Oldham also point out that certain people do not like job enrichment and consequently, enriching the tasks may not increase their level of motivation. In response to this issue, Hackman and Oldham proposed that "growth need strength" (GNS) restrainsthe link between enrichment and motivation. GNS is a personal attribute that defines a person's desire or tendency for personal challenge (Adler, Milne & Stablein, 2001).

What determines the degree of GNS may be explained by need theories of motivation. People who have satisfied lower order needs of existence and relatedness may

seek satisfaction from higher order needs of esteem and growth. Accordingly these people may exhibit high GNS. In contrast people whose needs of existence and relatedness are not fulfilled may be interested in satisfying these needs and display low GNS (Spector, 1985).

Individuals with high GNS enjoy tasks that challenge or develop them; on the other hand, individuals with low GNS prefer to stay away from situations that are difficult or challenging. Accordingly, Hackman and Oldham found that employees with high growth needs responded positively to high motivating potential jobs, but those with low growth needs did not. Thus the model suggests that different employees react differently to jobs and enriched jobs may motivate people with high growth needs.

Job characteristics model imply that it is possible to motivate employees through job design. Job design is a set of activities to change the content and/or process of a specific job in order to increase motivation, job satisfaction and performance. Job-related non-monetary incentives try to achieve this by offering employees more meaningful tasks, control over work scheduling and methods, increasing responsibility, the opportunity to use variety of skills in their job etc.

That is, these non-monetary incentives target motivating the employees through enjoying the job itself. It may be seen as an attempt to reach a compromise between individual's abilities and needs and the requirements of the job. It is also important to keep in mind that, as this model suggests, job enrichment as a nonmonetary incentive can be successful in motivating the public employees with high growth need strength. Job-related non-monetary incentives may intrinsically motivate public employees that have

high growth needs. It may be expected that public employees in NCC who are satisfied with the levels of wages, job security and fringe benefits will respond positively to job-related non-monetary incentives in terms of motivation.

2.4.6. Valence, Instrumentality and Expectancy (VIE) Theory

This theory had resulted from Vroom's (1964) work into motivation. According to VIE theory, motivation depends on individuals' expectations about their ability to perform tasks and receive desired rewards. In other words, people are motivated to work when they have the expectancy that effort leads to performance and that performance results in reward. It also assumes that individuals have different levels of satisfaction they expect to receive from rewards and each person is a rational decision maker who will expend effort on the activities that lead to their desired rewards (Muchinsky, 2000). Table 2 shows schematization of the VIE theory.

Table 2.2

Motivation = Expectancy x Instrumentality x Valence
Expectancy => "If I try, can I perform at the level necessary to get the promised reward?"
Instrumentality => "If I perform at the necessary level, will I in fact get the promised reward?"
Valence => "How much do I value the promised reward?"

Source: Malos 2003, p.1.

Expectancy is the probability that putting effort into a task will lead to high performance. It is also called E – P expectancy. In order for this expectancy to be high, the individual must possess the ability, previous experience and necessary machinery,

tools and opportunity to perform (Samson and Daft, 2002). If an employee believes that with hard work he/she can finish a task before the assigned time frame, his/her expectancy will be high, so will be the motivation. On the other hand, if the employee believes that he/she lacks the ability or opportunity to achieve high performance, the expectancy and in turn motivation will be low.

Instrumentality (P – O expectancy) refers to whether the performance will result in the desired outcome. It concerns the relation between performance and the award. If an employee is motivated to receive public recognition for a performance above expectations but he does not expect that high performance will generate this desired outcome, his motivation will be lower.

Valence is the value or attraction of outcomes for the individual. If the outcomes that can be reached as a result of high effort and performance are not appreciated by employees, motivation will be low. Similarly, if an employee values a reward that is offered for a special effort, he/she will be more motivated to exert effort. For example, if an employee is interested in sport activities and he expects that high performance in the organization is recognized with free tickets to sport games, then he will probably be more motivated to work hard.

To conclude, these three factors have affects on motivation but for an employee to be highly motivated, all these three factors must be high. For example if an individual believes in his/her ability to show the required performance but do not expect that there is a reward for the outcome or do not want that particular reward, then he/she will be less likely to exert much effort. VIE theory suggests that motivation can be increased in three

ways. First, employees' belief about their chances of obtaining the required performance level can be strengthened. To do that it is necessary to establish a match between employees' skills and abilities and the job requirements. Job-related non-monetary incentives serve this end. It should also be ensured that individuals have the time and equipment to attain the performance goals. Second, a positive relation between required performance and reward can be reinforced. Performance objectives should be defined clearly and there should be a link between rewards employees value and the required performance to get it. This can be possible if the goals are set clearly. Third, rewards and outcomes that are of value to the employees can be chosen. Non-monetary incentives provide variety of choices to the employees.

It is clear that VIE theory emphasizes the importance of rewards in employee motivation. If E-P and P-O expectancies are high, individuals will be motivated to exert effort with a reward that they value. Reward acts as a means to reach targeted performance levels or specific organizational goals. The value of a reward depends on the preferences of individuals. For example, one employee may want to be promoted to a position of increased responsibility; the other may pursue a work atmosphere of good relationships with peers and others may like to receive tangible recognition items like gift certificates etc. Consequently, all individuals will be motivated with different incentives. It is important for organizations to determine what rewards employees' value in the workplace, and then link those rewards to the accomplishment of the objectives of organization. To this end, the present study explores what kinds of incentives public

employees value the most. If the incentives are set according to the preferences of the employees, it may contribute positively to the motivation since valence will be high.

Non-monetary incentives offer diversity in responding to various interests and needs of individuals in the workplace. Tangible non-monetary incentives, social non-monetary incentives and job-related non-monetary incentives are expected to motivate employees by offering them something that they may value as much as monetary incentives. To sum up, the implication of expectancy theory for the present study is that, given the existence of high E-P and P-O expectancies in a work place, if employees are offered non-monetary incentives that they value, they will be highly motivated to achieve the targeted outcomes.

2.4.7. Equity Theory

Equity theory suggests that employees' perceptions of a working situation in terms of how fairly they are treated compared with others influence their levels of motivation; motivation is a consequence of perceived inequity (Adams, 1965). According to equity theory, employees make comparisons. Employees determine their own work outcomes versus the effort or inputs required to achieve the outcomes, and compare these with outcomes and efforts of other employees. If they recognize that their compensation is equal to what others receive for similar inputs, they will believe that their treatment is fair and equitable.

Education, experience, effort, ability etc. are the inputs to the job by the employees. Outcomes that employees receive from a job are pay, benefits, promotions and rewards etc. A state of equity refers to the ratio of one person's outcomes to inputs

being equal to the ratio of another's outcomes to inputs. Inequity takes place when the situation is reverse. For example, when an employee with a high level of education or experience receives the same salary as a new, less educated employee, he/she may perceive it as inequality. Or perceived inequity may occur when an employee thinks that he/she is paid more than other people who contribute the same inputs to the organization. According to a major criticism, equity theory does not precisely characterize mental processes because it assumes that humans make mental lists of outcomes and their likelihood and sum them up systematically.

Adams (1965) pointed out that perceived inequity creates a tension that can motivate individuals to bring equity into balance, in four common ways:

1) **Altering Effort:** Individuals may change their level of input to the organization. For example, underpaid individuals may decrease their level of effort or increase their absenteeism. Overpaid individuals may correct the inequity by working harder or getting more education.

2) **Altering Outcomes:** An underpaid person may request a salary increase, other forms of recognition or a bigger office. A union may try to improve wages and working conditions in order to be consistent with a comparable union whose members are paid higher (Samson and Daft, 2002).

3) **Changing how People Think About Inputs or Outcomes:** According to research, people may alter perceptions of equity if they are unable to change efforts or outcomes (Samson and Daft, 2002). Thus, individuals may unnaturally

increase the status attached to their jobs or distort others' perceived rewards to ensure equity.

4) **Leaving:** Individuals who feel they lack equity in the work place may choose to quit their jobs rather than bearing the inequity of being underpaid or overpaid. They may seek balance of equity applying for new jobs.

The implication of equity theory for organizations is that, to motivate employees it is necessary to ensure a state of equity in the work place by establishing mechanisms to deal with perceived inequity situations. Otherwise organizations may face low motivation, low performance, high absenteeism and turnover.

As it is mentioned before, a typical example of perceived inequity in a work organization is the situation of an employee who believes that his/her peers does not exert as much effort as him in the work place, although they are all getting the same amount of wage. Or an employee may think that he/she is performing well above the expectations but being treated the same as other employees who are just satisfying the expectations.

This may lead employees to lose their motivation to do their best, to do more than what is expected from them, to be creative and to be problem solvers. In that kind of perceived inequity situations, employee may decide that his/her efforts do not make any difference to the organization, thus may stop working hard to make things fair in his/her mind.

This example can particularly be observed in public sector employment where employees of the same status and tenure get the same amount of wage, no matter how hard they work or how successful they are in making contributions. Likewise, an increase

in salary or a promotion will have no motivational effect if it is perceived as inequitable relative to that of other employees, as it is not linked to performance. Public sector lacks an effective incentive system to motivate employees to exert extra effort and to differentiate between who is doing a good job and who is not.

In line with equity theory, a public employee in Turkey, like other public employees who have job security and a fixed level of wage regardless of performance, may not be motivated to exceed expectations unless he/she is treated different from other employees when he/she makes a contribution. In other words, without an effective recognition mechanism, it may be expected that for most of the public employees, any attempt to exceed expectations will create perceived inequity in time, because their compensation will be equal to what others receive for less contributions.

As it is emphasized, employees may lose their motivation in such cases and may decrease their level of effort in order to get rid of the tension created by perceived inequity. Thus, it is very important that in public sector of Nigeria, an effective recognition system should exist besides compensation and benefits, which will differentiate high level performing individuals from lower performing ones. In light of these, use of incentives becomes inevitable for public sector to motivate employees by acknowledging the contributions exceeding expectations.

This thesis study proposes that non-monetary incentives, whether tangible, social or job-related, may be considered as the tool that is most appropriate for public sector to accomplish this objective. Non-monetary incentives offer variety of ways to recognize public employees besides compensation, such as letters of appreciation, plaques, gift

certificates, tickets to events, a thank-you note, pat on the back, public recognition in a meeting, newsletter or bulletin board, opportunity to attend training program of interest, tasks with more responsibility etc.

Moreover, as it is discussed in later sections, non-monetary incentives may be superior to monetary incentives in many aspects like cost, trophy value, separability from compensation, social reinforcement, justifiability etc. With the existence of non-monetary incentives to recognize good performance, those public employees may feel that their efforts make a difference to the organization and they are treated equitably. In turn, they may be more motivated to continue such contributions because they'll be differentiated from others who do not contribute as much but paid the same monetary compensation. To conclude, equity theory supports the idea that non-monetary incentives may be effective in motivating public employees.

2.4.8. Goal-Setting Theory

Based on the idea that behavior is purposeful or goal-oriented, goal-setting theory suggests that specific and challenging goals can motivate behavior. Difficult goals boost performance by directing interest and action, mobilizing effort, rising determination, and motivating the search for effective performance strategies (Imperial, 2004).

The idea behind goal-setting theory is that, through setting goals, an employee knows what needs to be done and how much effort will need to be exerted. It is assumed that individuals compare their current performance to the required level of performance for the accomplishment of a goal. If they fall short in terms of performance, they will be motivated to fill the gap to achieve the goal by working harder.

Locke (1968) demonstrated that individuals who were assigned difficult goals performed better than those who were assigned moderately easy goals. Latham and Baldes (1975) applied Locke's findings to the logging industry and they found that goal-setting may provide the employees with a sense of achievement, recognition and commitment by making clear what they are supposed to do. Moreover, 87 studies on goal setting as a motivational technique empirically supported the idea that challenging and specific goals motivate employees more than goals that are not difficult and stated in general terms (Tubbs, 1986). Thus, it is better to state a specific goal than to simply letting workers to do their best.

According to Eden (1988) goal setting raises expectations and strengthens people's positive judgments of their capabilities. It encourages people to think that they can make a difference. It enhances motivation because expectations are raised and productive self-fulfilling is strengthened. Accordingly, Eden points out that goal setting and expectancy theories are related to each other. As employees' perception that their efforts will lead to required performance increases, they will be more likely to exert more effort toward accomplishment of the goal.

Latham and Locke (1979) emphasizes that goal-setting may be the major instrument by which extrinsic and intrinsic incentives affect motivation. They give the example that, according to an experiment on job enrichment, unless employees are assigned more difficult and specific goals, there is no difference between enriched and unenriched jobs in terms of productivity. Moreover, they argue that, in order for money

to be an effective motivator, it should be made contingent on accomplishing specific objectives.

It is also important to bear in mind that in order goal-setting to be effective, goals have to be accepted by the employees, that is, people have to be committed to the attainment of the goal. If goal setting is established in a participative process, goals may be accepted easily. Goal can be set jointly by supervisor and subordinate and it may also promote role clarity. Moreover, after setting the goal, it is necessary that individuals are provided feedback to allow them to track their progress and how well they have accomplished the goals. Through feedback, employee can know his level of performance and adjust the level of effort accordingly.

In addition to these, Latham and Locke (1979) suggest that goal-setting is more likely to be successful if the following steps are followed. First, goals should be specific rather than unclear, for example instead of a statement like “try to decrease the costs”, “decrease the costs by 5 percent in the next 3 months” is more specific. Second, goals should be challenging but not unreachable. If goals are perceived as unreachable, employees will not accept them and they will not get the feeling of success from pursuing goals that cannot be achieved.

Thus, self confidence and abilities of employees should be considered in assigning the challenging goals. Third, it is essential to set proper quality standards along with challenging goals so that quantity is not achieved at the expense of quality. Fourth, if immediate results are emphasized without regard to how they are achieved, long-run benefits may be sacrificed to attain short-term improvement.

Goal-setting theory was supported by considerable empirical support and it gains attention because of its simplicity. One criticism is that the theory has not been tested in complex task settings (Imperial, 2004).

To sum up, goal-setting is important because it clarifies what is expected from the employee, provides an opportunity for communication, enhances positive feelings about one's own capacity, encourages commitment and allows employees to monitor their own performance. Moreover, it is essential for incentive programs to be successful.

As it is explained so far, goal-setting has quite important implications for the motivation of employees and it may be expected that goal-setting can be an effective motivational tool in public organizations as well. Public employees may be more motivated if they are assigned specific and challenging goals that are appropriate to their abilities and provided with feedback to monitor their own performance.

Setting challenging and specific goals may be particularly considered important in public sector because there is no performance related compensation or reward system in public employment. In other words, there is almost nothing to drive public employees to exert extra effort as they have job security and fixed level of compensation regardless of performance. Goal-setting theory emphasizes that difficult goals improve performance by directing interest and action, mobilizing effort, rising determination, and motivating the search for effective performance strategies. Consequently, goal-setting may be expected to have a high motivating power for public employees in Nigeria.

2.4.9 Reinforcement Theory

Reinforcement theory is a different approach than content and process theories in the sense that it simply looks at the relationship between behavior and its consequences. It analyses the effects of rewards and punishments on changing or modifying the employees' on-the-job behavior. The basic assumption underlying behavior modification is the law of effect, which states that behavior that is positively reinforced tends to be repeated, and behavior that is not reinforced tends not to be repeated.

Reinforcement refers to anything that causes a certain behavior to be repeated or inhibited. The four reinforcement tools are positive reinforcement, avoidance learning, punishment and extinction (Samson and Daft, 2002). In each of these cases, reinforcement is caused by applying or avoiding a pleasant or unpleasant event following a person's behavior.

Positive reinforcement is rewarding the individual with a pleasant consequence following desired behavior. A good example of positive reinforcement is immediate recognition of an employee for arriving on time or doing extra work. Offering the employee a pleasant output for his/her behavior will increase the likelihood of that behavior occurring again. This pleasant output may be a monetary incentive as well as a non-monetary incentive. In fact, positive reinforcement by non-monetary rewards, such as positive feedback, is often as effective as financial rewards (Stajkovic, A. D., & Luthans, F., 1997).

Avoidance learning, sometimes called negative reinforcement, is the elimination of an unpleasant outcome following desired behavior. Employees learn to behave in the

desired manner as they avoid unpleasant situations. For example, a supervisor stops criticizing or warning an employee seeing that he/she does not show the incorrect behavior anymore.

Punishment is the opposite of avoidance learning. It typically occurs following the undesirable behavior. For example, a supervisor may give an employee a lower grade during performance appraisal, for performing a task incorrectly. The supervisor may expect that the negative outcome will serve as a punishment and reduce the likelihood of the behavior recurring. Punishment is often criticized being an improper way to indicate the correct behavior.

Extinction is the taking out of a positive reward. Extinction leads to a decline in the reinforcement of the undesired behavior; therefore it is less likely to occur in the future. If an employee does not receive praise or pay raises, he or she may begin to grasp that the behavior is not producing desired outcomes or is undesirable. The behavior will gradually disappear if it is not continually reinforced.

The frequency of reinforcement is important in reducing the time needed for the employee to learn the desired behavior. There are five main types of reinforcement schedules: continuous reinforcement and four types of partial reinforcement (Samson and Daft, 2002).

Continuous reinforcement refers to the reinforcement of every occurrence of the desired behavior such as praising an employee for a job well-done or for helping his/her peer. This schedule can be very helpful in the early stages of learning new types of behavior, because every desired behavior attempt by the employee has a pleasurable

consequence for him/her. However, in daily operation of organizations, it may be difficult to reinforce every correct behavior. With a partial reinforcement schedule, the reinforcement is administered only after some occurrences of the correct behavior. Partial reinforcement schedules are more effective for maintaining behavior over extended time periods. It is done through fixed-interval schedule, fixed-ratio schedule, variable-interval schedule and variable-ratio schedule.

The fixed-interval schedule rewards employees at specified time intervals. For example, if an employee demonstrates the correct behavior each day, reinforcement may occur every week such as a monthly gift certificate for a full month of on time attendance. With a fixed-ratio schedule, reinforcement occurs after a specified number of desired behaviors. For example, a sales representative may be awarded with a ticket to a sports or social event for every 20 pieces of products he/she sold.

In a variable-interval schedule, reinforcement is managed at random times that cannot be predicted by the employee. An example would be a random inspection by the manufacturing supervisor of the production floor, at which time he or she praises employees on their hard working. The variable-ratio schedule is grounded on a random number of instances of the desired behavior, rather than on variable time periods. Reinforcement may occur after variable amounts of output.

To conclude, reinforcement theory has important implications for the motivation of employees. It demonstrates that behaviors' of employees that are positively reinforced are likely to be repeated and negatively reinforced are not likely to be repeated. Then, it is possible to motivate employees by reinforcing them each time they perform a desired

behavior. Non-monetary incentives in the form of rewards have a significant role in positively reinforcing the desired behaviors. Social non-monetary incentives such as verbal recognition for a job well-done, feedback on performance, letter of appreciation, public praise, celebration of a work-related success or tangible non-monetary incentives such as a gift certificate, plague or job-related non-monetary incentives such as training opportunity, time-off, job enrichment etc. can easily be rewarded in order to reinforce a desired behavior.

The desired behavior may be coming to work on time, exerting extra effort and time on a task, helping peers, solving a problem, making a good suggestion, innovation, completing a project very well, contributing to the satisfaction of a customer, preventing a potential danger etc. The advantage of non-monetary incentives in that kind of situations is that, it helps to reinforce the desired behavior in a timely manner, following the behavior. Positive reinforcement is much more effective when it comes shortly after the desired behavior is displayed (Nelson, 2001).

While a positive feedback, a pat on the back or a simple "thank-you" can accomplish this immediately; a monetary incentive such as a bonus would take much longer time to award, thus, to reinforce the desired behavior. Therefore, non-monetary incentives are necessary to reinforce the desired behaviors' of employees in public sector in a timely manner and motivate them to repeat those actions.

2.5 Impact of Motivation on Workers Performance

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a

motive," and motivation is defined as "the act or process of motivating". Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment (Shanks.N. H.). According to Butkus & Green (1999), motivation is derived from the word "movee", means to move, push or influence to proceed for fulfilling a want (Kalimullah et al, 2010).

Bartol and Martin (1998) describe motivation as a power that strengthens behavior, gives route to behavior, and triggers the tendency to continue (Farhad et al, 2011). This explanation identifies that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their destinations.

In view of Bedeian, (1993) it is an internal drives to satisfy an unsatisfied need and the will to accomplish. Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at an objective. It is the concluding product of interface among personality behavior and organizational distinctiveness (IRCO). It symbolizes those psychological procedures that foundations the stimulation, route, and determination of deliberate actions that are target oriented (Farhad et al, 2011).

Also motivation is a progression of moving and supporting goal-directed behavior (Chowdhury.M.S, 2007). It is an internal strength that drives individuals to pull off personal and organizational goals (Reena et al, 2009).

Motivation is a set of courses concerned with a kid of strength that boosts performance and directs towards accomplishing some definite targets (Kalimullah et al, 2010). According to Barron (1983), it is an accrual of diverse routes which manipulate

and express our activities to attain some particular ambitions (Rizwan et al, 2010). Porter and miles (1974) proved that the motivation boosts expresses and continues conduct (Khadim et al). The motivation of an individual envelops all the motives for which he selects to operate in a definite approach (Lefter et al). In fact motivation is "inside another person's head and heart" (Khadim et al).

Achievement: This is the motivation of a person to attain goals. The longing for achievement is inherent in everyman, and they are motivated by a goal. In order to attain that goal, they are willing to go as far as possible to achieve it.

Socialization: Socialization motivation is a motivation that influence peer groups, because some workers are willing to do anything to be treated as equal, within a group structure the idea of being accepted among a group in an organization is their motivation for doing certain things.

Incentive motivation involves rewards. These can either be intrinsic or extrinsic. Intrinsic can be termed psychological rewards which the individual enjoys as result of successfully completing the task or attaining his goals. While extrinsic rewards are those that are external to the task of the job such as pay, work condition, promotion, fringe benefits etc. workers who believe that they will receive rewards for doing something are motivated to do everything they can to reach a certain goals.

Fear motivation- when incentives do not work, workers often turn to fear, as punishment will be the next tool to be used. It involves pointing out various consequences if a worker does not follow a set of prescribed behavior, wherein they are given punishments when they disobey certain policies.

Change Motivation: Sometimes, workers do things just to bring about changes within their immediate environment. Change motivation is often the cause of true progress. Workers just become tired of how things are, and thus, think of ways to improve it. The difference types of motivation can be used to improve workers performance in order to achieve an organizational goals and objective.

The dominant model for understanding and predicting whether motivation has an impact on workers performance is expectancy model. Vroom (1960) asserts that the strength of a motivations impact on workers performance are function of three factors: expectancy, instrumentality and valence. Vroom's models highlights the fact that in order for an incentive program to have a strong impact on worker's performance, the worker must believe that effort will lead to performance, that performance will lead to rewards, and that the rewards will be desirable. According to Vroom, a manger who wants to design an effective incentive system must take into account the worker's perceptions along each of these three dimensions.

Other empirical research has shown that the strength of these three factors can impact predict a workers effort and performance level. Mitchell (1997) suggested that if anyone of these factors is weak, the incentive system is not likely to have a meaningful positive impact on their performance. Other researchers such as Milkorich Wigdor & Pearce (1999) conclude that contingent pay has no appreciable impact on workers performance, and it is too early to draw firm's conclusions about the impact of incentives on workers performance.

2.6 Concept of Non-Monetary Inducement

A non-monetary incentive is to reward associates for excellent job performance through opportunities. It includes flexible work hours, training, pleasant work environment, and sabbaticals. The non-monetary incentives desired by employees across generations have done rapid changes. The following table shows the preferences in non-monetary incentives across generations.

Baby Boomers (born between 1946-63	Generation X'ers born between 1964-51	Generation Y'ers (born after 1982)
Retirement planning Flexible schedules Job Training Sabbaticals	Flexible schedules Professional development Feedback Tangible rewards Work environment	Flexible schedules Professional development Feedback Tangible rewards Work environment Attentive Employers Autonomy

Table 1: Preference in Non-Monetary Incentive across Generation.

Thus it is obvious that the demands of the current generation of employees are ever increasing and in current scenario where there is low loyalty to the companies, high attrition rate these demands have to be met reasonably well to attract prospective employees who can perform really well and to retain the employees.

2.7 Assessment Of Non-Monetary Incentives

Various types of non-monetary incentives are as follows:

Flextime

Professional development

Feedback

Tangible rewards

Work environment

Attentive employers

Autonomy

Redesigning of jobs

Retirement planning and others

- **Flextime**

Refers to several arrangements that allow the employee to work a non-traditional schedule. The employee and the manager agree in advance on the hours of work. Flextime is a popular option for good reason-it lends balance to busy lives. Fortunately, flextime also benefits the manager too. Allowing employees to work schedules that best suit their lives results in more productive workers.

- **Professional Development:**

In a broad sense professional development may include formal types of vocational education, typically post-secondary or polytechnic training leading to qualification or a credential required to get or retain employment. Informal or individualized programs of professional development may also include the concept of personal coaching. Professional development on the job may develop or enhance process skills, sometimes referred to as leadership skills, as well as task skills. Some examples for process skills are effectiveness skill, team functioning skills, and 'systems thinking skills'.

Some examples of task skills are computer software applications, customer service skills and safety training. Examples of skills relevant to a current occupation are leadership for managers and training for specific techniques or equipment for educator, technicians, metal workers, medical practitioners and engineers. For some occupations

there is a provision for accreditation tied to "continuing professional education" and proving competence regulated by a professional body.

- **Feedback**

People don't quit organizations, they quit bosses. This can be extended to colleagues too. Improper communication, negative relationship, backbiting etc can lead to inefficiency and counter productivity. To overcome this, organizations are adopting feedback culture. It is the culture where in all the employees are taught the skills of effectively receiving and giving feedback which is the degree to which carrying out the work activities required by the job results in the employee containing direct and clear information about the effectiveness in their job performance. This includes telling each other frankly, honestly and effectively what they think about their behaviour, job performance, ideas, etc.

Employees prefer being told what others think about them directly instead of in the roundabout way and they like being given feedback to self evaluate their performance. They also would like to frankly tell their bosses the various problems and issues faced by them. Feedback is of two types positive and negative. Positive feedback improves the morel of the receiver and negative feedback improves the performance of the receiver.

Poor feedback can reduce morale, the ability to do the job, confidence of employees and can even lead to conflicts between the management and the employees. Hence great care has to be taken while giving and receiving feedback. So when both the

managers and the employees acquire these skills of giving and receiving feedback the feedback culture works out well for the company.

- **Tangible Rewards**

It is important to understand how different groups of employees perceive the total reward package offered by the organization, particularly if the marketing adage 'Perception is Reality' were to be recalled. If the employee doesn't understand the total reward package, how can employee value it? And how can it motivate the employee to perform? Therefore, there is a need to gain an understanding of how managers and employees perceive reward.

- **Work Environment**

Work environment has become a good non-monetary incentive for employees. Present day employees are demanding workplace wherein they can balance the demands of their work and their family lives instead of choosing one over the other. Organizations have also accepted that among many aspirations of employees the demand for a good work environment is quite reasonable. In the era of IT Revolution, most of the IT companies are offering air-conditioned rooms and state-of-the-art furniture for the employees. Restrooms, dormitories, good canteens, washrooms are provided by the organizations to their employees. This increases the morale of the employees and thus motivates them.

- **Attentive Employers**

Employees want their bosses to be their concerns, complaints and be proactive in management rather than waiting for the event to occur. They want recognition for the

work that they do. Employee recognition programmes like “Employee of the month”, even a spontaneous or private “thank you” and other widely publicized formal programs that encourage specific type of behavior and the procedure to attain recognition is clearly defined. In Nichol foods Ltd., a British bottling company there is a different kind of employee recognition programme known as “bragging boards”, where the accomplishments of various individuals and teams are regularly updated. Monthly rewards are giving on the basis of peer evaluation. In another company Applebee’s restaurants, the president herself leaves appreciation notes and voice messages on the employee desks if the employee performs well. Simple things like sending personalized birthday cards, anniversary cards etc.

- **Autonomy**

Employees want to be able to work independently. They do not want someone constantly watching over them and questioning every move. They like to receive their assignments preferable with the time frame required for completion and then have independence to complete the work given the guidelines and framework you have set on their own merits.

- **Redesigning of Jobs:**

This is designing of already exiting routine into more creative or at least not a boring one. Various ways of redesigning the jobs are as follows:

Job rotation

It is the periodic shifting of an employee from one task to another. This ensures that the employee doesn't do the same thing again and again for a considerably long period of time.

Job enlargement

It is the process of increasing the number and variety of tasks that an individual performs results in jobs with more diversity. This increases the scope of the job and makes it more interesting.

Job enrichment

It is the vertical expansion of jobs, increasing the degree to which the worker controls the planning, execution and evaluation of the work.

Job sharing

It is the arrangement that allows two or more individuals to split a traditional 40-hour-a-week job. This promotes co-operation amongst the employees. Telecommuting, it refers to employees who do their work at home at least two days a week on a computer that is linked to their office. There are other ways of redesigning the job which are very similar to the points.

- **Retirement planning and others**

Companies are offering various options with regards to the retirement planning or retirement financial planning. Retirement financial planning refers to a collection of systems, methods, and processes which, in their aggregate, support a family unit's (employee's) desire to achieve a state of financial independence, such that the need to be

gainfully employed is optional. Retirement planning can be considered a limited or simplified form of financial planning addressing only this one purpose, rather than the attainment of multiple concurrent goals (e.g. college funding for children). Two often desired outcomes of retirement planning efforts are:

i. To asses an employee's current state, here specifically to mean a probabilistic assessment of readiness –to-retire given a desired retirement age and lifestyle.

ii. To identify employee decisions or actions to improve readiness-to-retire.

In recent years, producers such as a financial planner of financial adviser have been available to help employees develop retirement plans, where compensation is either fee-based or commissioned contingent on product sale. Such arrangement is sometimes viewed as conflicting to a employee's interest to have advice rendered without bias or at cost that justifies value. Employees can now elect a do it yourself (DIY) approach, given the advent of a large, ever growing body of resources offered by the organization. For example, retirement software tools from the organization in the form of simple calculator, mathematical model or decision support system have appeared with greater frequency. With these options, the employee can choose the one that is best suitable.

Thus organizations are able to motivate their employees by offering flexible retirement solutions instead of common plan which may not be suitable for certain employees. Besides the fore mentioned types of non-monetary incentives which are common to all the employees, it is equally profitable to go further and offer tailor-made incentives to employees for high motivation and better job performance.

2.8 The Assessment of Non-Monetary Incentives Impact on Performance

Non-monetary incentive carry a significant "trophy value" thus continue to reinforce the good performance and behaviours;

i. It provides tangible symbol of achievement and serve as an encouragement to other employees.

ii. Reinforce the association with Sponsor Company and thus increase loyalty.

iii. Provide guilt-free enjoyment of reward thus increases the motivating impact.

iv. Both extrinsic and intrinsic motivators; provide strong emotional appeal to participants' personal wants and interests.

v. Carry a higher perceived value because of the increased emotional attachment; therefore, stimulate performance better than cold cash.

vi. Can be attached to a particular behavior thus stimulating a specific response in a long term.

vii. Participant's family is involved in selecting and sharing awards thus multiplying the emotional value of the reward and its impact on the participant.

viii. Provide a 3-to-1 return on investment compared to cash. On average, cash programs cost 12 cents per incremental dollar netted by increased performance, versus 4 cents per dollar for non-cash programs.

ix. Do not become an expected part of an employee income or an entitlement; always seen as a reward for a particular accomplishment or performance.

Based upon the fore mentioned factors it can be observed that the minimum level of monetary compensation, employees are more and more interested in non-monetary incentives i.e., tangible rewards rather than the cash rewards.

2.9 Theoretical Framework

Several theories were used to explain the concept of motivation. However, the study is based on the two-factor theory of Fredrick Herzberg.

According to Herzberg (1956), there are two different sets of factors affecting motivation and work; this led to the two factor theory of motivation and job satisfaction. The first factor is referred to as the hygiene or maintenance factors, while the second factor is referred to as the motivators or growth factor.

On the one hand, the hygiene or maintenance factors, are those which if absent, cause dissatisfaction and they are related to the job context, because they are concerned with job environment and extrinsic to the job itself. The factors also serve to prevent dissatisfaction. On the other hand, the motivators or growth factors are those which if present serve to motivate the individual to superior effort and performance. These factors are related to job content of the work itself and the strength of these factors will affect feelings of satisfaction or no satisfaction, but not dissatisfaction.

One of the criticisms as regards Herzberg's theory is that the theory is methodology bound, that is, the critical incident method and the description of events giving rise to good or bad feelings influences the results because people are more likely to attribute satisfying incidents at work i.e. the motivators while the dissatisfying

incidents i.e. the hygiene factors are more likely to be attributed to external influences. Despite such criticism, there is still evidence of support for the continuing relevance of the theory. According to (Crainer & Dearlove, 1985).

Herzberg's work has had considerable effects on the rewards and remuneration packages offered by organizations because there has been an increasing trend towards benefits in which people can choose from a range of options. Furthermore, he stated that Herzberg's work has draw attention to the importance of job design in order to bring about job enrichment, self-development and self-managed learned.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The word research can simply be defined as the process of arriving at the dependable solution to the problem through a planned and systematic collection, analysis and interpretation of data (Osuala: 1993).For any research conducted to yield the desired outcome of carrying it out,its methodology and instrument of data collection must be effective.

3.2 Research Design

Research design according to Asika (2000:27) means the structuring of investigation aimed at identifying variables and their relationships to one another.

Avwokeni (2000:94), defines it as- a research design is a plan of action on how the researcher questions of a study will be answered or put differently, a plan of action on how the proposed hypothesis will be tested. From the exposition so far, it is obvious that a research design is a framework or plan that is used as a guide in collecting and analyzing the data for the study.

However, which research design to adopt is dependent on the nature of the study itself. Due to the exploratory and explanatory nature of this study the researcher adopted the quasi-experimental or survey design and particularly, the cross-sectional survey design.

This design is informed by the fact that requisite data is generated by personal interviews and through questionnaire administered to a select few sample of respondents

from three branches – Abuja, Lagos and Port Harcourt offices of the NCC who are considered more predisposed and knowledgeable about the reward systems and their effects and likely relationship with employee productivity.

3.3 Population of Study

The population of this study encompasses all employees of the Nigeria Communications Commission (NCC) cutting across almost all the states of the federation.

This population size is 5,400 as given by the head of administration of the commission.

3.4 Sampling/Sample Size of Study

A combination of sampling techniques were adopted to get the sample size first it was the branches from which the samples were selected – Abuja Lagos and Port Harcourt. These branches were judgmentally selected due to convenience and ease of accessibility to information by the researcher. The researcher has friends in these branches some of which are contemporaries of the researcher.

Membership of the sample size was however, randomly selected thereby giving each employee of the chosen branches equal opportunity of being selected (probability sampling).The sample size is 372.

Yard's (1973) Formula i.e.

$$n = \frac{N}{1 + N(e)^2} \qquad \frac{5400}{1 + 5400\ (0.05)^2} = \underline{372}$$

Where

n = Sample size

N = Finite population

e = Level of Significance = 5% or (0.05)

1 = Constant

3.5 Method of Data Collection

The data needed in this study was sourced both from primary and secondary sources. Primary data was sourced by means of personal interviews held with some receptive respondents a few anyway and through questionnaire administered too. Secondary data on the other hand were generated from text books, internet, unpublished thesis; performance appraisal (yearly) charts of employees to mention but a few.

The questionnaires were distributed to two homogenous though district groups of respondent made up of Abuja, Lagos and Port Harcourt branches. However, section C of the questionnaire was exclusively reserved for management cadre of employees. The reason is that they are more informed in the policies relating to employee motivation in the light of enhancing their performance. Besides, they alone can appraise employee performance and do have records over time concerning non-monetary incentives implementation and its attendant effect on employee output.

The questionnaire are designed to include structured (close ended) and unstructured (open ended) questions. They are further grouped into sections A, B and C. Whereas, section A strictly contains respondent's personal data, B has questions that generate data useful for the analysis of the research questions stated in chapter one and C

generates assessments of employee performance and percentage (%) contribution of each non-monetary incentives employed by NCC.

A total of 372 questionnaires were distributed between Abuja 120, Lagos 130, and Port Harcourt 122. Respondents were given a period of four weeks (one month) to attend to the issues raised in the questionnaire and to return same to the researchers representative in the offices. Indeed, after four weeks, the questionnaire were retrieved though a few could not be retrieved.

3.6 Method of Data Analysis

Both descriptive and influential statistical methods were employed in the analysis of data generated. Due to the nominal and interval nature of data requisite for the analysis of the research questions, they were analyzed using simple percentages (%) and by calculating means which are presented in tables for easy appreciation. However, the ratio data which were secondary (historical data), were analyzed using regression analysis facilitated by Ms-Excel software (Data analysis tool pack).

The use of regression analysis was informed by the need to establish the linear relationship that existed between X (independent) variable – average % contribution of non-monetary incentives and Y (dependent) variable – average % performance of employee. All of which were for the periods 2005-2011. Besides, the regression analysis would also allow for the predictability of the dependent variable due to manipulations (changes) in the independent variable. Consequently, the regression analysis is used also to either, accept or reject the null hypothesis.

3.7 Measurement of Variables

The regression analysis is based on the assumption that the variables have a linear relationship. Consequently, the summarized reports of Average % of employee performance (Y) and average % contribution of non-monetary incentive to employee performance (X) are paired.

The linearity of the variables is assessed by a XY, scatter graph to ascertain whether the relationship is positive, negative, etc.

In the XY, scatter plot, is inserted a line to best fit using least-square technique so as to minimize errors (residual) – squared deviations between plots on the line and plots out of the line. This line is the regression line given as:

$Y = a + b x$

Where Y = Employee performance (Dependent Variable)

X = Non-monetary incentives (Independent Variable)

a = Y-intercept-constant

b = Stage (Gradient) or the measure of the rate of change of Y due to changes in X.

Using Ms-Excel, a and b will be found hence Y, also can be deduced. Other valuable indicators of the analysis useful for inference such as the; P-Value, Standard Error and R-Square also known as the coefficient of variation are all calculated using the software.

Consequently, R-Square (coefficient of variation or determination explains in percentage the extent to which changes in the dependent variable are explainable by the

independent variable; P-value is a measure of observed significance level which is a basis for deciding whether or not to reject the "null" hypothesis.

The P-values are two of which the P-value of the Y-intercept is of no consequence. It merely explains what happens to the dependent variable when no incentive by way of non-monetary is implemented. The second P-value is the crucial one which indicates how significant is the predictor of the dependent variable. A measure of the overall significance of the model is F (Factor) value which is in the ANOVA (analysis of variance) table.

The ANOVA table, under 'sig' also tells is the overall model is significant of not.

Decision rule: To establish significance therefore, is:

If P-value < 0.05 alpha-level,, reject the null hypothesis which implies acceptance of the alternate hypothesis.

For the Standard Error, which is a measure of the goodness of fit of the regression line, can also be red from the summary output of the regression statistics. The standard error is what measures the variability of the scatter around the regression line so as to determine the reliability of the estimate. Consequently, the smaller the estimate, the more dependable the prediction will be.

Besides measurement of relationship over time of the variables and ascertaining the predictability of the dependent variable using regression analysis, the extent to which incentives have enhanced employee productivity, is analyzed by computing the mean of response options which were scored on a 5 point likert scale. This is to enable the

transaction of the responses to data for interpretation. Consequently, the responses were scored as follows:

Very poor extent = 0

Poor extent = 1

Considerable extent = 2

Great extent = 3

Very great extent = 4

With the above scores, a mean score is computed concerning questionnaire item no 5 of section B. The scores are multiplied with the frequency counts per response option to ascertain the weighted average score per response option. They are then summed and divided by total number of respondents to arrive at the mean score. This data (interval data) generated via a likert scale is interpreted with respect to the response options via the scores. That is the mean score calculated is compared to the response scores to conclude the extent to which employees consider non-monetary rewards as enhancing their productivity in the organization.

3.8 Reliability and Validity of Research Instrument

Validity, which is the extent to which a research instrument is able to generate requisite data, was ensured in this study in terms of content and construction of questionnaire this was particularly buttressed as the instrument was submitted to the researcher's supervisor for his own comments, contributions and final approval before they were administered to respondents. This was to ensure that the instrument was properly designed in terms of wording, coding and classification to mention but a few,

the aim of which is to ensure that desired data is obtained and the respondents understood the questions asked.

Besides, reliability which is a function of how consistent a measurement instrument, as been able to measure a variable was established via test-re-test. A sample of respondents (20), ten (10) from Abuja and five (5) each from Lagos and Port Harcourt to include management and employee were at different times made to respond to same question at a space of eight (8) weeks so as to determine the effectiveness of the instrument in generating the desired data. With this, it was certain that the level of bias was greatly reduced if not completely eliminated.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Questionnaire Administration and Response Rate

A total of three hundred and seventy two (372) copies of questionnaire were issued and administered in the three branches. However, not all questionnaires were retrieved. The table below shows the response rate between the three branches of the 372 questionnaires, 230 were completely filled and returned to the researcher representing a response rate of 61.83% as shown in the table below:

Table 4.1: Questionnaire Response Rate

Branches	**Copies Distributed**	**Copies Retrieved (%)**	**Copies Not Retrieved (%)**
Abuja	120	90 (24.19%)	30 (8.06%)
Lagos	130	80 (21.50%)	50 (13.44%)
Port Harcourt	122	60 (16.13%)	62 (16.67%)
Total	**372**	**230 (61.82%)**	**142 (39.17%)**

Source: Survey Data, 2012

4.2 Data Presentation and Analysis

In this sub-section the responses to the research questions are presented and analyzed using frequency counts and percentages as follows:

4.2.1 Analysis of Research Questions

Respondents were asked whether or not, there are functional non-monetary incentives in NCC. The responses are presented in table 4.2 below

Table 4.2: Availability of Functional Non-Monetary Incentives In NCC

Response Option	Frequency Counts/Rates			
	Abuja (%)	**Lagos (%)**	**Port Harcourt (%)**	**Total (%)**
Yes	88 (38.26)	80 (34.78)	58 (21.74)	226 (98.26)
No	2 (0.87)	- (0)	2 (0.87)	4 (1.74)
Total	**90 (39.13)**	**80 (34.78)**	**60 (22.61)**	**230 (110)**

Source: Survey Data, 2012

From the table above, it is evident that 98.29% representing a total of 226 respondents of total responses of 230 respondent to the fact that there is functional non-monetary incentives in place in the organization. However, only 4 respondents representing 1.7% of total respondents are not sure of the existence as they opted for NO as their response option – implying the non-existence of functional non-monetary incentives in the organization.

Besides, respondents were also asked to know how existing non-monetary incentives have affected or enhanced employee productivity in the organization. The responses are presented and analyzed in table 4.3 below:

Impact of Existing Non-Monetary Incentives on Employee Performance

Response Option	Frequency Counts					
	Abuja	**Lagos**	**Port Harcourt**	**Total (F)**	**Score (X)**	**Weighted Score (FX)**
Very Great Extent	30	15	5	50	4	200
Great Extent	30	25	20	75	3	225
Considerable Extent	30	30	25	85	2	170
Poor Extent	0	5	10	15	1	15
Very Poor Extent	0	5	-	5	0	0
TOTAL	**90**	**80**	**60**	**230**	**-**	**710**

Source: Survey Data, 2012

From the table above, the mean score X can be calculated as follows:

$$X = \frac{\Sigma FX}{EF}$$

$$= \frac{710}{230} = 3.08$$

Comparing the mean score with the likert scores, 3.08 lies between great extent and very great extent.

It is infact, approximately equal to 3 which is corresponding to the likert scale response option, great extent. We therefore conclude that non-monetary incentives have enhanced employee productivity to a great extent in the organization.

4.2.2 Test of Hypothesis

To ascertain the relationship between the variables, records showing rating (%) of employee productivity (output), Y which is the dependent variable for the years 2005 – 2011 and % contribution of non-monetary incentives, X assessed during the same periods by management were paired for all three branches. The average ratings of employee output per period of the three branches and average % contribution of non-monetary incentives per period for the three branches were then calculated, paired and a regression analysis executed using Ms-Excel software, analysis too pack. The tables below show summary results of both average % contribution of non-monetary incentives and average % performance of employees respectively.

Table 4.4: Average % Contribution Of Non-Monetary Incentives

Year	Abuja (%)	Lagos (%)	Port Harcourt (%)	Average %
2005	40	45	45	43.33
2006	40	45	40	41.67
2007	45	50	50	41.67
2008	50	50	60	48.33
2009	65	55	65	53.33
2010	65	60	70	61.66
2011	70	70	75	71.67

Source: *Non-monetary Incentive implementation rates record for 2005-2011 by Management.*

Table 4.5: Average % Performance Or Task Or Goal Accomplishment During The Period **2005 - 2011**

Year	Abuja (%)	Lagos (%)	Port Harcourt (%)	Average %
2005	18.33	17.08	15.83	17.08
2006	18.75	17.08	18.75	18.19
2007	20.00	18.33	18.75	19.02
2008	20.83	19.77	19.58	19.86
2009	21.67	19.75	21.25	20.89
2010	22.92	22.50	22.08	22.50
2011	24.17	23.47	22.50	23.47

Source: *Employee Performance Appraisal rates summary for 2005 – 2011 from Management*

Table 4.2.4: Pairs of XY Values for the Years 2005 - 2011

Years	X	Y
2005	43.33	17.08
2006	41.67	18.19
2007	48.33	19.02
2008	53.33	19.86
2009	61.66	20.89
2010	65.00	22.50
2011	71.67	23.47

Source: Summarized from tables 4.4 & 4.5 above

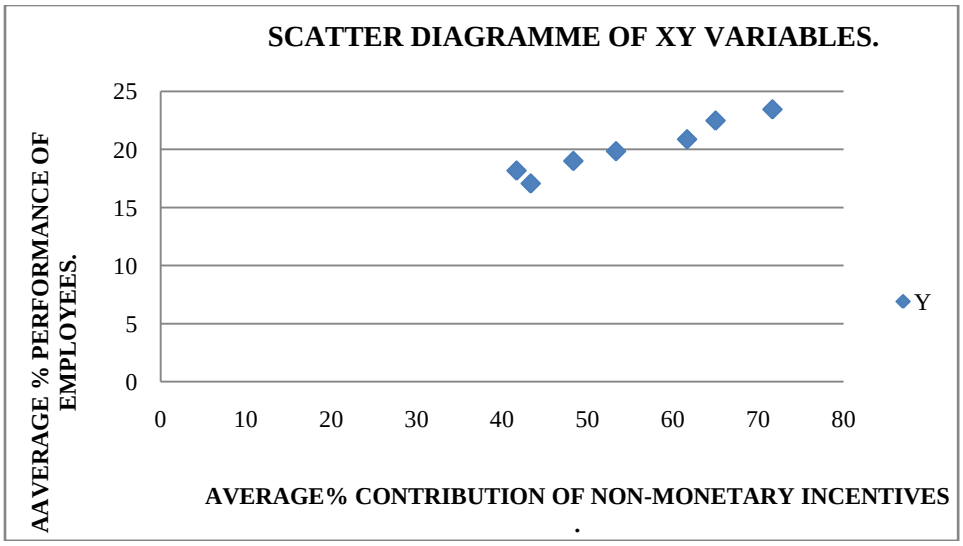
The following tables show the summary results from the regression analysis using Ms-Excel.

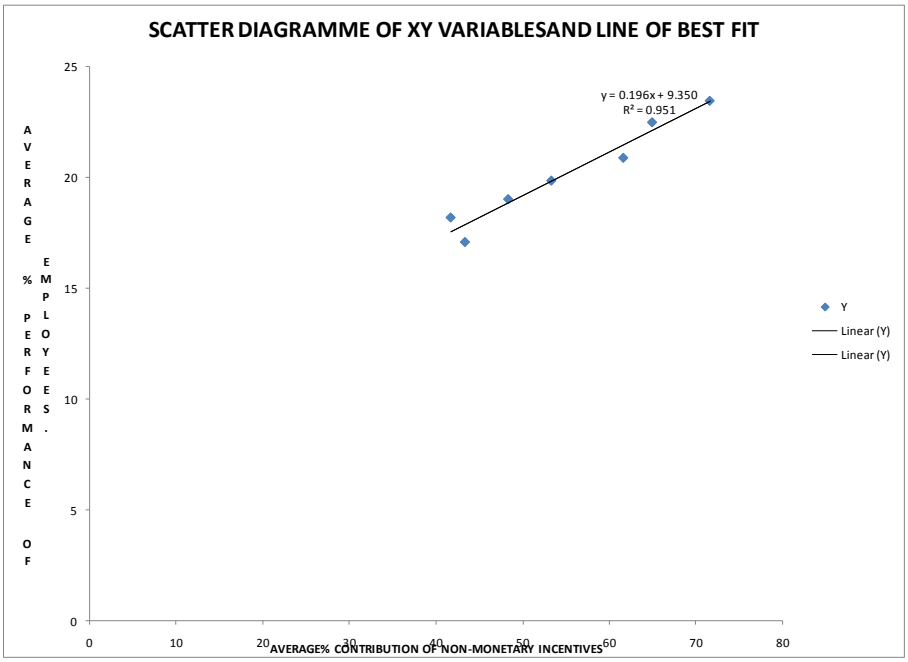
Summary Output

Regression Statistics	
Multiple R	0.975331384
R Square	0.951271309
Adjusted R Square	0.941525571
Standard Error	0.55599693
Observations	7

ANOVA	
	df
Regression	1
Residual	5
Total	6
	Coefficients
Intercept	9.350424606
	0.196257118

RESIDUAL OUTPUT	
Observation	*Predicted Y*
1	17.85424552
2	17.5284587
3	18.83553111
4	19.81681669
5	21.45163849
6	22.10713726
7	23.41617223





From these tables above, the coefficient is 0.1963 which implies that for each additional non-monetary incentive implemented by the organization, the performance of employees will increase by an average of 0.1963 or 19.63%

The intercept is = 9.3504. This is the point at which the regression line and the Y-axis (dependent variable) intersect. That is at zero non-monetary incentives, employees performance would be approximately be an average of 9.3504% 93.50%. The regression equation, Y = a + b x

Y = 9.3504 + 0.1963 x

Where Y = Employee Performance

a = Intercept (Constant)

b = Slope (Gradient)

x = Non-Monetary Incentives

Besides, the fact that the variable are linearly related is evident, R^2 (Coefficient of variation) is 94.15%. this implies that 94.15% of variations in the dependent (Y) variables are explained by the independent variable (X).

A standard error of 0.56 is relatively small to conclude that the line of best fit is indeed minimal of errors with P-value of 0.0002 at an (alpha) -level of 5% or 0.05; that 95% confidence interval; P-value < 0.05, therefore, necessitating the rejection of the null hypothesis.

We therefore conclude that, there is significant relationship between employee performance and implementation of non-monetary incentives. From the ANOVA table a significant value of 0.0002 which is less than alpha value of 0.05 also implies that the overall model is significant.

4.3 Discussion of Findings

The study revealed the fact that the Nigeria Communications Commission do really implement non-monetary incentives as a strategy amidst others to motivate her employees towards enhancement of their performance. The reason for and adoption of motivational strategies to enhance employee performance is in consonance with several authorities disposition that motivation brings about desired behavior directed at goal getting (Farhad et al; 2011, Chowdhurry M. S. 2007 and Kalimullah et al, 2010). This disposition was buttressed by the agreement of employees to the fact that non-monetary incentives have actually affected their performance (productivity) to a great extent.

The study revealed the fact that non-monetary incentives are positively correlated to employee performance. However, implementation of non-monetary incentives in the organization was not without complaint. Personal interviews held with some receptive respondents reveal the fact that, the strategy was skewed to favour particular cadre of personnel rather than all. Particular facilities were provided for only a group of personnel rather than all personnel. Besides, it was found that rather than promote employees based on merit (performance), promotions were conducted on the basis of **"connections"**.

That is your relationship with the head of administration and human resources affects you likelihood of being promoted. Consequently, motivation in this instance is unjust and unfair. This is not in line with the suggestions of Omoile (2005) whose five point consideration in Randling reward liked performance includes reward fairness amongst others.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

This study is premised on ascertaining the effect of non-monetary incentives on employee productivity and the predictability of performance due to non-monetary incentive changes. Consequently, related literature permitting the conceptualization of non-monetary incentives, their types and several motivational theories were discussed in chapter two. In chapter three the research methodology applied in generating requisite data and how some data is analyzed was discussed.

However, in chapter four, data generated were presented and analyzed using simple percentages (%) and by calculation of means of which were further presented in tables for easy appreciation. However, the hypothesis was analyzed using regression analysis so as to establish linear relationship exiting between the variables and the predictability of the dependent variable due to manipulations of the independent variable.

5.2 Conclusion

Due to the finding reached in the course of this study, the following conclusions are considered pertinent.

i. The Nigerian Communications Commission do have a functional non-monetary incentive system in place.

ii. Employees claim that non-monetary incentives have greatly affected their performance at work.

iii. That between employee performance and non-monetary incentives is a positive linear relationship.

iv. The linear relationship between employee performance and non-monetary relationship is significant.

v. That there are several non-monetary incentives in operation in the organization.

vi. Personal interviews revealed a skewed reward on non-monetary incentives favouring senior cadre of employees most.

vii. Interviews also revealed employees dissatisfaction (unfair) promotions to some employees. They suggested promotions should be based on performance.

5.3 Recommendations

Based on the conclusion reached, the following recommendations are made:

i. That including existing non-monetary incentives in operation, management should find out particular non-monetary incentives that are motivation rather than employ a blanket range of non-monetary incentives some of which do not actually motivate the employee.

ii. Non-monetary rewards or incentives should be implemented in the organization without prejudice. No particular cadre should be given preference against the other.

iii. Besides, rather than promote employees based on sentiments such promotions should be centered on employee performance.

iv. Finally, incentives (non-monetary) concerning safety, health and welfare schemes should be adhered to which the researcher observed were not given due diligence in the organization.

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APENDIX A
QUESTIONNAIRE

Faculty of Administration,
Department of Business Administration
Ahmadu Bello University,
Zaria.

Dear Respondent,

LETTER OF INTRODUCTION

I am an MBA student of the above named Institution, conducting a research work on the ***Assessment of the Impact of Non-Monetary Incentives on Performance. A study of NCC.***

I hereby appeal for your assistance in supplying the information required in this questionnaire. Any information supplied would be strictly used for the purpose of the study.

I shall be delightful if you respond appropriately.

Thank You.

Yours faithfully,

Maryam Sani
Researcher

SECTION A:

Personal Data

Tick √ in the appropriate box and fill correctly in the spaces provided in this section.

1. Sex: Male: ☐ Female: ☐

2. Age: 20-29: ☐ 30-39: ☐ 40-49: ☐ 50-59: ☐ 60 and above ☐

3. Period of Service: 0-5yrs: ☐ 5-10yrs: ☐ 10-20yrs: ☐ 20-30yrs: ☐

4. Marital Status: Single: ☐ Married: ☐

5. Designation: Clerk: ☐ Junior Staff: ☐ Senior Staff: ☐ Supervisor: ☐

   Manager: ☐ Others: ☐

6. Educational Qualification: FLSC: ☐ 'O' Level: ☐ NCE/ND: ☐

   HND/B.Sc: ☐ M.Sc: ☐ Ph.D: ☐

7. Branch: Lagos: ☐ Ibadan: ☐ Kaduna: ☐ Abuja: ☐ Enugu: ☐ Others: ☐

8. Department: _____

SECTION B:

Questions Generating Data for Analysis of Research Question

1. Other than money, does your organization employ non-monetary incentives to motivate employees? Yes: ☐ No: ☐

2. Do you consider the non-monetary incentives applied by your organizations as being functionally practiced yearly? Yes: ☐ No: ☐

3. Which of these non-monetary incentives have your organization employed over time? ***Please tick*** ☐√ ***appropriate***

Non-monetary Incentives

a.	Flexible work hours	Yes: ☐	No: ☐
b.	Career advancement opportunity	Yes: ☐	No: ☐
c.	On-job training	Yes: ☐	No: ☐
d.	Promotion	Yes: ☐	No: ☐
e.	Well equipped office	Yes: ☐	No: ☐
f.	Health care	Yes: ☐	No: ☐
g.	Free bus services	Yes: ☐	No: ☐
h.	Leave	Yes: ☐	No: ☐
i.	Off-days	Yes: ☐	No: ☐
j.	Break hours	Yes: ☐	No: ☐
k.	Retirement benefits	Yes: ☐	No: ☐
l.	Public holidays	Yes: ☐	No: ☐
m.	Job security	Yes: ☐	No: ☐
n.	Coffee hour	Yes: ☐	No: ☐
o.	Job rotation	Yes: ☐	No: ☐
p.	Free launch hour	Yes: ☐	No: ☐

4. Do you think your department/organization has recorded improvement on productivity due to these incentives? Yes: ☐ No: ☐

5. If yes to question 4 above, please assess the extent to which you think that these incentives have enhanced employee productivity? Please tick ☐√ as appropriate on a 5 point likert scale.

		Scale
Very Great Extent	☐	4
Great Extent	☐	3
Considerable Extent	☐	2
Poor Extent	☐	1
Very Poor Extent	☐	0

6. If No to question 4, please state any reason or reasons. _____
_____
_____
_____
_____

7. Please state how employee productivity has been enhanced due to non-monetary incentives employed in your organization _____
_____
_____
_____
_____

SECTION C:

Performance Assessment Of Employee/Assessment Of % Contribution Of Non-Monetary Incentive Over Time (Years)

1. Please assess the % contribution of non-monetary incentives to employee performance during the periods 2005-2011

S/N	Incentives	% Contribution to Performance						
		2005	2006	2007	2008	2009	2010	2011
1.	Flexible work hours							
2.	Career Advancement Opportunity							
3.	On-job training							
4.	Promotion							
5.	Equipped office							
6.	Health Care							
7.	Free bus services							
8.	Leave							
9.	Off-days							
10.	Break hours							
11.	Retirement benefits							
12.	Public holidays							
13.	Job security							
14.	Coffee hour							
15.	Job rotation							
16.	Free lunch hour							

2. Please assess employee performance rate (%) during the periods 2005-2011

Year	**%** *Performance*
2005	
2006	
2007	
2008	
2009	
2010	
2011	