

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF HUMANITIES AND SOCIAL SCIENCES**

**KNUST SCHOOL OF BUSINESS**

**DEPARTMENT OF MARKETING AND CORPORATE STRATEGY**



**THE EFFECT OF MONETARY REWARD ON STAFF PERFORMANCE: THE  
MODERATING ROLE OF EFFECTIVE LEADERSHIP AT THE KOMFO ANOKYE  
TEACHING HOSPITAL, KUMASI**

**BY**

**GORDON DJAN**

**AUGUST, 2023**

## DECLARATION

I hereby declare that this submission is my own work towards the “MBA STRATEGIC MANAGEMENT AND CONSULTING” degree and that, to the best of my knowledge and belief, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

Gordon Djan

(PG3956220)

Signature

Date

Certified by:

Dr. Kwame Ohene Djan

(Supervisor)

Signature

Date

Certified by:

Prof. Ahmed Agyapong

(Head of Department)

Signature

Date

## **ACKNOWLEDGEMENT**

I am grateful to the Almighty God for his grace and mercy throughout the conduct of this thesis.

I would like to thank my supervisor, Dr. Kwame Ohene Djan for his patience, guidance and motivation throughout the study. I also say a big thank you to my family and friends for their prayers and support, both financially and morally. I thank all beloved ones who encouraged and supported me, I am grateful for their well-wishes.



## ABSTRACT

The study aimed at investigating the relationship between monetary reward and staff performance, the moderating role of effective leadership. The sample size of the study was 200 staff from Komfo Anokye Teaching Hospital out of the 350 population size. The study adopted the structured close-ended questionnaire to collect the data from the respondents. The study used the SPSS version 21.0 to analyse the data and presented in tables showing the means and standard deviation. The study revealed that most of the respondents mentioned that the monetary reward packages available at Komfo Anokye Teaching Hospital are bonuses for staff, overtime pay, extra allowances are awarded for extra performance. Again, most of them mentioned that commission is paid to staff in relation to their job performance. Also, majority of the respondents asserted that wage incentives are provided to the staff in addition to the salaries that are paid to the staff. Lastly, they mentioned that, staffs are paid fringe benefits and retirement packages. The study found out that monetary reward in the organisation has a significantly positive effect on staff performance. This implies that the ability for the management of the staff to motivate staff, continuously provide them with monetary benefits such as incentives, paid leaves, and fringe benefits and retirement packages in order to boost their morale to work effectively and efficiently to meet the organisation's set standards. The study finally revealed that, effective leadership in the organisation have a significantly positive effect on staff performance. The moderation analysis revealed that effective leadership moderated the relationship between monetary reward and staff performance.

## DEDICATION

This thesis is dedicated to the Almighty God for giving me the knowledge and understanding to undertake such insightful research. Also, I dedicate this book my parents and my lovely siblings.

# KNUST





## TABLE OF CONTENT

DECLARATION .....	i
ACKNOWLEDGEMENT .....	ii
ABSTRACT.....	iii
DEDICATION.....	iv
TABLE OF CONTENT .....	v
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
LIST OF ACRONYMS .....	x
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.0 Background of the Study .....	1
1.1 Problem Statement .....	4
1.2 General Objective.....	5
1.3 Research Objectives .....	5
1.4 Research Questions .....	5
1.5 Overview of the Methodology of the Study.....	5
1.6 Scope of the study .....	6
1.7 Justification of the Study.....	6
1.8 Organisation of the Study.....	7
CHAPTER TWO .....	8
LITERATURE REVIEW .....	8
2.0 Introduction .....	8
2.1 Conceptual Review .....	8
2.1.1 Staff Performance .....	8
2.1.1.1 Dimensions of Staff Performance.....	9
2.1.2 Concept of Monetary Reward.....	13
2.1.3 Types of Monetary Rewards.....	15
2.1.3.1 Bonuses.....	15
2.1.3.2 Extra allowances.....	15
2.1.3.3 Commissions .....	15
2.1.3.4 Wage incentives.....	16

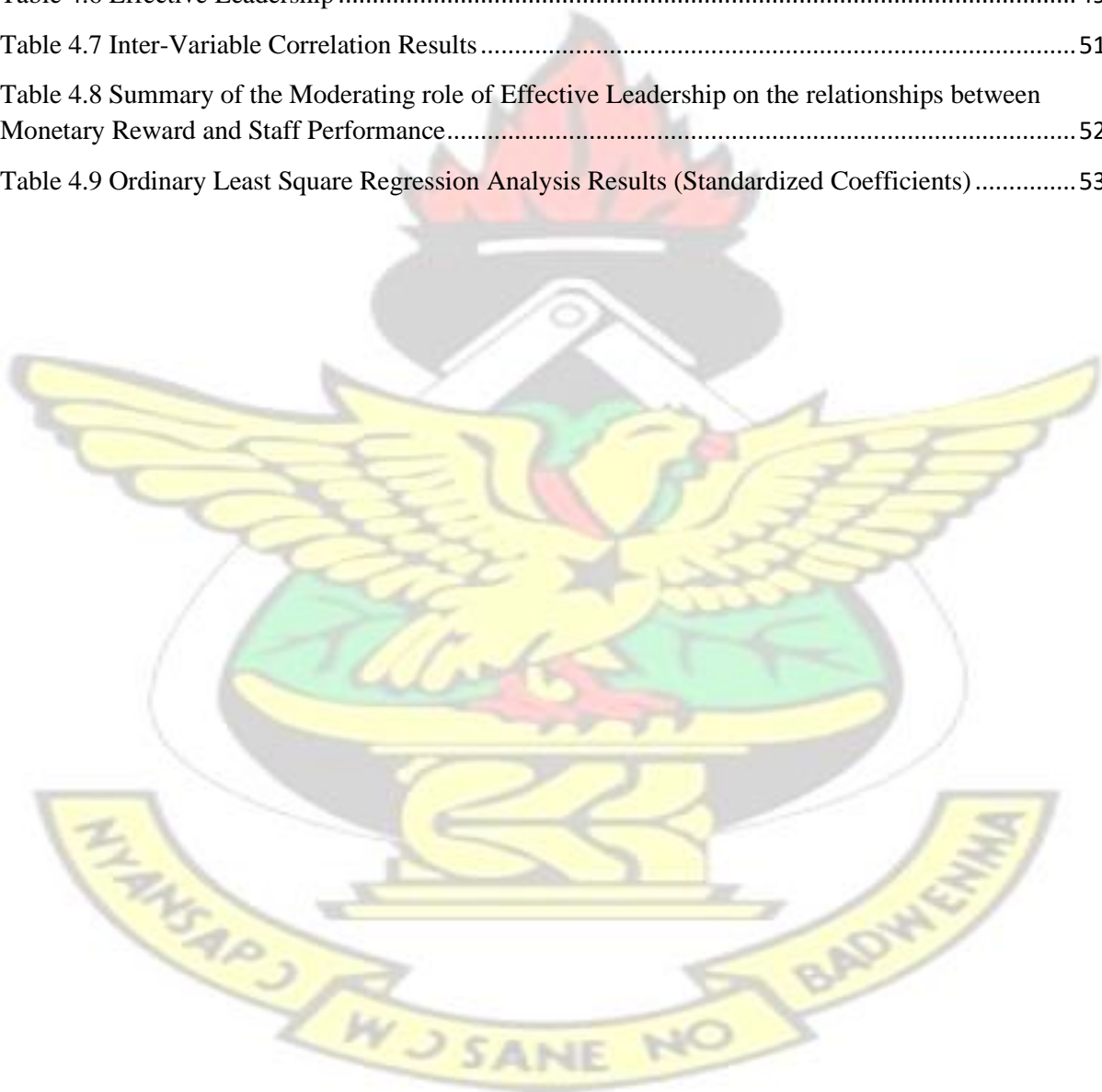
2.1.3.5 Salary raises .....	16
2.1.3.6 Retirement and fringe benefits .....	16
2.1.4 Significance of Monetary Reward .....	17
2.1.4.1 Improving Sales .....	17
2.1.4.2 Building Teamwork .....	17
2.1.4.3 Increased Staff Engagement .....	18
2.1.4.4 Reduced Employee turnover .....	18
2.1.4.5 Improved Employee morale .....	18
2.1.5 Effective Leadership .....	19
2.2 Theoretical Review .....	21
2.2.1 Herzberg two factor Theory .....	21
2.2.2 Expectancy theory .....	22
2.3 Empirical Review on Monetary Reward .....	23
2.4 Hypothesis Development .....	27
2.4.1 Relationship between Monetary Reward and Staff Performance .....	27
2.4.2 H2 The moderating role of Effective Leadership on the relationship between Monetary Reward and Staff performance. ....	29
2.5 Conceptual Framework .....	30
CHAPTER THREE .....	32
METHODOLOGY AND ORGANIZATIONAL/AREA PROFILE .....	32
3.1 Introduction .....	32
3.2 Research Design .....	32
3.3 Population of the Study .....	33
3.4 Sampling Size .....	33
3.5 Sampling Techniques .....	34
3.6 Sources of Data .....	35
3.6.1 Primary Data .....	35
3.7 Data Collection Instrument .....	35
3.7.1 Questionnaire .....	36
3.8 Data Analysis Techniques .....	36
3.8 Reliability and Validity .....	37
3.9 Ethical issues .....	38
CHAPTER FOUR .....	39
PRESENTATION OF DATA, ANALYSIS AND DISCUSSION .....	39

4.1 Introduction .....	39
4.2 Respondents' Demographics.....	39
4.3 Exploratory Factor Analysis.....	41
4.3.1 Exploratory Factor Analysis .....	41
4.3.2 Reliability Test .....	44
4.4 Descriptive Results.....	44
4.4.1 Monetary Reward .....	44
4.4.2 Staff Performance .....	47
4.4.3 Effective Leadership.....	49
4.5 Regression Analysis .....	53
4.6 Conclusion.....	54
CHAPTER FIVE .....	55
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	55
5.1 Introduction .....	55
5.2 Summary of findings.....	55
5.2.2 Effect of Monetary Reward Packages on Staff Performance .....	55
5.3 Implications of the Study .....	56
5.3.1 Theoretical Implication.....	56
5.3.2 Practical Implication.....	57
5.4 Conclusion.....	57
5.5 Recommendations .....	58
5.6 Suggestion for Further Research .....	59
REFERENCES .....	61
APPENDIX.....	65



## LIST OF TABLES

Table 4.1 Demographic Background .....	39
Table 4.2 Exploratory Factor Analysis Results .....	41
Table 4.3 Reliability Test Result.....	44
Table 4.4 Monetary Reward .....	44
Table 4.5 Staff Performance .....	47
Table 4.6 Effective Leadership .....	49
Table 4.7 Inter-Variable Correlation Results .....	51
Table 4.8 Summary of the Moderating role of Effective Leadership on the relationships between Monetary Reward and Staff Performance.....	52
Table 4.9 Ordinary Least Square Regression Analysis Results (Standardized Coefficients) .....	53



## LIST OF FIGURES

Figure 2.1 Conceptual Framework.....	31
--------------------------------------	----

# KNUST



## LIST OF ACRONYMS

MR	Monetary Reward
SP	Staff Performance
EL	Effective Leadership
SPSS	Statistical Package for Social Science
KATH	Komfo Anokye Teaching Hospital



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Background of the Study**

How to motivate people to perform better is one of the main difficulties that most firms, in the private as well as public sectors, confront. The capacity and motivation of the staff members in each company have a considerable influence on the complex phenomenon of organizational performance. The subject of economics is mainly predicated on the idea that rewards for achievement are monetary (Igbaekemem, 2014). In light of the current state of the business world, which is characterized by extreme global competition, incentives are essential prerequisites to obtaining the highest levels of employee input, employee retention, employee dedication, and industrial harmony between the workforce and production concerns. Most people agree that financial incentives have a clear-cut beneficial impact; a sizable monetary reward raises employee productivity. In order to fulfill their demands, workers of a company have reasons and inner desires that they express via their behaviors and efforts in the performance of their job duties (Nnubia, 2020).

Employee motivation is the amount of drive, dedication, and innovation that employees bring to their work. The significance of employee performance cannot be overstated. The commitment and loyalty of an organization's workforce is its most valuable asset, and this may be attained if the workforce receives better compensation and benefits. According to Mehta and Monteiro (2014), rewards are a major priority in efforts to reduce employee unhappiness and boost performance. Even while incentive management has attracted a lot of academic interest, it has mostly focused on industrialized and emerging countries (Theen et al., 2012), with little work being done in developing economies (Agwu, 2013). Numerous strategies for motivating people at work have been created by researchers. Human beings, however, differ

from other people in that they have different needs, backgrounds, convictions, etc., as well as different motivations. Certain employees are given financial, additional, and non-financial incentives. Managers are always looking for methods to inspire people to perform at their highest potential in order to accomplish corporate goals. Employees must be recruited, taught, developed, and, above all, motivated in order to accomplish both personal and corporate objectives since they are an organization's most important resource.

The main principle of the difference, according to Kahn et al. (2020), is that incentives are promised up front whereas recognition is given after the fact. He also asserts that the crucial distinction is that rewards are retroactive while incentives are forward-looking, and that the distinction is required when defining the goal of compensation for performance. Money is often employed in companies and other organizations to maintain an organization's acceptable staffing levels rather than as a primary motivation (Onochie, 2020). Any incentive program for manual laborers should be based on factors that the workers find important and that can be regularly monitored (Onochie, 2020). The motivation to attain one specific goal, like higher volume, shouldn't serve as an incentive to lower other performance requirements like quality. Knowing what motivates a worker the most is crucial since various individuals have different wants and objectives.

A company's success relies on its leadership. It involves convincing people to carry out their assigned tasks willingly, successfully, and competently as previously said (Ponta et al., 2020). A line manager simply cannot function effectively without leadership. The line managers' leadership makes potential a reality. It is obvious across the whole company when there is strong leadership in place. Organizational culture is generated under strong leadership rather than imposed (Ponta et al., 2020). Effective and open communication is present. Everyone has input on how the organization's vision and objectives may be enhanced, and everyone is aware



of them. People give their all for the organization's success because they believe they are an integral part of it (Ali & Anwar, 2021).

The achievement of organizational goals and the enhancement of efficiency are both facilitated by management's important leadership role. In fact, effective leadership is crucial for efficient management. A notable leadership approach places a strong emphasis on fostering an environment where each individual may flourish. It has the power to inspire the group and focus their efforts on attaining their goals. Decisions on the organization's motivating tools are made by the leadership (Igbaekemem, 2014). The extrinsic motivation tools and the internal motivation tools make up the motivational tools. Both of these techniques are quite important for motivating employees to perform at their best, but most often, the employees need to be driven by extrinsic methods, which involves the use of monetary incentives. The manifestation of monetary advantages takes the form of cash elements, such as wages, salaries, and other monetary benefits. The capacity of the leadership to choose the appropriate financial incentives will be a key driver of staff performance in achieving the organization's strategy (Mehta & Monteiro, 2014). To include workers in the organization's objectives and to monitor performance of an individual or a group, the incentive system and organizational leadership are the most successful strategies. The ideal technique is to evaluate and provide a rise in anything; this increase may come in the form of a monetary raise or another kind of acknowledgment. Rewards may have a significant influence on how engaged workers are with the company. According to research, including workers in an organization is a highly complicated process that requires time and the application of appropriate financial incentives (San et al., 2012). Therefore, this research work examined the moderating role of leadership on the effect of monetary reward on staff performance using a case study of Komfo Anokye Teaching Hospital in Kumasi, Ghana.

## 1.1 Problem Statement

Employee incentives that come in the form of money are known as monetary rewards. Some workers are only motivated if there is money involved. The majority of financial incentives are offered depending on an employee's performance. Employees anticipate financial compensation as part of the extrinsic side of the motivating tools in return for the everyday services they provide. In many commercial organizations, there have been a number of issues with the impact of financial incentives on employees' performance on the side of both employees and managers (Imbahale, 2016). These include: a lackluster incentive package that has negatively impacted workers' commitment and productivity; workers' reluctance to perform better because they believe their contributions to their organizations are underappreciated; and management's lack of the necessary expertise to aid in the creation of an effective financial incentive policy.

Many writers (Sittenthaler & Mohnen, (2020); Ponta et al., (2020); Khan et al., (2020) have conducted studies on the impact of monetary rewards on staff performance. They found out that organisations need to motivate the staff with the use of financial incentives in the form of wages and salaries and also increase the salaries of the workers with time to boost their morale. Though these studies have highlighted on many concepts regarding the significant effect that monetary rewards posed to the human resource of the organisation to get the best out of them, but less emphasis have been placed on the power of leadership in deciding on the right monetary packages that are suitable to motivate the workers of organisations to perform effectively and efficiently (Ponta et al., 2020). As a result, it has left a gap for the current literature to fill in order to find out how leadership of organisations moderates the effect of monetary reward on staff performance. Due to the limitations of the previous studies, this study purposes to explore the effect of monetary reward on staff performance, a moderating role of leadership in Komfo Anokye Teaching Hospital (KATH), Kumasi.

## **1.2 General Objective**

The general objective of the study is to explore out how effective leadership moderates the effect of monetary reward on staff performance.

## **1.3 Research Objectives**

1. To identify the monetary reward packages available at KATH.
2. To determine the effect of the monetary reward packages on staff performance levels at KATH.
3. To find out how leadership effectiveness moderates the effect of monetary reward on staff performance in KATH.

## **1.4 Research Questions**

1. What are the monetary reward packages available at KATH?
2. What is the effect of the monetary reward packages on staff performance levels at KATH?
3. How does leadership effectiveness moderate the effect of monetary reward on staff performance in KATH?

## **1.5 Overview of the Methodology of the Study**

The study adopted the quantitative research design. The sample size for the study were 200 core and non-core staff at the KATH hospital out of a population size of 300 staff using the convenience sampling technique. The structured close-ended questionnaire containing 5-point Likert scale was used to collect data from the respondents. The research was conducted in Kumasi, Ghana's Ashanti Region, at the Komfo Anokye Teaching Hospital (KATH). Microsoft Excel and the Statistical Package for Social Science (SPSS) version 21 were used to analyze the data. Means as well as standard deviations were used as descriptive statistics to show the data.

## **1.6 Scope of the study**

The geographical scope of the study concentrated on the Komfo Anokye Teaching Hospital in Kumasi in the Ashanti Region. This location was selected because it was closer to the researcher and therefore enabled the researcher to acquire the relevant information to undertake the study. Also, the contextual scope of the study will concentrate on the monetary reward packages available at KATH and also identify the staff performance level at KATH. Again, the study was to explore the moderating role of effective leadership on the effect of monetary reward on staff performance in KATH. Theories relating to monetary reward were adopted to enable the researcher to acquire information from other literature sources to support the study. The time scope of the study was about 9 months which started from April to January, 2022.

## **1.7 Justification of the Study**

The study will be very useful from three perspectives; that is the contribution to theory, contribution to policy and contribution to practice.

Firstly, the study will contribute to theory in the sense that, the findings of the study will serve as a secondary data to guide other researchers who want to further conduct similar studies on monetary reward. Also, it will serve as a benefit to academia to enable scholar to acquire in depth knowledge on how leadership moderates the effect of monetary reward on staff performance in Ghana.

Secondly, the study will contribute to policy formulation. Aside the study contributing to theory, it will also guide the leadership of different institutions to acquire the bases to formulate strategic policies regarding monetary reward in order to be able to effectively and efficiently motivate the staff to drive them to achieve the set standards of the organisation.



Thirdly, the study will contribute to practice. The findings from the study will enable the leadership of corporate institutions to understand the importance of leadership in the motivation system of the organisation in order for them to put training measures in place to equip the leadership with skills and capabilities that will help them to implement proper monetary policies that will attract and retain talented human capital in the organisation.

### **1.8 Organisation of the Study**

There were five chapters in the research. The study's introduction, aims, and research questions were all included in the first chapter. The study's literature review was presented in the second chapter. It was covered in the third chapter of the research. The study's data analysis and conclusions were presented in the fourth chapter. The overview of the results and the study's conclusion were both included in the fifth chapter.





## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The literature and theories relevant to the concepts under inquiry were reviewed in this chapter. The following topics were discussed: a survey of theoretical literature, a theoretical and conceptual framework, and a case study

#### **2.1 Conceptual Review**

##### **2.1.1 Staff Performance**

The concept of staff performance is seldom and thoroughly defined, making its suitability an unquestionable assumption. Staff performance has remained a widespread occurrence in organization and management research. A critical understanding of performance is necessary to comprehend staff performance. Performance, according to Sihombing, Astuti, Al Musadieg, Hamied, and Rahardjo (2018), is the result that employees obtain in their work depending on specified criteria that are applied for a given task. According to Rivai (2004), performance is impacted by skills, talents, and personal traits and is not independent of work satisfaction and rewards. That is, performance is determined by ability, desire, and circumstance. In a similar vein, Ricardo and Wade (2001) asserted that productivity and performance are two different concepts. Performance is a measure of productivity, consistency, and quality of work, while productivity is the ratio that depicts the amount of work completed within the allotted time. In light of the above, current research has defined employee performance as the tasks that are formally acknowledged as being a part of the work and that advance the objectives of the business (Maamari, & Saheb, 2018). According to Anitha (2014), staff performance is the financial or non-financial result of the staff that is directly related to the effectiveness and performance of the company. In other words, an organization's ability to fulfill its goals depends in large part on how well its employees perform (Pawirosumarto, Setyadi, &

Khumaedi, 2017). If there is a match between job and ability, an employee's desire to do and know the task will be greater, which will lead to better performance (Sihombing, et al., 2018).

A staff must have a specific degree of preparedness and aptitude to do this (Riva, 2008). Performance depends on both ability and motivation, according to Pawirosumarto et al. (2017). As a result, even in the absence of sophisticated HRM methods like pay for performance, employees may be driven to perform to the highest standard (Isa, Ugheoke, & Noor, 2016). In light of the aforementioned claims, it is crucial to comprehend the connection between corporate culture and employee performance.

#### **2.1.1.1 Dimensions of Staff Performance**

Performance is a multifaceted notion, and on a basic level, it may be distinguished from an anticipated result by the process component of performance, which refers to behavioral engagements (Borman & Motowidlo, 1993; Campbell et al., 1993; Roe, 1999). Here, behavior refers to the actions individuals do to complete a task, while outcome refers to the results of a person's work behavior (Campbell, 1990). According to Borman and Motowidlo (1993), behavioral engagement and expected outcomes are related in the workplace, but there isn't yet a complete overlap between the two constructs because the expected outcome is more influenced by factors like motivation and cognitive ability than the behavioral aspect. When completing a task, performance consists of explicit job behaviors, including those that are allocated as part of the job description.

The main factors that facilitate task achievement and are what make it more cognitively demanding are task awareness (necessary technical knowledge or principles in order to guarantee job performance and having the capacity to address multiple assignments), task skill (application of specialized knowledge for carrying out tasks successfully with out much supervision), and task habits (an innate ability to adapt to assigned jobs that either helps or

hinders the performance) (Conway, 2019). Therefore, the ability to complete the work and prior experience are the major indicators of task performance. In an organizational environment, task performance refers to the agreement between management and a subordinate to finish a job that has been assigned to them. There are two types of performance on entrusted tasks: leadership task accomplishment and technical-administrative task completion. Technical-administrative task performance is the term used to describe the necessary work performance that involves arranging, planning, and managing the day-to-day activities utilizing one's technical competence, business reasoning, and other abilities.

Setting strategic objectives, preserving appropriate performance standards, and inspiring and guiding subordinates to complete the work via encouragement, praise, and constructive criticism are all ways that leadership task performance is measured (Borman, & Brush, 1993; Tripathy, 2014). Job performance was defined by Borman and Motowidlo (1997) in the context of task completion as the "effectiveness with which job occupants execute the assigned duties in a manner that realizes the fulfillment of the goals of the company while rewarding both individuals and the organization proportionately." By tying task performance to formal organizational rewards, Werner (1994) summed up earlier theories about task performance. He said that task performance is "the demonstrated skill along with behavior that influences the direct production of goods or services, or any other type of activities that provides indirect supports to organization's core technical processes." According to Hesketh and Neal (1999), adaptive effectiveness refers to a person's ability to adapt to and provide the necessary support for the job profile in a changing work environment. Prior studies (Huang et al., 2014; Pulakos et al., 2000) have shown that employees strive to modify their attitude and behavior to fit the diverse demands of their job positions when they reach a certain degree of skill in the tasks assigned to them.



Employees must be able to cope effectively with unpredictable work situations in order to perform adaptively (Baard, Rench, & Kozlowski, 2014), such as changes in technology, changes to one's primary job assignment, organizational reorganization, and so on. Due to the evolution of several new professions as a result of technology advancement, workers must participate in new learning and become more effective adaptive to change-makers (Griffin, Parker, & Mason, 2010; Hollenbeck, LePine, & Ilgen, 1996). To effectively collaborate with a variety of peers and subordinates in such altered conditions, the workers are also asked to modify their interpersonal conduct. Griffin, Neal, and Parker (2007) said that although job competency may help with task performance, flexibility and proactiveness to one's job role are crucial to deal with unpredictable business settings. To improve workplaces, attempts have been made to determine the importance of non-job-related performance components in addition to task and adaptability (Austin & Villanova, 1992; Viswesvaran, & Ones, 2000).

Industrial psychologists have discovered non-job components like contextual achievement or organizational citizenship behavior (OCB), which are employee voluntarily activities that intangibly benefits companies (Bateman & Organ, 1983). People who are at work often display prosocial behavior known as contextual performance. Although such conduct is expected of an employee, it is not explicitly stated in the job description. Prosocial conduct or extra role behavior are terms used to describe these kinds of implicit expectations. Motowidlo (1986) defined it as a behavior characterized by being (i) carried out by a member of an organization, (ii) directed towards a person, group, or other organization that the member interacts with while carrying out their particular organizational role, and (iii) finally, the conduct is performed with the intention of contributing to the improvement of the person, group, or other organization. The theory that anticipated job performance includes two key dimensions—the work that is needed by an organization in connection with one's function and the discretionary work behavior—has been supported by a number of well-known scholars in this area (LePine, Erez,

& Johnson, 2002; Van Dyne, & Lepine, 1998). This notion is in line with the abovementioned worldview.

Later psychologists capitalized contextual performance, which denotes assisting others in adjusting to the various job roles, in order to emphasize the significance of voluntary work behavior or non-task performance (Borman, Motowidlo, & Motowidlo, 1993). According to Bergeron (2007), contextual performance should include a variety of "subdimensions" including collaboration, loyalty, and tenacity. According to Kahn (1990), an engaged employee works with a feeling of enthusiasm that translates into both excellent performance and extra-role conduct.

The esprit-de-corps (team spirit) or "feeling and viewpoint" that employees have regarding their coworkers is the foundation of the contextual performance. The ability of workers to openly and voluntarily discuss their challenges and problems with one another inside the business is enhanced by team spirit (Jaworski & Kohli, 1993). Esprit-de-corps is a great way to achieve organizational success (Jones et al., 2007; William, Swee-Lim, & Cesar, 2005), and earlier studies in this area have argued that increasing team spirit within an organization leads to better employee performance and a more enjoyable work environment (Alie, Beam, & Carey, 1998). Contextual performance is a type of attitude that encompasses actions such as helping others for extra work, helping others with difficult tasks, remaining enthusiastic at work, collaborating with others in times of need, sharing essential information and assets for the improvement of the organization, conforming to the established regulations and guidelines, and supporting choices made by the organization for a better change (Coleman, & Borman, 2000).

This kind of conduct supports in attaining both individual productivity and organizational performance by fostering a stimulating workplace culture and environment. Introduce



personality tests and group discussions to assess a candidate's contextual performance skills along with efficiency tests (ability and experience tests) to assess task performance. This will help organizations choose and onboard the right personnel.

### **2.1.2 Concept of Monetary Reward**

A monetary benefit is offered to someone as a financial incentive to motivate their behavior. Extrinsic incentives like this one are typical in the workplace (Nnubia, 2020). They could take the shape of stock options, incentives, profit-sharing arrangements, or even paid time off. Financial incentive schemes that are well designed may boost motivation, affect production and productivity for both people and businesses, and deliver favorable results. Businesses use a range of techniques to encourage productive behavior. Performance-based pay, where rewards are provided depending on their productivity or output, is a typical monetary incentive scheme (Onochie, 2020). Some techniques are commission-based, where the employee, for instance a salesman, is paid in direct proportion to how much they produce. Employers also provide additional money or benefits to workers who put in extra time and effort; these incentives help workers feel treated fairly and encourage them to repeat their efforts in the future (Ponta et al., 2020). Other strategies are less straightforward, such giving regular incentives to top performance, providing the chance of promotion to a higher-paying job, or sharing profits for collaborative initiatives. Threats to demote or fire workers are an additional incentive that businesses may use to motivate staff to deliver results (San et al., 2012). Employee performance and efficiency are greater when they perceive that their jobs are in jeopardy.

The way financial incentives are presented may affect how effective they are. Funeral aids, for instance, are seen to be more moral than direct financial gifts of the same amount in cadaveric

organ donation (especially in terms of expressing thanks and honoring the departed donor) and may even enhance donation willingness (Sittenthaler & Mohnen, 2020).

When it comes to motivating and enhancing the performance of those who use and are impacted by accounting information, monetary incentives are frequently recommended (Zimmerman, 2000), and their use in organizations is growing (Wall Street Journal, 1999). In order to ensure that participants in experimental investigations are adequately motivated and take part meaningfully, researchers have been urged to use incentives (Smith, 1982). But according to anecdotal and empirical evidence, financial incentives often do not improve performance because they have a wide range of effects on effort (Bonner et al., 2000; Camerer & Hogarth, 1999). In line with this, accounting research (such as Ashton, 1990; Awasthi & Pratt, 1990; Libby & Lipe, 1992; Tuttle & Burton, 1999; Sprinkle, 2000) that look at the impact of incentives on individual performance come up with conflicting conclusions about how successful they are. whether financial incentives differ in their impact on performance and effort.

Employers provide their employees money in the form of salaries or commissions. This remuneration is anticipated as a consequence of the task for which the person was employed. Financial rewards are monetary incentives that an employee obtains in addition to regular salary as a consequence of outstanding performance. These incentives support organizational objectives. An employee is often rewarded when they assist a company in achieving its objectives. All monetary benefits are extrinsic. Extrinsic benefits, such wage increases, bonuses, and paid time off, serve as the foundation for this kind of motivation.

### **2.1.3 Types of Monetary Rewards**

The following incentives can be common in many workplaces across a range of industries:

#### **2.1.3.1 Bonuses**

One of the most popular forms of financial incentives that businesses utilize as regular reward incentives and as a method to express gratitude to workers are employee bonuses. For instance, businesses could give employees cash bonuses or add a monetary incentive in their pay checks as a means to commend workers for surpassing expectations or completing a task that is beyond the scope of their typical duties. Bonuses may also be used by businesses and organizations to honor significant achievements made by workers, such a work anniversary. Additionally, a lot of firms often provide retention and sign-on incentives to workers who agree to stay with them for a certain period of time or for luring future employees to work for their companies.

#### **2.1.3.2 Extra allowances**

The dearness allowance is one of the most popular benefits that companies may provide. This kind of incentive is an extra payment made to an employee that serves as a safeguard against inflationary hikes. Although the dearness allowance was once a distinct sum from an employee's salary, if their company gives it, this kind of incentive is generally included in the employee's compensation. Many companies additionally provide benefits like transportation, travel reimbursement, and other essentials workers may need while working. For instance, workers may be given benefits like a company-owned car or travel and accommodation stipends for going on domestic or foreign business trips.

#### **2.1.3.3 Commissions**

Commissions are a typical form of compensation for sales personnel. For instance, in addition to their normal salaries, merchants and automakers sometimes pay commissions to salespeople

who close deals on products or services. Salespeople often get a certain amount in commissions for each item or service they sell to consumers. For instance, a customer support agent for a mobile service provider may get a 20% commission on top of their basic pay for each new client they bring in. Team members may be strongly motivated to meet sales goals and produce revenue for their employers by receiving sales commissions.

#### **2.1.3.4 Wage incentives**

For completing quick assignments outside of usual working hours, certain firms may give compensation incentives like additional pay. In order to finish a unique project beyond of their regular working hours, a company can, for instance, provide its team members a certain sum. Paying overtime is another salary inducement. Employers regularly provide their workforce the option of working extended hours in exchange for their regular salary plus an additional income to make up for the longer working hours.

#### **2.1.3.5 Salary raises**

One of the most popular financial incentives to encourage and assist workers in their career progress is salary increases. For instance, workers often get a salary raise to reflect their higher status as they rise to higher-level responsibilities within their company. Raising salaries is a very effective and common way for businesses to promote their staff members' professional growth while also attracting and retaining outstanding employees.

#### **2.1.3.6 Retirement and fringe benefits**

Employee incentives like benefits for retirement provide them long-term retirement savings. Companies that provide advantages related to retirement may offer a variety of retirement plans, such a 401(k), that workers may contribute to while they are employed. Some firms



additionally contribute to the retirement benefits of their workers via matching, which entails the company making an equal contribution to the employee's retirement account. Fringe benefits are extra perks like increased financial support for childcare, living costs, or even college tuition for workers.

## **2.1.4 Significance of Monetary Reward**

### **2.1.4.1 Improving Sales**

Perhaps the most frequent reason executives look for monetary compensation systems is to increase sales. It also comes as no surprise since ICM programs have repeatedly shown to raise sales figures and, therefore, business profitability (Engelen et al., 2014). Employers may enhance motivation within a sales team, which will lead to greater sales figures, by providing bonuses, merit raises, and other prizes to workers who reach sales objectives. Like the majority of workers in every business, salespeople are driven by financial rewards. Sales will increase rapidly and efficiently if more incentive is offered for increased performance.

### **2.1.4.2 Building Teamwork**

Many people think of sales as a zero-sum game where workers struggle with one another for the best customers and the biggest paychecks. If this is the situation, not only will employees feel competitive with one another, but productivity will decrease as salesmen lose motivation. Plans for incentive pay may be able to aid in this case (Flamholtz & Randle, 2012). Executives or supervisors may organize team-based sales events in addition to individual sales contests where teams of salespeople collaborate to accomplish a shared objective. This will foster a climate where salespeople may build strong working connections with their peers and feel free to share advice and best practices for selling a product.



#### **2.1.4.3 Increased Staff Engagement**

People will be driven by other benefits in addition to the potential for money gain. For instance, a vice president of sales may organize a sales competition and instead of giving cash prizes to the winners, they could provide perks like a day off from work or the option to work from home (Fusch & Gillespie, 2012). Offering these sorts of Innovation Change Management (ICM) advantages will show to be successful and aid in boosting engagement, since the same Gallup research discovered that among of the happiest workers were those who had flexibility in their work hours.

#### **2.1.4.4 Reduced Employee turnover**

An employee is more likely to remain with a firm if they are happy with their compensation package, whether it consists of basic pay plus commission, bonus rates, or merit increments. High turnover rates are problematic for businesses since the recruiting process can be both time-consuming and costly, as any Human Resource (HR) professional is aware. Employees who do well will be recognized with financial incentives, which will also make it less likely that they would look for job with rival companies (Fusch & Gillespie, 2012).

#### **2.1.4.5 Improved Employee morale**

A content employee is productive and has a favorable impact on the other employees in the workplace. However, it is difficult to remain content when a worker feels underappreciated or that their efforts are ignored. In addition to rewarding people with cash, gift cards, or other incentives, monetary reward programs also convey to staff members their importance (George & Kabir, 2012). It makes sense to provide employees financial incentives for their hard work in order to boost their happiness and job satisfaction. The mood in the workplace will rise and a business will succeed when the whole sales team shares these feelings.

### **2.1.5 Effective Leadership**

A leader is someone who motivates people to take action in order to accomplish certain goals. The capacity to collaborate with a group of individuals to accomplish a goal has also been described as leadership in literature (Northouse, 2015). Effective leadership is shown to influence performance at both the individual and organizational levels (Sauer, 2011). Leadership plays a crucial role in assisting the company to adapt to this new shifting culture in the contemporary business climate, where cultures are changing quickly due to globalization. Because leadership establishes the standards for how workers interact with managers and one another. According to Maamari and Saheb (2018), its results provide value to the company by increasing team members' commitment to and devotion to their teammates, particular teams, and leaders. Different leadership modalities encourage various communication styles, and they are a key element of internal communication systems (Whitworth & Chiu, 2015). A definition that would include all parts of leadership is difficult to come up with, nevertheless, due to the multifaceted nature of successful leadership. Due of this, transformational leadership and transactional leadership have been identified as the two basic forms of leadership behavior (Bass & Avolio, 2000). Numerous studies have shown that none of the two leadership philosophies is incompatible with the other (Laohavichien, Fredendall, & Cantrell, 2009; Yukl, 2006).

The transactional leadership style refers to meeting extrinsic wants or lower order requirements, while the transformational leadership style addresses intrinsic needs or higher order needs (Dartey-Baah, et al., 2016). This is a clear distinction between the two. However, it has a negative impact on creativity (Lee, 2008) and does not permit any departure from stated objectives on the side of workers (Dartey-Baah, et al., 2016). Transactional leadership is helpful when it comes to ensuring that certain targets are fulfilled in businesses (James & Collins, 2008). Although it could lead to total compliance from followers, there's a chance that

they will not utilize their own creativity to finish assignments when trying something new since they're afraid of failing and getting in trouble (Dartey-Baah, et al., 2016). According to Alonderiene and Majauskaite (2016), transformational leadership is often opposed to transactional leadership. A charismatic leader inspires followers and appeals to their beliefs and moral principles by conceiving of and enacting a motivating future vision (Men & Stacks, 2013; Yukl, 2006). offers its followers with a feeling of self-belief so they may build a brighter future for the companies (Men & Stacks, 2013) and shows a sincere concern for the wellbeing of its workers (Jha, 2014). The important question is not whether leadership style should be used more often than others, but rather whether the way a leader interacts with or manages their team affects how well they perform at work, taking into account each person's preferred leadership style.

This study focuses on transformational leadership styles because they help managers achieve goals using positive reinforcement and do not frequently threaten punishments for subpar performance (Shaw & Newton, 2014; Yang, 2014). They also improve employee job satisfaction and performance. In order to attain greater performance, transformational leadership challenges followers to put in more effort than their financial and physical capability would allow (Bashir & Awan, 2016). Additionally, transformational leadership has a big impact on followers, fosters vision, a positive work atmosphere, and encourages optimism. It also creates an environment where followers see tasks as challenges and give their best to meet them (Bashir & Awan, 2016).

Furthermore, Maamari and Saheb (2018) argued that employing a specific leadership style might not always inspire good performance, that various leadership styles based on various situations are suggested, and that each leader must be able to discern when to use a specific approach and with whom. No one leadership style is ideal for every circumstance, according to Goleman, Boyatzis, and McKee (2013); a leader may possess the knowledge and abilities

necessary to behave well in one circumstance but may not do so in another. Employees thus see transformational leadership as a component of an inventive culture that fosters the right environment for innovation and enhances performance (Boehm, Dwertmann, Bruch, & Shamir, 2015). According to Liden, Wayne, Liao, and Meuser (2014), transformational leadership characterized a leader's influence on followers as being one in which the followers have respect for, trust in, and adoration for the leader.

## **2.2 Theoretical Review**

### **2.2.1 Herzberg two factor Theory**

The Herzberg two component model and the Expectancy theory of job motivation serve as the study's theoretical pillars. Although there are numerous opposing theories of motivation, all of them may be at least somewhat accurate and aid in explaining the actions of certain individuals at particular times. Reviewing these theories of motivation helps us comprehend how incentives, both monetary and non-monetary, may spur individuals to work hard in an organizational context. One of the most discussed need-based theories of employee motivation is the Herzberg two component model.

Alfred Herzberg Following a groundbreaking research in which 203 accountants and engineers were questioned to identify the causes of both work happiness and discontent, the Two-Factor Theory was developed. Werner and Desimone (2006) cite Herzberg's assertion that persons have two sets of fundamental needs, one centered on survival and the other centered on personal development. According to Herzberg, variables in the workplace that address hygiene or survival requirements cannot produce job happiness; they can only serve to avert it. These hygiene aspects include supervisor, working environment, compensation and security, interpersonal relationships, and business policy. He defined personal development components such as achievement, acknowledgment, the work itself, responsibility, advancement, and growth as motivators. Herzberg contends that although motivational factors may influence



workplace satisfaction, they cannot always prevent it. The Herzberg two-factor model states that management must provide intrinsic factors (motivators) so that the job itself has the potential to be exciting in addition to hygienic aspects (factors that prevent discontent). The validity of the assertion that non-monetary incentives may inspire workers equally as effectively as monetary ones is supported by their motivation-hygiene theory.

### **2.2.2 Expectancy theory**

Victor Vroom originally put out the expectation theory, which contends that motivation is a deliberate decision-making process (Werner and Desimone, 2006). This idea contends that individuals choose to exert effort in pursuits they feel competent to complete and that will result in the desired results. The expectancy theory states that decisions about what to do are based on a combination of three sets of beliefs: expectation, instrumentality, and valence. The perceived relationship between the amount of effort a worker puts in and the outcomes is the focus of expectancy. The terms instrumentality and valence describe how much a worker's performance, if observed, results in a certain consequence and how much the worker appreciates that consequence. Their argument has the conclusion that an employee's motivation will likely be low in relation to expectations if he or she feels that no matter how hard they work, they will never achieve the required level of performance.

Regarding instrumentality, the worker won't be motivated unless his actions have a particular effect. If an employee puts in additional time, he expects to get incentives, but if they are rewarded, the rewards must reflect his ideals. In order to increase effectiveness, a growing number of businesses have described how incentives, especially financial rewards, might be connected to desirable behavior and performance results (Beer and Cannon, 2004). The potent influence that financial incentives may have on conduct has long been recognized. Early theories of motivation, like expectancy theory, had intuitive appeal, and its fundamental ideas were supported by actual data. Organizational study has shown throughout time that workers

are motivated by more than simply monetary rewards. However, a lot of businesses just use financial incentives. There are several other motivators like these that might affect employee behavior and heighten motivation (Silverman, 2004).

### **2.3 Empirical Review on Monetary Reward**

Falola (2014) conducted a study of a few government parastatals in Ogun State, South-West, Nigeria, to assess incentive programs and workers' attitudes about their jobs. Using a stratified and systematic sampling strategy, 120 valid questionnaires were completed by staff members of four (4) chosen government parastatals in Ogun State, South-West Nigeria, as part of the descriptive research method used for this study. To portray the raw data in a comprehensible way, the data were thoroughly examined using percentages backed by standard deviation. The findings indicate that there is a high correlation between incentive programs and employees' views regarding their jobs, and that workers are dissatisfied with the current incentive programs. According to the results summary, there is a significant association between the independent concept and the tested dependent variable. In a study done in 2014 with a focus on Babcock University, Onu, Akinlabi, and Fakunmoju examined the work performance and motivation of non-academic personnel at private institutions in Nigeria. An organized questionnaire that was sent to university staff members was used to gather the study's data. Regression and correlation analysis were used in the research to evaluate the hypothesis that incentives, rewards, and compensation improve workers' performance on the job. The study's conclusions showed that incentives, salary, and recognition had a strong positive link with and a considerable impact on work performance, with incentives serving as the primary motivating element for employees at Babcock University.

Muogbo (2013) investigated the effect of workers' motivation on organizational performance via a study of a few chosen businesses in Nigeria's Anambra State. To address the three research

objectives provided for the study, descriptive statistics (frequencies, means, and percentages) were employed. The three guiding assumptions of the research were put to the test using the spearman rank correlation coefficient. The analysis's findings demonstrated that there is already a connection between workers' motivation and organizational success. The research found that employees' performance is significantly impacted by the extrinsic incentive provided by their employer. Mehta (2014) conducted an empirical study of Pakistan's insurance industry to examine the impact of monetary rewards on employee performance and job satisfaction. The goal of the research was to determine how employee performance and job satisfaction in Pakistani insurance businesses were affected by monetary and non-monetary incentives. The type of this research study is quantitative and descriptive. In order to investigate the perspectives of a sample of Pakistani insurance businesses (both public and private), both public and private, regarding awards, employee performance, and work satisfaction, a questionnaire was developed. This F-test is used to determine if the hypothesis supports the null hypothesis or not. This study's findings indicate that these financial incentives have a big influence on employees' productivity and job satisfaction. The implication is that employee performance and job satisfaction are influenced by monetary and non-monetary incentives.

Oni-Ojo, Salau, Dirisu, and Waribo (2015) looked at the relationship between incentives and job fulfillment and its consequences for organizational survival and position as competitors in Nigerian manufacturing businesses. This study evaluated employees' attitudes regarding incentives and job satisfaction. The Statistical Package for Social Science (SPSS) was used to evaluate the data after a sample of 127 valid respondents from the management and non-managerial employees were chosen. The results showed that financial incentives motivate employees outwardly, but non-financial incentives might gratify workers emotionally by making them feel like an important member of a company. Additionally, it was said that some workers seemed to be comfortable and contented with their jobs—not because they like the



work itself, but rather because there aren't any other options. It was advised that the manufacturing sector should start reorganizing roles and responsibilities in ways that would support competitive advantage without compromising the organization's core goal. In their 2014 study, " Abdul, Muhammad, Hafiz, Ghazanfar, and Arslan, "Impact of Remuneration on the Performance of Workers (Empirical Evidence from Pakistan's Bank Sector).

This study aims to quantify the effect of remuneration on worker performance. To gather information on the elements of pay, including salary, benefits, indirect compensation, and employee performance, a questionnaire was created. The information was gathered from several Pakistani banks. SPSS 17.0 Version was used to examine the data that was obtained. The data were analyzed using a variety of descriptive and analytical methods. Correlation research has shown that all independent variables have a marginally positive or weakly positive link to one another. All of the independent factors have a negligible and beneficial influence on employee performance, according to regression analysis. Additionally, descriptive analysis demonstrates that each independent variable has a favorable effect on employee performance. According to the ANOVA findings, education has a different influence on employee performance. Various findings led to the conclusion that compensation had a favorable effect on employee performance. In a study of Kenyan public hospitals, Wallace, Karanja, Charles, and Edward (2013) looked at the impact of staff incentives on performance. The goal of the article is to investigate how staff incentives affect performance in Kenya's public hospitals. The statistical software package Statistical Package for Social Sciences was used to input, purify, and analyze the data.

The research has 205 individuals in its target sample. However, 202 questionnaires from the respondents were able to be obtained by the researcher, yielding a response rate of 98.53 percent. Employee incentives were taken into consideration as an independent variable and performance was taken into consideration as a dependent variable in the research, which used



a descriptive methodology based on a correlation design with focus on a cross-sectional survey. The results showed that employee incentives were crucial for improving performance at both the individual and organizational levels. They also presented a chance for initiatives that are thought to be crucial for fusing theory and practice in human resource development and management in the public health sector. (2015) Met Ibrahim and Juhary studied financial compensation, job happiness, and the impact on worker performance: evidence from Malaysia. This quantitative research examined the link between monetary incentive and employee performance at offshore production facilities for oil and gas in Malaysia. It also examined the mediating role of work satisfaction in this relationship.

Data were gathered from 341 convenience-sampled workers of chosen oil and gas enterprises in Malaysia using a self-administered survey questionnaire. The Statistical Product and Service Solution 21 was used for data analysis. According to the findings of regression analysis and Sobel's calculation, there was a substantial direct impact of financial incentive on workers' performance at work at the .05 level, while job satisfaction somewhat moderated this link. The findings of this research may be useful to employers and human resource managers as they establish and execute their compensation plan and policy.

Okwudili (2015) investigated the impact of non-cash incentives on employees' productivity in a sample of Nigerian government parastatals in the state of Abia. The research examined the impact of non-cash incentives on workers' productivity at a sample of Nigerian government parastatals in the Abia State. Using a simple random sample approach, a total of 78 government workers were chosen from the parastatal in Abia State, and information and data were collected through the questionnaire.

The research used multiple regressions, descriptive statistics, and the Pearson's correlation coefficient in its analysis. The analysis of factors influencing employee productivity in government parastatals in the study area using multiple regression analysis revealed that the

sample's productivity was significantly impacted negatively by the respondents' sex, age, monthly income, number of days worked during a month, type of non-monetary reward, and responses regarding that reward's impact on productivity. The respondents' marital status, background in education, position/rank, and number of non-monetary incentives all demonstrated a positive major influence to the efficacy of the staff of the sampled government-sponsored organizations in the study area at a 1-percent level of probability.

Incentives other than cash and employee productivity were positively correlated, according to Pearson's correlation coefficient values, which is significant at the 5% level of probability (2-tailed). The report suggests, among other things, that governments should engage their employees in self-development programs with competitive compensation, incentive programs, and other benefits that will demonstrate the necessity for their unique contributions to the business. The research comes to the conclusion that efficient use of human resources via non-monetary incentives may lead to improved productivity and efficiency of personnel in government parastatals.

## **2.4 Hypothesis Development**

### **2.4.1 Relationship between Monetary Reward and Staff Performance**

In the literature on management of human resources and the behavior of organizations, it is argued that non-financial incentives might be used as a tool for employee motivation. Employees begin to believe that the company is helping them when firms pay attention to various financial instruments, such as paid leave, awarding incentives for keeping an eye on their health and the healthcare of their family or other family members (Gorondutse & Hilman, 2019). Therefore, financial incentives boost workers' motivation, resulting in improved job performance. The leader or the atmosphere that leaders create for their staff members may be used to evaluate non-financial tools. These non-monetary tools help workers stay motivated

for a while, but if employers do not provide them with the right incentives, it can negatively impact their job. Incentives affect how well workers perform at work, according to several research (Hacker, 2015). According to a research that examined the relationship between incentive programs and employees' attitudes, a variety of incentives, including monetary, tangible, and non-tangible non-monetary ones, are crucial in improving workers' attitudes about their jobs.

Employee loyalty and work performance were revealed to be linearly correlated in many research . The influence of work satisfaction on employee loyalty is covered by a different researcher (Hashai & Delios, 2012). They claim that a variety of underlying elements, such as a positive work environment, engaging in healthy activities, having the potential for professional progress, and motivation, all influence job satisfaction and influence how loyal workers are (Hartnell et al., 2011). According to some experts, employee loyalty may be affected by factors including work analysis, salary, and career planning. These elements spur employee motivation at work and hence improve work output. However, a lack of employee loyalty may lead to a variety of problems, such as a rise in staff turnover. Losing poor performers may not cause organizations much anxiety, while losing excellent performers causes them great concern. Therefore, by providing various amenities to workers and their families, firms are increasingly focused on keeping human potential inside the company. Employee loyalty will eventually provide about more advantages than it cost to invest in them (Givens, 2012).

In order to secure long-term profitability for the business, several studies have proven that employee loyalty is connected to customer services and fostering customer loyalty. Victor H. Vroom's expectation theory postulates that individuals exert effort when they begin to believe it will result in an improvement in their performance, which will ultimately raise their chances of earning rewards (Han, 2012). As a result, raising these financial incentives also improves



employee loyalty, which raises productivity and lowers turnover rates. Only when an organization meets their needs will employees remain loyal. The company is aware of these issues since they likewise see people as a valuable resource and understand that doing so requires meeting their needs. Maslow (1954) came to the conclusion that people have five fundamental needs (physiological, safety requirements, love and belonging, self-esteem, and self-actualization) that may be met via financial incentives and rewards in his book, *The Hierarchy of Needs* (Hashai & Delios, 2012). Self-esteem is a characteristic of employees who feel appreciated by their employers, and when their requirements are met, they will also report higher levels of work satisfaction.

### **H1: Monetary Reward positively affects Staff Performance**

#### **2.4.2 H2 The moderating role of Effective Leadership on the relationship between Monetary Reward and Staff performance.**

Financial benefits are seen as expenditures in the human resources division that provide workers specific skills, competence, and the capacity to achieve organizational objectives, as described by Bowen & Ostroff (2004) and Lepak, & Wang (2007). This improves organizational performance and fosters market competition. Since the creation of a financial reward environment may be performed jointly (Kuenzi & Schminke, 2009), it is important to evaluate if the synergy of the execution of leadership and incentives has an influence on employee performance. It is possible to utilize the organizational state of equilibrium theory to explain how incentives and empowerment are employed to encourage innovative performance. According to this theory, situations exist where an organization can provide incentives to its employees to perform at a level higher than or equal to the contribution made by the company. The ultimate goal is to find situations that are advantageous for the survival of the organization (Takatsu, 1984). A study by Hammerman and Mohnen (2014) found that



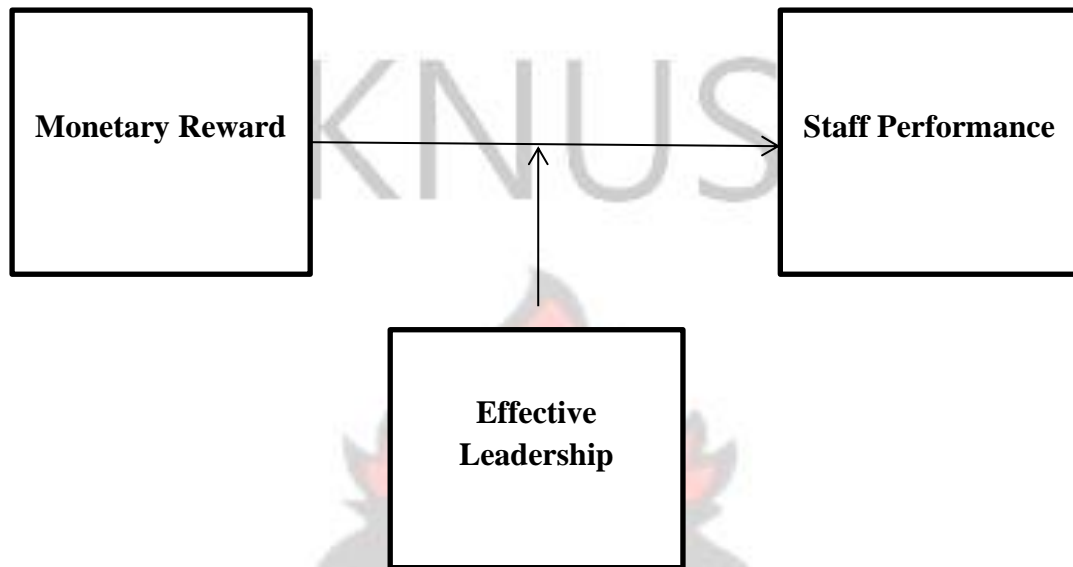
giving cash incentives over non-monetary ones in a competition may lead to better performance. That is, people find monetary tournament incentives more alluring than non-monetary ones. The company's efforts to ensure that its personnel execute at a high level are consistent with the increased costs. Higher cost expenditure is anticipated to result in greater creative performances.

The incentives provided, however, have less of an impact on performance if people are not empowered since they will be less driven to complete tasks (Kim, Sutton, & Gong, 2013). Naturally, businesses anticipate that the expenses they have made will result in the desired results. When empowerment and performance-based incentives are combined, workers are more motivated to set and accomplish greater objectives and improve the performance of the whole business. Individuals might decide to establish plans to accomplish objectives, and they will feel more satisfied when the outcomes are the consequence of the activities they started (Kim et al., 2013). As a result, this occurs. People will be inspired to seek new ideas and provide a more creative performance if financial incentives and empowerment are used.

## **H2: Effective Leadership Moderates the Relationship between Monetary reward and Staff Performance.**

### **2.5 Conceptual Framework**

The concept model can be defined as a collection of principles and ideas gleaned from several domains that are significant to the investigation and structure of a subsequent presentation. The link between the independent factors and the dependent variable is depicted using a conceptual framework. The independent variable is monetary rewards. Staff performance constitutes the dependent variable, while effective leadership constitutes the moderating variable.



**Figure 2.1 Conceptual Framework**  
**Author's Own Construct (2023)**



## **CHAPTER THREE**

### **METHODOLOGY AND ORGANIZATIONAL/AREA PROFILE**

#### **3.1 Introduction**

This chapter delves into the methodology used in the study as well as the research design process. It explains how the study's methods and techniques were chosen. The chapter also outlined the procedures for gathering, analyzing, and reporting data.

#### **3.2 Research Design**

The research design serves as a plan for investigations, addressing at least four issues: which questions to investigate, which records to consult, what facts to gather, and how to investigate the outcomes (Robson, 1993). The study issue as well as the researcher's orientation are both important factors in determining a good layout. Descriptive, explanatory (causal), and exploratory studies are the most common types of studies (Saunders, Lewis, and Thornhill, 2000).

Descriptive research is a type of study that characterizes the population, circumstance, or phenomenon under investigation. Instead of explaining the why, it focuses on the how, what, when, and where of a research problem (Saunders et al., 2020). Descriptive research is an important type of research because it allows researchers to collect enough data about the research problem what, how, when, and where answers.

The reasons of research in descriptive way are to characterize phenomena and its features. This type of investigation usually focuses on what happened rather than how or why it occurred. As a result, data is frequently gathered through observation and surveys (Gall, Gall, and Borg, 2007).

Descriptive studies make use of a quantitative research method by means of amassing quantifiable information to be used for statistical analysis of the population sample (Mellinger and Hanson, 2017). The quantitative studies layout makes use of the questionnaires. Particularly,

In carrying out a research, quantitative research design may be used for an exploratory research layout or descriptive studies layout. In sum, a close-ended questionnaire is especially used for quantitative research with an exploratory research design or descriptive studies design. This examine consequently falls in the descriptive layout. Descriptive facts are generally amassed via questionnaires, interviews, or observations.

At Komfo Anokye Teaching Hospital, a descriptive research design was used to examine the elements that influence staff performance. Because data for the study was collected via a structured questionnaire, the study used a quantitative research design.

### **3.3 Population of the Study**

In any area of research, the population is "the entire set of individuals or products that are under creation with an agreed-upon attribute," according to Brasel et al. (2020). The set of people to whom a study's results should be applied is known as the target population (Whitley & Kite, 2012). Population, according to Kothari (2011), refers to any component of the cosmos, or any topic of study. The group that general findings are wanted for is the study's target population. The Komfo Anokye Teaching Hospital (KATH) employees and administration, or around 350 responders, will make up the sample group.

### **3.4 Sampling Size**

Bryman (2013) and Spiegel (2012) define a sample is a subgroup of the overall population. Kothari describes it as a group of units chosen from the cosmos to represent it (2011). A sample



size of at least 30%, according to Kothari (2011), is deemed sufficient. Researchers have utilized and regarded a third (33%) of a population as a sufficient sample size (Jagero, 2011). The study sampled 200 questionnaires from customers and management of Komfo Anokye Teaching Hospital in Kumasi.

$$n = \frac{N}{1+N(e^2)}$$

Where, N is the population size and e is the level of precision

Let the population (N) = 350 with  $\pm 5\%$  precision

Assuming 95% confidence level and  $p=0.5$ , we get the sample size as

$$n = \frac{N}{1+N(e^2)}$$

$$= \frac{350}{1+350(.05^2)}$$

$$= 200$$

$n=200$  as the sample size.

### 3.5 Sampling Techniques

According to Saunders et al. (2012), there are two different kinds of sampling strategies: probability or representative collection and sampling that is not probabilistic. It is a process of selecting different individuals or items from a population with the intention of selecting a group that has elements of the traits prevalent in the whole gathering (Scheel et al., 2018). Purposive sampling focuses on a small number of people who can give the necessary information, either because they are the only ones who have it or because they fit the researcher's criteria (Sekaran & Bougie, 2010). This comprises discovering and choosing groups or individuals who are highly knowledgeable or skilled on a given issue (Cresswell & Plano Clark, 2011). As a result, both easy and purposeful sampling procedures were used in the study.

### **3.6 Sources of Data**

The study data had been collected from a particular number one primary source. Primary information are original records gathered by way of the researcher for the research trouble handy. Primary data is a fresh set of data obtained by the researcher for the first time (Kothari, 2004). It includes observation, interviews and questionnaires (Kothari, 2004). A questionnaire is a set of questions designed to elicit information from respondents about the research topic. (Hair et al., 2007). The number one statistic used was accrued via using the questionnaires and interviews. Relating to this study, a well-structured questionnaire guide was used in soliciting information from respondents directly involved in the study.

To elicit information based on the study variables, closed-ended questions were used. The questionnaires were created in collaboration with the study's findings.

#### **3.6.1 Primary Data**

Primary data are data that are obtained for the first time and are hence unique in character (Kothari, 2017), according to Kagwiria (2016). Primary data, according to Louis et al., (2017), are items that are unique to the topic at hand. Primary data will be collected in the study area using semi-structured questionnaire. The data will be centered on the respondent's characteristics (gender, marital status, age, employment status, educational level).

### **3.7 Data Collection Instrument**

Ghauri et al. (2020) define research instruments or tools as "systems and devices used to gather data, such as a paper survey or a computer-assisted questioning system." Data is gathered using case studies, inventories, conversations, and, on rare occasions, surveillance, as well as surveys or questionnaires. The data for this study will be collected via a questionnaire.

### **3.7.1 Questionnaire**

Primary data was collected using structured and self-administered questionnaires. The questions were closed ended. The data was centered on respondents' demographic characteristics (age, sex, educational level, marital status, income level); to examine the effect of teamwork on organization efficiency. According to Brace (2018), the most appropriate instrument for gathering data in a survey research is the questionnaire approach. When compared to other ways, it is very time and cost efficient. Similarly, this strategy makes it easy to collect and analyze data. The study relied on exiting literature for questions and measurement scales to design the questionnaire.

### **3.8 Data Analysis Techniques**

To ensure completeness and correctness, the contents of the questionnaire were first coded. The Statistical Package for Social (SPSS version 21) will be used to analyze the data using descriptive and inferential statistics like percent, frequency, and measures of centrality like means, mode, and median. Tables, bar charts, charts, graphs, frequency, and percent are all important statistical tools for organizing and presenting data in a meaningful way for ease of understanding, as stated by Brasel et al. (2020).

The raw quantitative data is not useable until it has been processed, analyzed, and converted to information (Saunders et al., 2012). The goal of the data analysis is to examine the assumptions in an effort to respond to the goals and questions of the research project. This study will utilize the descriptive quantitative method of data analysis since it is a common methodology for quantitative behavioral and economic research (Saunders et al., 2012). To allow the development of acceptable endorsements, the information collected has undergone comprehensive analysis and research. The Statistical Package for Social Sciences (SPSS) version 21 program was used to input and analyze the data. Tables, percentages, and

frequencies were used to present the information. The reliability of the factors was evaluated using Cronbach's alpha. The use of means and standard deviation, correlation, and regression analysis instruments were used to provide interpretations and clarifications. The first section used frequencies and percentages to present the demographics of the respondents. The second segment used means and standard deviation to analyze and discuss impact of monetary reward on staff performance in Komfo Anokye Teaching Hospital, Kumasi. The third portion used regression analysis to examine and explain the monetary reward. Using hierarchical regression analysis, the fourth portion included analyses and debates on the moderating effect of effective leadership between monetary reward and staff performance.

### **3.8 Reliability and Validity**

According to Saunders et al. (2018), dependability is related to how well a data gathering procedure or techniques will provide reliable evidence, how likely it is that additional investigators would make the same observations or draw the same conclusions, or how transparently the meaning that was drawn from raw data was. The regularity or stability of a measurement apparatus is referred to as its reliability (Jackson, 2011). The degree to which a data collecting process or procedures properly measures what it was intended to assess is another way to describe validity (Saunders et al., 2018). According to Fawcett (2013), a test is deemed valid when it accurately assesses the variables it is intended to. A test has face validity when it seems to assess the topic it is supposed to (Rubin & Bellamy, 2012). Content validity is the extent to which a measure seems to capture all possible interpretations of a concept (Rubin & Babbie, 2016). A panel of experts typically decides on face validity, much as they do with content validity (Kraska-Miller, 2014). 2016 (Jackson).

It will be assessed if the research tools to be used in the study are valid and reliable. To make sure that they correctly represent the substance of the relevant ideas, the content validity of the



research instruments will be assessed. This will be done individually. A pilot research will be conducted prior to the main inquiry to evaluate study tools and techniques. A pre-test sample of one percent to ten percent of the population might be selected, according to Brasel et al. (2020). The purpose of the piloting was to clarify certain points that were unclear, see whether there would be issues administering the instruments, test the data collecting procedures, assess the viability of the research, foresee and address any logical and procedural difficulties, and enable preliminary (dummy) data analysis. The researcher will conduct the survey and will answer any challenging questions for the participants.

### **3.9 Ethical issues**

Due to the fact that this study involved human subjects, certain research standards were followed. Consent, confidentiality, and data protection are only a few of the important considerations that were taken into account. First and foremost, respondents' privacy was protected by not affixing names to any responses. Respondents' privacy and freedom were protected once again to guarantee that data was collected in the most convenient setting. To guarantee that the researcher obtains appropriate data for analysis, ethical norms were followed. Participation in the study was purely voluntary. The ethical practice that governs this type of research was correctly observed. Before the study, a letter of introduction was obtained from the KATH, Kumasi in order to obtain authorization from KATH employees and management. The participants were asked for their informed consent and their confidentiality was guaranteed. All scholarly work and data were consulted and appropriately acknowledged in the reference or bibliography. To meet research objectives, the KATH code of conduct for research was followed.

## CHAPTER FOUR

### PRESENTATION OF DATA, ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the results of the analysis of the data collected. This study investigated the effect of monetary reward on staff performance, the moderating role of effective leadership. The targeted population was 350 Staff of the Komfo Anokye Teaching Hospital in Kumasi. Thus, the targeted sample size was 200 respondents obtained by using the Yemane's sample size formula which is  $n = N/(1+N(e^2))$ . The method used to generate the sample of 200 out of 350 populations was the purposive sampling technique. This section aims at testing the validity and reliability of the variables in the questionnaire and showing a descriptive analysis of the variables in the questionnaire.

#### 4.2 Respondents' Demographics

The respondents demographic background consist of the gender of the respondents, the age ranges of the respondents, the length of service of the respondents and the department of the respondents.

**Table 4.1 Demographic Background**

		Frequency	Percentage
Gender	Female	150	75%
	Male	50	25%
Age	18-30years	120	60%
	31-49years	60	30%
	41-50years	15	7%
	51-60years	5	3%
Department	Management	30	15%
	Doctors	40	20%
	Nurses	50	25%
	Pharmacist	20	10%
	Lab technicians	35	18%

	Supporting staff	25	12%
<b>Length of Service</b>	0-3 years	82	41%
	4-5 years	100	50%
	Over 5 years	18	9%

**Source: Fieldwork Survey (2021)**

From the table 4.1 above showing the gender of the respondents, (150) 75% representing the highest number of the respondents were males while the least 50 (25%) of the respondents were females. This shows that the research is a male dominated one. Also, with respect to the ages of the respondents, it was observed that majority 120 (60%) of the respondents had ages ranging from 18 to 30 years while the least 5 (3%) had the ages ranging from 51 to 60 years. This shows that majority of the respondents were in their youthful age and thus the research is applicable to majority of the public hospitals in Ghana since the country is made up of majority of the youth. Also, with the departments of the respondents, it was observed that out of the total respondents 30 (15%) were management staff, 40 (20%) were Doctors, 50 (25%) were Nurses, 20 (10%) were Pharmacists, 35 (18%) were Laboratory technicians and the remaining 25 (12%) were Supporting Staff. Lastly, concerning the length of service of the respondents, it was realised that majority 100 (50%) of the respondents have served in the organisation for 4 to 5 years while the least 18 (9%) of the respondents have served the institute for over 5 years. This implies that the highest number of the respondents have fair level experience in the organisation.

### 4.3 Exploratory Factor Analysis

The following section deals with the “exploratory factor analysis” and “regression analysis” of the data.

#### 4.3.1 Exploratory Factor Analysis

**Table 4.2 Exploratory Factor Analysis Results**

Construct/measures		Communalities (R <sup>2</sup> )	Total Variance Explained
<i>Monetary Reward [KMO= .685, X<sup>2</sup>(df)= 2113.576 (946), p&lt; 0.0012</i>			
MR1	The organizational provides bonuses for staff	.640	
MR2	The organizational provides overtime pay for staff	.641	
MR3	Extra allowances are awarded for extra performance	.673	
MR4	Commission is paid to staff in relation to their job performance	.674	
MR5	Employees are provided with pension plans	.691	
MR6	Employees are given food allowance	.782	
MR7	The employees are awarded with wage incentives	.629	
MR8	Salaries of staff are periodically increased based on merit and entitlement	.705	
MR9	Fringe benefits are enjoyed by staff	.740	



MR10	Employees are often awarded sabbatical leave with pay	.662
<b>Staff Performance [KMO= .857, <math>X^2(df)= 1210.232 (190)</math>, <math>p&lt; 0.001</math></b>		
SP1	Staff are able to cooperate with each other	.640
SP2	Staff come out with problem solving abilities	.641
SP3	Staff are able to carry out extra responsibilities	.673
SP4	Staff are able to look for new challenge in the job	.674
SP5	Employees are able to plan their work	.691
SP6	Communication is ensured among staff	.782
SP7	Staff are able to deliver in accordance to the standards set by the institute	.629
SP8	Employees are able to meet deadlines	.705
SP9	Employees are able to communicate effectively among themselves	.740
SP10	Employees are able to ensure a work flow	.662
<b>Effective Leadership [KMO= .685, <math>X^2(df)= 2113.576 (946)</math>, <math>p&lt; 0.0012</math></b>		
EL1	Leaders are able to motivate staff	.674
EL2	Leaders have the desire to continuously improve	.691

EL3	Leaders have vision for the institute	.782
EL4	Leaders have good interpersonal relations with the staff	.629
EL5	Leaders are strategic and critical thinkers	.705
EL6	Leaders have the interpersonal communication skills	.740
EL7	Leaders are open-minded and creative	.662
EL8	Leaders exhibit flexibility	.675
EL9	Leaders exhibit a sense responsibility and dependability	.668
EL10	Leaders exhibit patience and tenacity	.705

**Note:**

\*= Reverse coded

Extraction method: Principal component analysis

Rotation method: Oblimin with Kaiser Normalization

Extraction based on Eigenvalue greater than 1

Coefficients display suppressed below 0.5

**Source: Fieldwork Survey (2023)**

In Table 4.2, all questionnaire items had p-value <0.001. The p-value less than 0.001 indicates a significant correlation between the questionnaire items monetary reward, staff performance and effective leadership had 'KMO' greater than 0.5. This shows that the sample size from the 'KMO' test is adequately representative since it is greater than 0.5.

### 4.3.2 Reliability Test

The reliability test was performed using Cronbach alpha. The following are the reliability values of the test items related to monetary reward, staff performance and effective leadership.

**Table 4.3 Reliability Test Result**

Constructs	No. of items	Cronbach alpha
Monetary Reward	10	0.712
Staff performance	10	0.902
Effective leadership	10	0.839

**Source: Fieldwork Survey (2023)**

According to Goforth (2021) Cronbach's alpha coefficient between 0.65 and 0.8 is considered good. The Cronbach's alpha value of 0.712 for monetary reward proposed that the test item was good. In addition, the Cronbach's alpha value of 0.902 for staff performance proposed that the test item was also good and finally, the Cronbach's alpha value of 0.839 for effective leadership proposed that the test item was good.

### 4.4 Descriptive Results

This following section provides information about the mean, standard deviation and number of respondents of each questionnaire item used for the study.

#### 4.4.1 Monetary Reward

**Table 4.5 Monetary Reward**

Code	Items	N	Min	Max	Mean	SD
MR1	The organization provides bonuses for staff	200	1	5	2.51	1.259
MR2	The organization provides overtime pay for staff	200	1	5	1.79	0.970

MR3	Extra allowances are awarded for extra performance	200	1	5	4.18	1.136
MR4	Commission is paid to staff in relation to their job performance	200	1	5	1.73	1.040
MR5	Employees are provided with pension plans	200	1	5	4.23	0.852
MR6	Employees are given food allowance	200	1	5	3.03	1.342
MR7	The employees are awarded with wage incentives	200	1	5	4.46	1.344
MR8	Salaries of staff are periodically increased based on merit and entitlement	200	1	5	1.79	0.918
MR9	Retirement and fringe benefits are enjoyed by staff	200	1	5	3.70	1.073
MR10	Employees are often awarded sabbatical leave with pay	200	1	5	3.89	1.059
<b>OVERALL MEAN SCORE</b>		<b>200</b>	<b>2.83</b>	<b>4.14</b>	<b>3.5893</b>	<b>0.26769</b>

Note: SD= Standard deviation.

**Source: Fieldwork Survey (2023)**

In Table 4.5, the “five-point Likert scale” is an interval scale. The mean values from 1 to 1.8 means strongly disagree from 1.81 to 2.6 means disagree, from 2.61 to 3.4 means neutral; from 3.41 to 4.20 means agree and from 4.21 to 5 means strongly agree. The mean scale score is the average score of the individual respondents. In particular, the mean scale score was determined by adding together the scores of each individual student and dividing that amount by the number of scores. It is also known as an average.

On the first items showing “The organizational provides bonuses for staff” and “The organizational provides overtime pay for staff”, the mean scores were 2.51 and 1.79 respectively. This implies that majority of the respondents are neutral that the organisation



provides bonuses for staff and also disagreed that the organisation provides overtime pay for staff. Also with regards to the issue on “Extra allowances are award for extra performance” and “Commission is paid to staff in relation to their job performance”, the means values were 4.18 and 1.73 respectively, showing that majority of the staff strongly agreed that extra allowances are awarded for extra performance but strongly disagreed that commission is paid to staff in relation to their job performance.

Also, on the issue of “Employees are provided with pension plans” and “Employees are given food allowance”, the mean values were 4.23 and 3.03 respectively. This implies that majority of the respondents strongly agreed that the employees are provided with pension plans and also agreed that the employees are given food allowance. Again, based on the issue that “The employees are awarded with wage incentives” and “Salaries of staff are periodically increased based on merit and entitlement”, the mean scores were 4.46 and 1.79 respectively. This means that most of the respondents strongly agreed that the employees are awarded with wage incentives but also disagreed that the salaries of staff are periodically increased based on merit and entitlement.

With regards to the matter on “Retirement and fringe benefits are enjoyed by staff” and “Employees are often awarded sabbatical leave with pay”, the means scores 3.70 and 3.89 respectively indicates that most of the respondents agreed that the retirement and fringe benefits are enjoyed by staff and also the employees are often awarded sabbatical leave with pay. The overall mean of 3.5893 shows that most of the staff strongly agreed with the non-monetary reward of the organisation. Schein (2020), also conducted a study which showed that some of the monetary rewards are bonuses, overtime pay and pension pay. Hofsted (2021), also mentioned that some public institutions provide retirement and fringe benefits of the staff (Ongaki & Otundo, 2015). This study agrees with the current study.

#### 4.4.2 Staff Performance

**Table 4.6 Staff Performance**

Code	Items	N	Min	Max	Mean	SD
SP1	Staff are able to cooperate with each other	200	1	5	4.51	1.259
SP2	Staff come out with problem solving abilities	200	1	5	4.79	0.970
SP3	Staff are able to carry out extra responsibilities	200	1	5	4.18	1.136
SP4	Staff are able to look for new challenge in the job	200	1	5	4.73	1.040
SP5	Employees are able to plan their work	200	1	5	4.23	0.852
SP6	Teamwork is ensured among staff	200	1	5	3.03	1.342
SP7	Staff are able to deliver in accordance to the standards set by the institute	200	1	5	4.46	1.344
SP8	Employees are able to meet deadlines	200	1	5	4.79	0.918
SP9	Employees are able to communicate effectively among themselves	200	1	5	3.70	1.073
SP10	Employees are able to ensure a work flow	200	1	5	3.89	1.059
<b>OVERALL MEAN SCORE</b>		<b>200</b>	<b>2.83</b>	<b>4.14</b>	<b>3.69</b>	<b>0.26769</b>

Note: SD= Standard deviation.

**Source: Fieldwork Survey (2023)**

In Table 4.6, the “five-point Likert scale” is an interval scale. The mean values from 1 to 1.8 means strongly disagree from 1.81 to 2.6 means disagree, from 2.61 to 3.4 means neutral; from 3.41 to 4.20 means agree and from 4.21 to 5 means strongly agree. The mean scale score is the average score of the individual respondents.

On the first items showing “Staff are able to cooperate with each other” and “Staff come out with problem solving abilities”, the mean scores were 4.51 and 4.79 respectively. This implies that majority of the respondents strongly agreed that staff are able to cooperate with each other and also strongly agreed that staff come out with problem solving abilities. Also with regards to the issue on “Staff are able to carry out extra responsibilities” and “Staff are able to look for new challenge in the job”, the means values were 4.18 and 4.73 respectively, showing that majority of the staff strongly agreed that the staff are able to carry out extra responsibilities and also strongly agreed that the staff are able to look for new challenge in the job.

Also, on the issue of “Employees are able to plan their work” and “Teamwork is ensured among staff”, the mean values were 4.23 and 3.03 respectively. This implies that majority of the respondents strongly agreed that employees are able to plan their work while most of them agreed that teamwork is ensured among staff. Again, based on the issue that “Staff are able to deliver in accordance to the standards set by the institute” and “Employees are able to meet deadlines”, the mean scores were 4.46 and 4.79 respectively. This means that most of the respondents strongly agreed that staff are able to deliver in accordance to the standards set by the institute but also strongly agreed that employees are able to meet deadlines.

With regards to the matter on “Employees are able to communicate effectively among themselves” and “Employees are able to ensure a work flow”, the mean scores 3.70 and 3.89 respectively indicates that most of the respondents agreed that employees are able to communicate effectively among themselves and also strongly agreed that employees are able to ensure a work flow. The overall mean of 3.69 shows that most of the staff strongly agreed with the staff performance. According to Mahdiah (2015), communication within the workplace improves staff performance. This is because, among other things, it gives employees knowledge regarding their responsibilities, the organization's goals, and how to carry out their

tasks effectively. They contend that good decision-making is a result of organizational communication.

#### 4.4.3 Effective Leadership

**Table 4.7 Effective Leadership**

Code	Items	N	Min	Max	Mean	SD
EL1	Leaders are able to motivate staff	200	1	5	3.79	1.049
EL2	Leaders have the desire to continuously improve	200	1	5	3.81	0.934
EL3	Leaders have vision for the institute	200	1	5	4.05	1.050
EL4	Leaders have good interpersonal relations with the staff	200	1	5	3.95	0.972
EL5	Leaders are strategic and critical thinkers	200	1	5	4.05	0.999
EL6	Leaders have the interpersonal communication skills	200	1	5	3.96	0.936
EL7	Leaders are open-minded and creative	200	1	5	3.55	1.028
EL8	Leaders exhibit flexibility	200	1	5	4.07	0.908
EL9	Leaders exhibit a sense responsibility and dependability	200	1	5	3.91	0.324
EL10	Leaders exhibit patience and tenacity	200	1	5	3.83	0.321
<b>OVERAL MEAN</b>		<b>200</b>	<b>1.80</b>	<b>4.85</b>	<b>3.8110</b>	<b>0.56662</b>

Note: SD= Standard deviation

Source: Fieldwork Survey (2023)



In Table 4.7 showing the effective leadership, the “five-point Likert scale” is an interval scale. The mean values from 1 to 1.8 means strongly disagree from 1.81 to 2.6 means disagree, from 2.61 to 3.4 means neutral; from 3.41 to 4.20 means agree and from 4.21 to 5 means strongly agree. The mean scale score is the average score of the individual respondents.

Firstly, with regards to the matter on “Leaders are able to motivate staff” and “Leaders have the desire to continuously improve”, the mean values were 3.79 and 3.81 respectively. This implies that most of the respondents agreed that leaders are able to motivate staff and also further agreed that leaders have the desire to continuously improve.

Also, based on the concern “Leaders have vision for the institute” and “Leaders have good interpersonal relations with the staff”, the mean scores were 4.05 and 3.95 respectively showing that majority of the respondents strongly agreed that leaders have vision for the institute and also have good interpersonal relations with the staff.

Prior to the issue “Leaders are strategical and critical think about the effect of my actions on my colleagues” and “Leaders possess the interpersonal communication skills”, the mean scores were 4.05 and 3.96 respectively demonstrating that majority of the respondents strongly agreed that leaders strategically and critically think about the effect of the actions on my colleagues and most of them agreed that leaders possess the interpersonal communication skills.

Also, the mean values 3.55 and 4.07 show that most of the staff agreed that leaders are open-minded and creative and majority also strongly agreed that leaders exhibit flexibility.

In conclusion, the mean value of 3.91 and 3.83 shows that most of the respondents strongly agreed that leaders exhibit a sense responsibility and dependability and also strongly agreed that they exhibit patience and tenacity.

The overall mean score of 3.8 shows that majority of the staff strongly agreed with the organisational leadership of the organisation. A leader is, in essence, someone tasked with directing the activities of a group of people. Leadership style is a crucial factor in the area of organizational behavior while trying to fulfill an organization's objectives. As part of the leadership process, non-coercive influence is used to establish the group's culture, inspire behavior toward the achievement of the organization's goals, and shape group or organizational goals (Ukaidi, 2016). Ukaidi (2016) defines leadership as the process of influencing people and creating an atmosphere that makes it possible for them to accomplish the aims and objectives of the team or organization.

**Table 4.8 Inter-Variable Correlation Results**

Variables	1	2	3	4	5	6	7	8
<b>Gender</b>								
<b>Age</b>	.126							
<b>Marital Status</b>	-.085	.195*						
<b>Department</b>	.195*	.76**	.134					
<b>Length of Service</b>	-.19*	.007	.150	-.003				
<b>Level of management</b>	-.121	.029	-.057	.055	.321**			
<b>Monetary Reward</b>	.020	.124	.098	.107	.271**	.021*		
<b>Staff performance</b>	-.005	-.015	.037	-.021	.336**	.059	.028**	
<b>Effective leadership</b>	-.010	.090	.197*	-.023	.310**	.030	.0314*	.027*

**Note:**

\*Correlation is significant at the 0.05 level (2-tailed)

\*\* Correlation is significant at the 0.01 level (2-tailed)

**Source: Fieldwork Survey (2023)**

In Table 4.8, monetary reward had a correlation of 0.314 with staff performance. This shows a significant correlation between monetary reward and staff performance. Monetary reward therefore enhances staff performance and which is in line with the researcher's conclusion that monetary reward influence employee performance. This also asserts that there is a positive relationship between monetary reward and employee performance.

**Table 4.9 Summary of the Moderating role of Effective Leadership on the relationships between Monetary Reward and Staff Performance**

IV	DV	Interaction effect (moderator)	R <sup>2</sup>	Δ R <sup>2</sup>
Monetary Reward (MR)	Staff Performance (SP)		.075	-
Monetary Reward (MR)	Staff Performance (SP)	MR* Effective Leadership (EL)	.086	.010

Note: IV= Independent variable, DV = Dependent variable

**Source: Fieldwork Survey (2023)**

In Table 4.9, R<sup>2</sup> value of 0.086 representing 8.6% of the variance in Effective Leadership can be assigned to monetary reward and staff performance. This implies that effective leadership moderated the relationship between monetary and staff performance. The monetary reward variable was measured using the sub-construct of the monetary reward. The staff performance was as well measured using the sub-constructs of the staff performance in the questionnaire.

## 4.5 Regression Analysis

**Table 4.10 Ordinary Least Square Regression Analysis Results (Standardized Coefficients)**

Variable	Staff Performance		
Control paths	Model 1	Model 2	Model 3
Gender	-0.23 (-2.260)	-0.149 (-1.785)	-0.148 (-1.729)
Age	0.072 (0.523)	0.001 (0.006)	-0.003 (-0.027)
Marital Status	0.139 (1.545)	0.104 (1.252)	0.103 (1.182)
Department	-0.009 (-0.067)	0.002 (0.015)	-0.005 (-0.038)
Length of Service	0.051 (0.321)	0.103 (1.152)	0.121 (1.219)
<b>Hypothesized paths</b>			
<i>Main effect</i>			
“Monetary Reward”		0.054 (0.606)	0.058 (0.628)
“Effective Leadership”		0.041 (0.434)	0.032 (0.574)
<b>Interaction terms</b>			
MR*EL			0.145 (1.545)
<b>Fit indices</b>			
R <sup>2</sup>	0.071	0.293	0.312
ΔR <sup>2</sup>	0.071	0.221	0.020
Adjusted R <sup>2</sup>	0.041	0.231	0.218
F statistics	2.322	4.759	3.330
DF	121	115	110
Sig	0.061	0.000	0.000

**Note:** t-values are in the parenthesis  
Coefficient significant at the 0.05 level (1 tailed)  
Hypothesized paths estimated at 5% significance level  
**Source: Fieldwork Survey (2023)**

In Table 4.10, Model 1 has a significant value of 0.061 indicating no strong relationship between the control variables and dependent variable (Staff performance). However, the R<sup>2</sup> value of 0.071 in model 1 also indicates that 7.1% of the variation in the dependent variable can be explained by the control variables (gender, age, marital status, department and length of service). Model 2 and 3 have significant values of 0.000 which is less than the p-value 0.05 indicating strong relationship between monetary, the moderator variable (effective leadership) and staff performance. However, the change in R<sup>2</sup> value representing 0.221 in model 2 explains



that 22.1% of the variation in the dependent variable can be explained by monetary reward while change in  $R^2$  value representing 0.020 in model 3 explains that 2% of the variance in the “dependent variable” can be assigned to the moderator variable (effective leadership). This agrees with studies done by Saks, (2020) that monetary reward and effective leadership affects staff performance.

#### **4.6 Conclusion**

This chapter focused on identifying the effect of monetary reward on staff performance, a moderating role of effective leadership. The following section outlays a summary of the findings, conclusions and recommendation.



## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

A summary of the findings is presented here, where conclusions and recommendations related to the study are included.

#### **5.2 Summary of findings**

Studies support the assertion that monetary reward affects staff performance. This study as well draws on the same assertion concerning the relationship between monetary reward and staff performance. This study further explored the investigating the relationship between monetary reward and staff performance, the moderating role of effective leadership. The following section gives details of the relationship between the variables of the study.

##### **5.2.1 The Monetary Reward Package Available at KATH**

It was observed that the most of the respondents mentioned that the monetary reward packages available at Komfo Anokye Teaching Hospital are bonuses for staff, overtime pay, extra allowances are awarded for extra performance. Again, most of them mentioned that commission is paid to staff in relation to their job performance. Also, majority of the respondents asserted that wage incentives are provided to the staff in addition to the salaries that are paid to the staff. Lastly, they mentioned that, staff are paid fringe benefits and retirement packages.

##### **5.2.2 Effect of Monetary Reward Packages on Staff Performance**

The study found out that monetary rewards in the organisation have a significantly positive effect on staff performance. This implies that the ability for the management of the staff to motivate staff, continuously provide them with monetary benefits such as incentives, paid

leaves, and fringe benefits and retirement packages in order to boost their morale to work effectively and efficiently to meet the organisation's set standards.

### **5.2.3 The moderating role of Effective Leadership in the relationships between Monetary Reward and Staff Performance.**

The moderation analysis conducted revealed that effective leadership moderated the relationship between monetary reward and staff performance. This can be said that effective leadership is a key variable that manipulates and ensures the uniformity between monetary reward and staff performance. This is because, effective leadership serves as a key driving force which dictates the monetary reward of the organisation and that will also go in a long way to affect the staff performance. An effective leadership style provides the employees with monetary packages that will make them feel comfortable and work effectively and efficiently to meet the aspirations of the organisation.

### **5.3 Implications of the Study**

The study examined the relationship between monetary reward and staff performance, the moderating role of effective leadership. The findings of the study will provide insight into knowing that monetary reward is a key variable that impact either negatively or positively on staff performance in an organisation. Furthermore, this will provide a base for business owners and managers to appreciate monetary reward that is likely to enhance staff performance.

#### **5.3.1 Theoretical Implication**

The research has provided another level of insight to support researches related to the effect of "monetary reward" on "staff performance". The research has also provided strong evidence that validates some of the theories related to monetary reward. For example, the findings from the research showed clear evidence of the important role that monetary reward plays in the staff performance. The study will also add to existing literature to serve as a reference point for other

researchers who want to conduct similar study. The study will also contribute to a knowledge body to support academic institutions to expand their understanding on monetary reward and its related theories. The study will finally fill the gap that other researchers have left to be filled.

### **5.3.2 Practical Implication**

The study has contributed to the tactical, operational and strategic plans formation. The tactical level of planning deals with how an organization can implement its strategies. Under this level, effective leaders or managers will ensure that policies set by top-level management like values; beliefs and norms are implemented by designing actionable plans to enhance the monetary reward and improve staff performance.

The operational level also deals with implementing the actionable plans designed. Under this level, the actionable plans are implemented by allocating and providing the needed time, material, financial and human resources. This research will guide organizations in relation to their monetary reward policies by allocating and providing the training needed for organizational success.

The strategic levels deal with the long-term planning of the organisation. The contribution of the research at this level is that for long term policies related to establish proper monetary packages that will motivate the staff to enhance their performance.

### **5.4 Conclusion**

The study aimed at investigating the relationship between monetary reward and staff performance, the moderating role of effective leadership. The sample size of the study was 200 staff from Komfo Anokye Teaching Hospital out of the 350 population size. The study adopted the structured close-ended questionnaire to collect the data from the respondents. The study used the SPSS version 21.0 to analyse the data and presented in tables showing the means and standard deviation. The study revealed that most of the respondents mentioned that the



monetary reward packages available at Komfo Anokye Teaching Hospital are bonuses for staff, overtime pay, extra allowances are awarded for extra performance. Again, most of them mentioned that commission is paid to staff in relation to their job performance. Also, majority of the respondents asserted that wage incentives are provided to the staff in addition to the salaries that are paid to the staff. Lastly, they mentioned that, staffs are paid fringe benefits and retirement packages. The study found out that monetary reward in the organisation has a significantly positive effect on staff performance. This implies that the ability for the management of the staff to motivate staff, continuously provide them with monetary benefits such as incentives, paid leaves, and fringe benefits and retirement packages in order to boost their morale to work effectively and efficiently to meet the organisation's set standards. The study finally revealed that, effective leadership in the organisation have a significantly positive effect on staff performance. The moderation analysis revealed that effective leadership moderated the relationship between monetary reward and staff performance.

### **5.5 Recommendations**

The study offers the following recommendations;

Firstly, management should establish a morale support program. Morale support programs are programs that are established periodically to boost encourage staff to develop a good attitude towards each other in order to enhance their teamwork and performance. Top level management should put strategic measures in place to develop systematic compensational packages that will enhance the moral of the staff in the organisation and improve their performance.

Secondly, management should provide leadership training for the staff. Based on the findings of the study showing that effective leadership is a moderator of the relationship between monetary reward and staff performance, it is very necessary for the management of KATH to

provide periodic seminars to guide the human resource department in the organisation and inform them on the monetary packages that should be implemented in the hospital to boost the morale of both the core and non-core staff to perform effectively and efficiently.

Thirdly, management should provide the staff with both intrinsic and extrinsic benefits. Intrinsic benefits are mostly non-monetary packages while extrinsic benefits are mostly monetary packages. If management is able to provide staff with the combination of these packages, it will drive them to take personal initiatives and work diligently to support that aim of the organisation.

Furthermore, management should provide fundamental resources to support the human resource of the organisation. The leadership of the organisation should consistently provide the various tools and logistics that are needed to support the activities of the employees. Also, financial resources should be provided often to support individuals in their daily duties to motivate them to perform effectively and efficiently.

Lastly, management should train the staff to possess interpersonal communication skills. Interpersonal communication skills allow employees to transfer information easier and faster among themselves. Interpersonal communication skills also enhance the social asset of the organisation and enable them to relate well with each other. Leadership is also fundamental in the interpersonal communication skills of the organisation. The leadership should promote teamwork and a simple organisational structure which ensures the flow of activities to enhance employee performance. This will in the long run help to develop the leadership qualities in the staff to enhance the performance.

## **5.6 Suggestion for Further Research**

The focus of the current study was on the relationship between monetary reward and staff performance, the moderating role of effective leadership. The study adopted the quantitative

method to collect and analyse the data using explanatory approach. Therefore future studies can adopt the use of qualitative method to collect data through interview approach to explore the knowledge and perception of staff on the impact of monetary reward on organisational performance, using leadership as a moderating variable. Other studies can also use a larger sample size to conduct the study to strengthen the generalizability of the findings of the study.



## REFERENCES

- Agwu, M. O. (2013). conflict management and employees performance in Julius berger Nigeria PLC. Bonny Island. International Journal of Academic Research in Management (IJARM) Vol, 2, 125-139.
- Ali, B. J., & Anwar, G. (2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction.
- Brown, A. (2013). Managing challenges in sustaining business excellence. International Journal of Quality & Reliability Management, 30, 461-475.
- Busse, R. (2014). Corporate culture, organizational change, and meaning at work: Linking human resources with business ethics. Human Systems Management, 33, 47-50.
- Callahan, J. L. (2014). Writing literature reviews: A reprise and update. Human Resource Development Review, 13(3), 271-275.
- Cao, Z., Huo, B., Li, Y., & Zhao, X. (2015). The impact of organizational culture on supply chain integration: A contingency and configuration approach. Supply Chain Management, 20, 24-41.
- Childress, J. R. (2013). Leverage: The CEO's guide to corporate culture [Kindle Edition version]. Retrieved from <http://www.amazon.com>
- Cian, L., & Cervai, S. (2014). Under the reputation umbrella: An integrative and multidisciplinary review for corporate image, projected image, construed image, organizational identity, and organizational culture. Corporate Communications: An International Journal, 19 (2), 182-199.
- Coad, A., & Guenther, C. (2013). Diversification patterns and survival as firms mature. Small Business Economics, 41, 633-649.



- Cura, F. (2018). Impact of organizational culture on organizational performance: Northern Iraq Private Universities. *International Journal of Pure and Applied Mathematics*, 118(20), 4843-4859.
- Denison, D. R. (1990). *Corporate culture and organizational effectiveness*. New York, NY: Wiley.
- Eaton, D., & Kilby, G. (2015). Does your organizational culture support your business strategy? *Journal for Quality and Participation*, 37(4), 4-7.
- Engelen, A., Flatten, T., Thalmann, J., & Brettel, M. (2014). The effect of organizational culture on entrepreneurial orientation: A comparison between Germany and Thailand. *Journal of Small Business Management*, 52, 732-752.
- Eukeria, M., & Favourate, S. (2014). Diversification as a corporate strategy and its effect on firm performance: A study of Zimbabwean listed conglomerates in the food and beverages sector. *International Journal of Economics and Finance*, 6, 182-195.
- Fiordelisi, F., & Ricci, O. (2014). Corporate culture and CEO turnover. *Journal of Corporate Finance*, 28, 66-82.
- Flamholtz, E., & Randle, Y. (2011). *Corporate culture: The ultimate strategic asset*. Stanford, CA: Stanford University Press.
- Flamholtz, E., & Randle, Y. (2012). Corporate culture, business models, competitive advantage, strategic assets, and the bottom line. *Journal of Human Resource Costing & Accounting*, 16, 76-94.
- Fusch, G. E., & Gillespie, R. C. (2012). *A practical approach to performance interventions and analysis: 50 models for building a high-performance culture*. Upper Saddle River, NJ: FT Press.
- Gajewski, D. (2013). The holding company as an instrument of companies' tax-financial policy formation. *Contemporary Economics*, 7(1), 75-82.

George, R., & Kabir, R. (2012). Heterogeneity in business groups and the corporate diversification-firm performance relationship. *Journal of Business Research*, 65, 412-420.

Gibbs, C. (2012). Corporate citizenship and corporate environmental performance. *Crime Law Soc Change*, 57, 345-372.

Givens, R. (2012). The study of the relationship between organizational culture and organizational performance in non-profit religious organizations. *International Journal of Organization Theory and Behavior*, 15, 239-263.

Gorondutse, A. H., & Hilman, H. (2019). Does organizational culture matter in the relationship between trust and SMEs performance. *Management Decision*, 57(7), 1638-1658.

Green, T. J. (2012). TQM and organisational culture: How do they link? *Total Quality Management & Business Excellence*, 23(2), 141-157

Hacker, S. K. (2015). Leading cultural transformation. *The Journal for Quality and Participation*, 37(4), 13-16.

Han, H. (2012). The relationship among corporate culture, strategic orientation, and financial performance. *Cornell Hospitality Quarterly*, 53, 207-219.

Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2011). Organizational culture and organizational effectiveness: A meta-analytic investigation of the competing values framework's theoretical suppositions. *Journal of Applied Psychology*, 96(4), 677-694.

Hashai, N., & Delios, A. (2012). Balancing growth across geographic diversification and product diversification: A contingency approach. *International Business Review*, 21, 1052-1064.

Heris, M. S. (2014). Effects of organizational culture on organizational effectiveness in Islamic Azad universities of northwest of Iran. *Indian Journal of Fundamental and Applied Life Sciences*, 4(3), 250-256.

Igbaekemem, G. O. (2014). Monetary incentives motivates employees on organizational performanace. Global Journal of Arts Humanities and Social Sciences. UK, European Centre for Research Training and Development Press.

Imbahale, N. I. (2016). Effects of Non-Monetary Rewards Towards Employee Motivation (Doctoral dissertation, The Open University of Tanzania).

Khan, M., Daniyal, M., & Ashraf, M. Z. (2020). The Relationship Between Monetary Incentives and Job Performance: Mediating Role of Employee Loyalty. Educational Research (IJMCER), 2(6), 12-21.

Mehta, P. K., & Monteiro, P. J. (2014). Concrete: microstructure, properties, and materials. McGraw-Hill Education.

NNUBIA, A. L. (2020). Monetary Incentives And Employee Performance Of Manufacturing Firms In Anambra State.

Onochie, L. A. (2020). A Literature Review of Remuneration as an Evidence in Promoting Employee Retention in the Public Sectors. Available at SSRN 3680259.

Ponta, L., Delfino, F., & Cainarca, G. C. (2020). The role of monetary incentives: bonus and/or stimulus. Administrative sciences, 10(1), 8.

San, O. T., Theen, Y. M., & Heng, T. B. (2012). The reward strategy and performance measurement (evidence from Malaysian insurance companies). International Journal of Business, Humanities and Technology, 2(1), 211-223.

Sittenthaler, H. M., & Mohnen, A. (2020). Cash, non-cash, or mix? Gender matters! The impact of monetary, non-monetary, and mixed incentives on performance. Journal of Business Economics, 90(8), 1253-1284.

## APPENDIX

### SURVEY QUESTIONNAIRE

#### KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

The aim of this questionnaire is to “*The Effect of Monetary Reward on Staff Performance; the Moderating Role of Effective Leadership*”. This questionnaire is for academic purposes only and any information gathered will remain confidential. Where alternatives have been provided in this questionnaire, please tick the appropriate response. For any other question write your answer in the space provided. Your participation and cooperation in this study is highly appreciated and valued.

Please complete this part by ticking (✓) the appropriate response to each statement.

#### SECTION A: Demographic Characteristics

1. Gender

- a) Male ☐ b) Female ☐

2. Age

- a) 18-30 years ☐ b) 31 - 40 years ☐  
c) 41 - 50 years ☐ d) 51-60 years ☐

3. Marital Status

- a) Single ☐ b) Married ☐

4. Department .....

5. Length of Service

- a) 0-3 years ☐ b) 4-5 years ☐ c) Over 5 years ☐



## SECTION B: Monetary Reward Packages Available at KATH

Please complete this part by ticking (✓) the appropriate response to each statement. The following five-point Likert-scale is used:

(1) Strongly disagree ; 2) Disagree ; 3) Neutral; 4) Agree; 5) Strongly agree

		1	2	3	4	5
1	The organizational provides bonuses for staff					
2	The organizational provides overtime pay for staff					
3	Extra allowances are award for extra performance					
4	Commission is paid to staff in relation to their job performance					
5	Employees are provided with pension plans					
6	Employees are given food allowance					
7	The employees are awarded with wage incentives					
8	Salaries of staff are periodically increased based on merit and entitlement					
9	Retirement and fringe benefits are enjoyed by staff					
10	Employees are often awarded sabbatical leave with pay					

### SECTION C: Staff Perception on Staff Performance at KATH

6. Please complete this part by ticking (✓) the appropriate response to each statement. The following five-point Likert-scale is used:

(1) Strongly disagree ; 2) Disagree ; 3) Neutral; 4) Agree; 5) Strongly agree

	Statement	1	2	3	4	5
1	Staff are able to cooperate with each other					
2	Staff come out with problem solving abilities					
3	Staff are able to carry out extra responsibilities					
4	Staff are able to look for new challenge in the job					
5	Employees are able to plan their work					
6	Teamwork is ensured among staff					
7	Staff are able to deliver in accordance to the standards set by the institute					
8	Employees are able to meet deadlines					
9	Employees are able to communicate effectively among themselves					
10	Employees are able to ensure a work flow					

#### SECTION D: The Perception of Staff on Effective Leadership at KATH

Please complete this part by ticking (✓) the appropriate response to each statement. The following five-point Likert-scale is used:

(1) Strongly disagree ; 2) Disagree ; 3) Neutral; 4) Agree; 5) Strongly agree

		1	2	3	4	5
1	Leaders are able to motivate staff					
2	Leaders have the desire to continuously improve					
3	Leaders have vision for the institute					
4	Leaders have good interpersonal relations with the staff					
5	Leaders are strategic and critical thinkers					
6	Leaders have the interpersonal communication skills					
7	Leaders are open-minded and creative					
8	Leaders exhibit flexibility					
9	Leaders exhibit a sense responsibility and dependability					
10	Leaders exhibit patience and tenacity					

THANK YOU SO MUCH FOR YOUR TIME

