

Effect of Employees' Nonmonetary Motivational Factors on Job Performance in Public Institutions: A Case of Arusha City Council, Tanzania

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Abstract: The study was carried out to examine the effect of employees' nonmonetary motivational factors on job performance in Arusha City Council. This study used quantitative approach and descriptive survey design was used as research design. Simple random sampling method was used in this research to guarantee fair representation and widespread results for the general population. The type of data collected was primary data and the collection tool was a self-administered questionnaire given to selected sample respondents from Arusha City Council. Data was analyzed and presented in tables and figures with the help of descriptive analysis under SPSS version 25. The findings revealed positive relationship between Recognition and Rewards and Job Performance. The findings showed positive relationship between Job Security and Job Performance. Also, the study unveiled that there is significant relationship between Training and Job Performance. This study recommends that Tanzania's government formulate labor policies to ensure that employees in the organizations for which they are working are treated with utmost importance and to address their requirements not only for money, but also nonmonetary by their organizations, which recognize them and allow their autonomy.

Keywords: Rewards, Recognition, Job Security, Training, Job Performance

I. INTRODUCTION

Motivation is energizing and is the big explanation that any living creature, including human beings, is relocated. Since motivation would keep employees firmly and joyfully committed to their activities. The existence of motivational variables in those organizations is one of the reasons why workers and thus businesses thrive.

The motivation concept describes the difference between workers with the same abilities, expertise and resources to operate in a particular organization under the same circumstances and trained to succeed in a different manner. Such workers do their work in such a way that comparatively more attempts need to be made to attempt to do the job they are asked to do^[1]. Improved efficiency is also guided by the company's motivated workers^[2].

The understanding of the motivational factors that contributes to improved workforce performance will enable tailored techniques for continuous improvement to be applied^[3]. Bolman & Deal (2018) found that if employees are unhappy with their jobs, their performance will be decreased and that behaviour, such as absenteeism, resistance and actions that impair their success, which would lead to loss of productivity and efficiency in the organization^[4].

Performance is considered to be related with the concepts of ability, opportunity, and motivation^[5]. Motivation is the desire and ability to do so. Where other criteria are met Incentive really does increase results. It has an advantage over the others, though, that while chances and willingness to improve stagnant and difficult for the workers, morale can be improved by some means. It is also evident that the ability to succeed would not yield the necessary outcomes in case of lack of potential and opportunity. Motivated workers work actively and creatively to fulfil the goals and priorities of the company.

As a result, one of today's companies' biggest obstacles is to maintain consistently motivated workers. Many studies have found that praising workers are one of the best ways to empower employees. Motivators for the work place are split into monetary and nonmonetary rewards. When it comes to monetary incentives, private companies are deemed to have more capability in terms of finance resources to motivate their employees than the public organizations. Nonmonetary incentives promote employees' excellent job performance through opportunities^[6]. Nonmonetary incentives and rewards give workers self-appreciation and personal recognition, including a friendly atmosphere, flexible working hours, training, new and difficult opportunities, perks such as free phone calls, free transportation, bonus benefits for outstanding staff, pension, free lunch and health insurance. These benefits are often referred to as rewards, because they satisfy the internal needs of the employee such as appreciation, self-esteem and fulfilment.

1.1 NEED FOR THE STUDY

In the Arusha City Council workers are driven by incentives like any other organization. The business needs to reward its workers for creating a competitive atmosphere that is successful. This is one of the essential to high job performance for organizations. Some workers have strong monetary incentive and some have nonmonetary incentives such as gratitude, praise and recognition (Diyego, 2017). However, effect of employees' nonmonetary motivational factors on job performance in Arusha City Council is not well understood and this was the force of this study. This research work aimed to ascertain the practice of nonmonetary motivational factors in the Arusha City Council and its effects over employees' job performance. The findings will provide valuable insight on this problem filling the existing knowledge gap.

II. OBJECTIVES OF THE STUDY

The general objective of this study was to examine the effect of employees' nonmonetary motivational factors on job performance in Arusha City Council. Specific objectives of this study were;

- i. To assess the effect of recognition and reward programs on job performance at Arusha City Council
- ii. To investigate the effect of job security on job performance at Arusha City Council
- iii. To determine the effect of training on job performance at Arusha City Council

III. LITERATURE REVIEW

This chapter provides the literatures review from different studies in order to capture ideas which guided the development of this study:

Maslow Hierarchy of Needs Theory

Maslow's (1943) hierarchy of needs proposes that individuals must fulfil their lower-order needs (basic needs such as water and housing, safety, belonging, and esteem) before being motivated to fulfill the higher-order need for self-actualization^[7]. Normally, the theory of needs developed by Maslow is always captured in a pyramidal shape in which the basic needs are situated at the bottom while the higher needs at the top. This portends the order of importance of the needs. Physiological needs are the most vital and widest among them and were placed at the base of the pyramid. An individual goes through the hierarchy beginning with the most basic needs that is physiological needs which include food, air, sleep, shelter, clothing, salaries for employees etc. Such needs are basic and hence absolutely essential to sustain life. Until the physiological needs are fulfilled, the other needs above the hierarchy will not be considered^[8]. This is very important point to note considering that in most organizations most of the lower level employees fall at this level of the Maslow's hierarchy. The second most basic need is for employees to feel safe and secure. Employees who feel insecure at the work place or who feel like are in harm which could be environmentally or mentally will not be in a position to perform their work above expectation. Instead, they get demotivated and this drives them to look for job offers in other companies^[9].

Social Needs refers to the need for friendships, team togetherness, belonging to associations, clubs or other groups and the need to give and get love are all social needs. Employees are concerned on matters of esteem needs which include self-respect, achievement, attention, recognition and reputation. They generally need the feeling that others will think better of them or others will appreciate their efforts at the work place. This is why motivation is crucial to excellent employee performance and when at this level of the hierarchy; it mainly concerns nonmonetary rewards such as recognizing or praising an employee for good performance in presence of the other employees^[9]. Self-Actualization is the highest level of Maslow's hierarchy where people are looking in to their full potential, purpose, truth, wisdom and justice. A very small percentage of employees ever reach this point. In an organization, such individuals are very few and may include top management such as company proprietors and directors. Therefore, the theory was suitable in understanding the effect of employees' nonmonetary motivational factors on job performance in Arusha City Council.

Alderfer's ERG Theory

Alderfer (1989) ERG Theory was developed between 1961 and 1978, during which the theorist empirically tested data to hone the theory's major tenets and published scholarly material^[10]. ERG is a motivational construct concerned with understanding the factors that contribute to individual human behavior. ERG theory groups human needs into three broad categories: Existence, Relatedness, and Growth (ERG). Existence needs combine the physiological and safety needs of Maslow's model such as the need for food, shelter, and safe working conditions. The existence needs are satisfied by material incentives. These needs include the basic survival needs of human beings, needs for physical and psychological safety from threats to people's existence and wellbeing. Relatedness needs include social and esteem needs, which are derived from other people. According to Sarkar (2016) the relatedness needs include relationships with other people, receive public recognition, and feel secure around people^[11]. These needs are satisfied by personal relationships and social interactions. Growth needs consist of a person's self-esteem through personal achievement as well as the concept of self-actualization. These needs are similar to Maslow's self-actualization needs. This need involves persons making creative efforts to achieve full potential in the existing environment. These needs will be satisfied only if an individual involves himself in the activities of the organization and searches for new challenges and opportunities. ERG theory offers a more flexible approach to understanding employee's nonmonetary motivational factors.

IV. METHODOLOGY

This study adopted a case study design which is concerned with describing the characteristics of a particular individual or group^[12]. Arusha City Council was a case study as far as this study is concerned. The study employed a quantitative research approach. According to Creswell (2009), quantitative methods involve the processes of collecting, analysing, interpreting and writing the results of a study using various designs including survey and experimental research design^[13]. The study was conducted at Arusha City Council. The motive for choosing this study area it is because there is allegation that Arusha City Council is not performing better because employees are not motivated. Thus, researcher wanted to carry out this study at Arusha City Council to testify the facts. This study used sample size of 78 respondents.

Primary and Secondary data were collected in this study. Instrument used to collect primary data was a self-administered questionnaire provided to chosen sample participants from the Arusha City Council. This questionnaire was both open and closed-ended and included a list of statements on which participants were requested to freely identify their degree of agreement or disagreement in their respective rooms by using the five-point Likert scale to determine the attitude of assigning points 1,2,3,4 and 5 to terms of strong disagreement, disagreement, neutrality, agreement and strong agreement as in the order of the numbers. Documentary review refers to the review of various materials from sources such as Internet, reports and Policies. For the purpose of this study, the published articles and researches conducted by other researches have been reviewed and secondary data collected.

Data was collected, processed and analyzed using Statistical Package for Social Sciences (SPSS) version 25. Descriptive and Inferential data analysis was conducted. Descriptive analysis demonstrated how recognition and rewards, job security and training affect the job performance. Also, inferential analysis was used to demonstrate the relationship between nonmonetary motivational factors and job performance with aid of correlation and regression analysis.

V. ANALYSIS AND INTERPRETATION

Study findings sought to investigate the relationship between Recognition and rewards, Job Security, Training and Job Performance. The results were as follows;

Table 1: Correlations

		Correlations		
		Recognition Rewards	Job Security	Training
Job Performance	Pearson Correlation	.217	.348**	.640
	Sig. (2-tailed)	.006	.002	.008
	N	78	78	78

Data in table above depict positive relationship between Recognition and Rewards and Job Performance ($r = 0.217$, $N=78$). The findings showed positive relationship between Job Security and Job Performance ($r = 0.348$, $N=78$). The findings show that there is significant relationship between Training and Job Performance ($r = 0.640$, $N=78$).

A linear regression analysis was conducted to effect of employees' nonmonetary motivational factors on job performance in Arusha City Council. Table 7 below shows the results of the model summary showing how much of the variation in job performance (dependent variable) was accounted for by employees' nonmonetary motivational factors (independent variable).

Table 2 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 ^a	.524	.152	7.30422

a. Predictors: (Constant), Training, Job_Security, Recognition_Rewards

Coefficient of determination (r^2) in the model summary explains 52.4% of the independent variables. This implies that independent variables under *Training, Job Security, Recognition and Rewards*, explain only 52.4% of the characteristics of employees' nonmonetary motivational factors that affecting job performance. The coefficient of determination is significant because 47.6% of variations are brought about by characteristics not captured in the independent variables.

Table 3 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	897.940	3	299.313	5.610	.002 ^b
	Residual	3948.021	74	53.352		
	Total	4845.962	77			

a. Dependent Variable: Job_Performance
b. Predictors: (Constant), Training, Job_Security, Recognition_Rewards

In order to test whether the regression model fitted in the data was significant or valid, an ANOVA test was generated. According to the results, the regression model was found to be statistically significant as evidenced by, $F(3, 74) = 77$, $p < .05$.

Table 4.8 above displays the ANOVA results.

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	44.611	6.945		6.423	.000
	Recognition Rewards	.187	.311	-.086	-.601	.049
	Job Security	.588	.195	-.424	-3.021	.003
	Training	.549	.228	.295	2.407	.019

a. Dependent Variable: Job_Performance

Using the results above, we have the regression equation as: $(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \alpha)$

$$Y = 44.611 + 0.187X_1 + 0.588X_2 + 0.549X_3 + 6.945\alpha$$

Whereby Y = Job Performance; X1 = Recognition Rewards; X2 = Job Security; X3 = Training

According to the regression equation established, taking all factors into account with constant at zero, outcomes will be 44.611. Taking all other independent variables at zero, recognition rewards increase Job Performance by 0.187. While Job Security will result in 0.588 increase in job performance and Training to employees will result in a 0.549 increase in job performance. Therefore, this implies that, Recognition and Rewards programmes, Job security training have a positive relationship on job performance at Arusha City council.

VI. RESULTS AND DISCUSSION

Study finding uncovered that there is between Recognition and Rewards and Job Performance ($r = 0.217$, $N=78$). Recognition and Rewards is crucial improving job performance. This is because recognized employees can sustain higher levels of efficiency and give a company an incentive to make more profits. However, recognizing workers regularly can be very costly. Rose (2018) suggests that recognition of workers within an organization contributes to a crucial effect on job performance. If appreciation as a prize is successfully used, it increases the efficiency of workers. In the real sense, employees have often taken recognition as part of what they perceive; it leads to improved work, which in turn leads to better results and the productivity of an organization. Arusha City council should know that employees must not only be recognized and rewarded for their organizational efforts towards the success of a company. If staff move outside their workplace by willingly delivering social services at their local hospitals, contributing annually to their food banks or mentoring college students in order to be able to face up to the rigors, then recognition and reward of these initiatives will lead to making jobs more valued than just being employees.

Findings of this study designed positive relationship between Job Security and Job Performance ($r = 0.348$, $N=78$). These findings are in line with Eline (2016) that employees are satisfied when they have secured job, and this leads to a reduced chance of employee turnover^[14]. Job security assures the retirement safety of workers, which increases confidence in the company that eventually guarantees retention. Employees who no longer feel they can rely on companies for security at work show a higher degree of stress^[15]. Conso (2018) posited that missed targets, poor performances and bad results are a common scenario in cases where the employee believes his job is not secured^[16]. Arusha City Council has to make sure that provision of job security to employees does not avert their performance rather than boost it up.

Findings indicated that there is significant relationship between Training and Job Performance ($r = 0.640$, $N=78$). Training opportunities need to be quickly made accessible to improve job performance and organization effectiveness. This is because learning opportunities permit workers to improve their employment in an organization. Aktar et al. (2017) posited that providing learning opportunities to employees is among ways of attract workers, and thus improve their performances^[15]. This therefore calls for Arusha City Council Authority to ensure employees are supplied with adequate training which will make them technically and socially competent and capable of career development into specialist departments or management positions.

VII. CONCLUSION

Conclusions were drawn on the basis of research objectives. The study concluded that there is positive relationship between Recognition and Rewards and Job Performance ($r = 0.217$, $N=78$), there is positive relationship between Job Security and Job Performance ($r = 0.348$, $N=78$) and there is significant relationship between Training and Job Performance ($r = 0.640$, $N=78$). To elicit the best performance from employees, there is need for some sort of motivation beyond the weekly pay check. At Arusha City Council, Employees who work hard should be recognized and appreciated for their contribution. If this is not achieved, the dedicated worker will quickly seek an organisation that recognize and rewards them for all their wonderful achievements. Workers have needs that a workplace ought to fulfil in order to avoid demotivation or distraction from work. Therefore, Arusha City Council needs to place emphasis on nonfinancial motivators to retain, attract, increase workers' performance, satisfaction and commitment.

Abbreviations and Acronyms (Heading 2)

ACC	-	Arusha City Council
ANOVA	-	Analysis of Variance
df	-	Degree of Freedom
ERG	-	Existence Relatedness Growth
SPSS	-	Statistical Package for Social Science

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