# THE IMPACT OF MONETARY AND NON-MONETARY INCENTIVES ON EMPLOYEE'S MOTIVATION: A CASE OF NON-TEACHING STAFF OF KUMASI POLYTECHNIC

SUBMITTED

By

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# **DECLARATION**

I hereby declare that this submission is my own work towards the Masters of Business Administration (Strategic Management option) Degree and that, to the best of my knowledge, it contains no material previously published to 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.

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# **DEDICATION**

This work is dedicated to my beloved son, Nyamedea K.O.D. Ocran, my husband, Raymond Ocran my mother, Salomay Danso, my father, Emmanuel Nkansah Kissi, not forgetting my wonderful siblings and my entire family.



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### **ABSTRACT**

Successful corporate strategies are those executed well by management, however, the execution of the strategies itself rest on the employees involvement in the processes of the business. It is therefore important for management to have a good understanding of factors that influence employees to be motivated in carrying out the necessary task and achieve or exceed management expectation. The study was conducted in Kumasi Polytechnic among the nonteaching staff. The sampling method used was the purposive or judgmental sampling. Questionnaires were distributed to 144 non-teaching staff. The data collected was analyzed using both descriptive and inferential statistics. The results of the study shows that the monetary incentives used in Kumasi Polytechnic consist of Merit Pay, Bonuses, Salaries and wages, Gain sharing, Accommodation Loan and Scholarship. Whiles the non-monetary incentives consist of Job Promotion, Career Development, Recognition and Fringe Benefit. The study also revealed that generally, the non-teaching staff of Kumasi Polytechnic are motivated. Furthermore, the study revealed that both monetary and non-monetary incentives have impact on motivation, however those that have significant impact were salaries and wages and Merit pay for monetary incentives and crèche for non-monetary. In addition, the study revealed that challenges faced in employee motivation include management not knowing what motivate employee at each time therefore failing to provide what motivates them most. The study recommended that those monetary and non-monetary incentives that have significant impact on employee motivation should be reinforced to enable employees give out their best.

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### **CHAPTER ONE**

### **INTRODUCTION**

### 1.0 Introduction

This section of the research presents the introduction and background of the study, problem statement of the study, research questions, research objectives, significance of the study, the scope, overview of methodology, limitation of the study as well as the organization of the study.

## 1.1 Background of the Study

Organizational Theorists have generally acknowledged that the key asset that an organization can ever have are its human resources, however the successful achievement of the goals of the organization will be subject to the proper deployment of its human resources. Furthermore, organizational success rests on its employees, therefore the need to stress on elements that will impact on employees' motivation and performance from the perspectives of (Liao et al., 2007).

Employees' performance relates to the concept of ability, opportunity and motivation (Ivancevich and Matteson, 1988). Ability is the naturally acquired talent or skill that helps an individual to successfully perform a given task. Opportunity is a set of exploitable circumstances that have uncertain outcome and requires resource commitment and exposure to risk. Lastly, motivation is a reason or reasons for acting or behaving in a particular way.

It is the responsibility of managers to ensure that their employees are motivated in such a way that organizational goals will be met in order to stay in competition. Motivation can lead to better performance when other conditions are met. It has a benefit above others in that whereas the opportunity and ability are likely to be constant and challenging to change for the personnel, motivation has versatility, meaning it can be changed when the need arises. It is worthy to note

that the nonexistence of willingness to operate; capacity and chance will not create the anticipated results. Both Public and Private organizations, need employees who are motivated to be effective and efficient in their operations, in addition to the other factors. Motivated employees operate energetically and creatively towards the achievement of organizational goals. They are the greatest inputs to organization's accomplishment.

Whenever the issue of motivation comes up, one important thing that comes into mind is incentive. Incentive is something that stimulate to greater action or anything that promise for greater action. It is also anything that is given to employees in addition to their wages. It also serves as anything that gives recognition to any employee for any achievement or better work done. It is natural that anybody acts without a reason behind therefore knowing that there would be an incentive for anything done is great enough to motivate them (Lumumba, 2011).

When we talk of incentives, most people or employers consider monetary benefits thus increasing employees' salaries disproportionately. It must be noted that there are other factors that encourage an individual to give off his or her best. These factors include

Satisfaction of job, Job Security, Job Promotion, and Pride for accomplishment among others. Since these are not directly related to money they are known as Non-monetary incentives (Yavuz, 2004).

Non-monetary incentive has a significant and distinct role that infuses enthusiasm in a worker to perform. A study by Lawler (1973), which has been explained by Wiscombe (2002), has the ability of reinforcing the conception that non-monetary incentive has a significant outcome of achieving organizational goals.

With regards to increasing economic decline, most organizations are considering the use of non-monetary incentives that are not valued in monetary terms (Kepner, 2001). This has also increased the popularity of the usage of non-monetary incentives. There are lots of advantages

to the organization when they offer employees with flexible hours, recognition and opportunity to contribute than when employees are rewarded with cash as posited by (Warren, 2007).

Most of organizations in Ghana have offered incentives to their employees to enable them achieve their objectives, however most believe in monetary incentives such as pay increases, bonuses and others as compared to incentives such as recognition, opportunities to participate in organization's decision making as postulated by (Aktar et al., 2013).

This study seeks to explore whether monetary and non-monetary incentives actually have an impact in motivating staff at Kumasi Polytechnic specifically the Non-Teaching Staff.

### 1.2 Problem Statement

Many organizations are considering a strategic approach to motivation management that will help improve their competitiveness, profit and sales. Some of the strategies, according to Bateman et al. (2007), that are used include ensuring organizational citizenship behavior, ensuring customer loyalty and appropriate incentives.

One of the most difficult human resource tasks that are faced by managers is the design and management of motivational incentive systems. Bargraim et al. (2007), says that there is the need to investigate the needs and goals of employees to be able to address them to get the needed motivation.

The perspective of Thompson et al (2005), indicates that a properly designed motivational system is a powerful tool for management to mobilize organizational commitment in executing successful strategy and productivity. According to Arnolds et al. (2007), organizations have a big crisis of motivating employees. Their study showed that billions of money is spent on courses and incentives to help increase employees motivation each year; however it does not always give out higher levels of employees' motivation. This is because there is a different

perception between employees and management on how the goals and objectives of the organization must be attained. Management and employees give different importance to the many motivational incentives taking into consideration the situation on the ground.

According to Delany et al. (2007), managers want employees with high adaptability to change, speed and high productivity, whiles employees on the other hand may want strong skill development, opportunities for growth, entrepreneurial environment and competitive compensation to be motivated. There has been an organized body of experience, research and theory that has been tasked to research motivational incentives. A research conducted by Arnolds et al. (2007), on the strategic importance of non-monetary incentive is a good example. Fredrick Taylor as far back as 1911 came up with the fact that monetary incentive is the most important tool to motivate staff to achieve higher productivity.

There is however lack of conclusive substantiation on monetary incentive impacting on motivation of employees. A study by Arnolds et al. (2007), showed that employees mostly at the lower level give much importance to recognition therefore the use of only money to motivate this caliber of employees will cause problems since different people are motivated by different factors. Bagraim et al. (2007), also added that there is a category of employees that are motivated by financial goals, others that are motivated by professional goals and others that are motivated by personal goals. In view of this one incentive cannot be used to motivate all staff at all levels.

Considering the above, there are debates on whether monetary incentives should be used to motivate employees disregarding non-monetary incentives or vice versa.

The study therefore looks at the need to investigate whether both monetary and non-monetary incentives have an impact in motivating staff (Non-Teaching) of Kumasi Polytechnic.

The study will also add to the issue raised by Iglans and Roussel (1999), that assumptions that underpin the compensation policies of manager have not yet been adequately and conclusively investigated by the research field with regards to Non-Teaching staff of Kumasi Polytechnic.

# 1.3 Objectives of the Study

The major objectives of this include:

To identify the monetary and non-monetary incentives used in Kumasi
 Polytechnic ii. To determine the level of motivation among non-teaching staff of Kumasi

Polytechnic iii. To determine the impact of monetary and non-monetary incentives in motivating of Non-teaching staff iv. To identify the challenges faced in motivating non-teaching staff

### 1.4 Research Questions

The following are the underlying research questions which will help in unraveling the impact of monetary and non-monetary incentives on motivation.

- 1. What are the monetary and non-monetary incentives used in Kumasi Polytechnic?
- 2. What is the level of motivation among non-teaching staff of Kumasi Polytechnic?
- 3. What is the impact of monetary and non-monetary incentives in motivation of Non-teaching staff of Kumasi Polytechnic?
- 4. What are the challenges faced in motivating non-teaching staff?

# 1.5 Significance of the Study

Considering the Classical Theory, many researches have been conducted to study the relationship between monetary and non-monetary incentives and how it impact on employee motivation. It can still be said that the use of monetary incentive is much superior to the use of

non-monetary incentives. There are debates whether monetary incentives should be used to motivate employees disregarding non-monetary incentives or vice versa.

The significance of this study is to throw more light on the impact of monetary and nonmonetary incentives in motivating Non-Teaching staff in Kumasi Polytechnic.

### 1.6 Overview of Methodology

The study intends to establish the impact of monetary and non-monetary incentives in motivating staff at Kumasi Polytechnic specifically the Non-Teaching Staff. The population of the study was the entire community of Kumasi Polytechnic consisting of Teaching Staff and Non-Teaching Staff. A judgmental or purposive method of sampling was used to select the study sample (Non-Teaching Staff) and subsequently a sample size of 144 respondents. The variables that were used for the study included: Job Promotion, Recognition, Career Development, Crèche, fringe benefits for Non-Monetary Incentives and for Monetary Incentives; Merit Pay, Bonuses, Wage And Salaries, Accommodation Loan, and Gain Sharing. Questionnaire were designed and administered. The likert scale rating was used which was then analyzed with the Statistical Package for Social Sciences (SPSS). The collected questionnaires were comprehensively examined, and checked for completeness.

Statistical Package for Social Sciences (SPSS) version 20 was used for the data analysis, which included measures of frequency distribution, percentages, correlation and regression, means, standard deviation, percentages and charts.

# 1.7 Scope of the Study

Kumasi Polytechnic is a big Institution with Teaching Staff and Non-Teaching Staff. However for the purpose of this thesis, Non-Teaching Staff would be considered.

# 1.8 Limitation of the Study

The limitations within this research are several. These are as follows:

### **Limited number of Independent variables**

The study is conducted using monetary incentives and non- monetary incentives as the only independent variables affecting employees' motivation. There are additional factors such as work environment, individual characteristics and other job characteristics that can be included to expound the variability of employee's motivation.

# Difficulty in collection of data

During the collection of data most the non-teaching staff were on leave since the Institution had vacated. It was a bit difficult getting in touch with them. However with time they came around and the data was collected.

### Limited time

Due to the combination of study and work the researcher had limited time to complete the study.

However the limitations as stated above did not have any negative impact on the validity of the study conducted.

### 1.9 Chapter Organization

The study has been organized into five Chapters as follows: the First Chapter deals with the introduction, background study of the research, objectives of the study, research questions, significance of the study, limitations of the study and chapter organization. The Second Chapter deals with review of literature. The Third Chapter discusses the methodology. The Fourth Chapter discusses the data collected and the Fifth Chapter deals with the findings, conclusion and recommendation.

### **CHAPTER TWO**

### LITERATURE REVIEW

### 2.0 Introduction

This section of the thesis discusses the literature analysis in relation to the theme under review. It summarizes information associated with the focus area of the study by renowned scholars who have explored in similar arena of study. This subdivision discusses the different levels of monetary and non-monetary incentives, the perception of motivation, review of related theories and challenges in motivation.

### 2.1 Incentives

Incentive is a deed or a potential possibility that will yield a higher outcome. It is also known as a motivation for greater achievement of an action. Incentives are things given to employees aside their earnings with the view to stimulating them to achieve an institutional objective or goal. It also stands for a reward given by the employer to the employee in respect of better work accomplishment in an organization (Lumumba, 2012).

Incentive gives the needed enthusiasm of workers greater output. It is normal that there is no smoke without fire because there is a reason for every human action. Consequently, people's expectation for a reward is an influential incentive to stimulate workers. It becomes difficult to continuously give financial incentives to workers and continually increase wages or remunerations excessively. There exist other driving forces that lead a person to perform better. This may consist of career development, job promotion, work security and recognition for work achievement (Lumumba, 2012).

Incentives act effectively in motivating employees in diverse ways. According to Whetten et al. (2007), the importance of incentives is to institute a connection between preferred

comportment and the consequence that makes the worker have a sense of recognition. Incentives are significant elements which define a particular work characteristic that adds meaningfulness to the institution. According to Armstrong (2007), incentives are divided into two groups; these are monetary and non- monetary. The groups of incentives as mentioned above are discussed below.

### 2.2 Non-Monetary Incentives

Non-monetary incentives are the physical or perceptible incentives, societal practices or work associated element which are used in an institution to encourage workers devoid of direct cash compensation. In categorizing the non-financial enticements, analysis of on-the-job incentives suggested by Meacham et al. (1999), gives an outline which is embedded in onthe-job incentives and accepted compensations.

Perceptible, non-financial motivations denote physical substances which include citations, gift, certificates, clothing, key holders and discounted tickets to access different facilities at the workplace.

Wiesen (1999), states that Non-monetary incentive has the prospects to encourage workers devoid of cash rewards. Work related non-financial compensations have the probability to induce workers inherently. Jobs with different duties, accountability, independence, empowerment and career development prospects are very essential in gratifying workers particular wants and may arrive at a situation that makes the employee feel that the work in itself is noteworthy of putting more energy devoid of the necessity of any outside compensation.

There are various types of non-monetary incentives used to motivate staff in organizations.

Below are selected incentives discussed for the purpose of this study.

### 2.2.1 Job Promotion

In the view of Robbins (2005), upgrading is the progression of a workers level or position in an institution's hierarchical order. Advancement in work might be an individual's compensation or motivation for a job well done. An event to upgrade or promote an individual to a certain rank guarantees that, that individual employee is capable of handling the extra duties.

Career advancement can encompass promotion in terms of grade, income and compensations and in certain institutions the form of work accomplishment may revolve greatly. The extent of pay rise connected with advancement differs greatly among businesses and subdivision, and is contingent on fragments of the worker placement on the organizational chart. In certain institutions or subdivisions there might only be a moderate rise in pay for upgrading and in other employment avenue an upsurge in advancement may greatly affect an individual's income. Identically, it is factual with remunerations and other civil liberties. And in some organizations, career advancement alters only designation and income, and no extra compensations are attached.

The extent to which work actions alter or are modified differs among organizations and subdivisions. In some specific work areas, even after an individual has been upgraded, their work activity does not change. The changes may well be in the difficulty of the records that the person is apportioned to or in the thoughtfulness of the subjects that they are requested to perform. From the perspectives of Sigler (1999), there is a considerable modification to work, when an individual has seen career advancement. Strempel (2003), posits that in certain areas of the private working environment, senior members have much veto and control over the preference to give upgrading or promote as employee progress can be done with going through most of the necessary requirements.

### 2.2.2 Recognition

Kirton (2003), opines that being extra conscious of an individual's reasoning decisionmaking attribute may perhaps impact on self-reflection and self-controlled inducement to attention. As a characteristic, an individual's thoughtfulness behavior takes into account a person's desired manner of reasoning and difficulty-resolution.

Kirton's (2003), philosophy of reasoning style symbolizes cognitive managerial and resourcefulness transversely in a single range from variation to modernization. People who have the tendency to be extra responsive in style focus on collective competence and in compliance with conventional, procedures and power. These personalities desire fulfilling transformation by means of prevailing standards. Individuals who have the tendency to be adaptive like executing a duty at a time and do not accept uncertainty.

Individuals who exhibit creativity in their reasoning style have the tendency to create enormous and numerous novice notions or thoughts, operate very well in crises situations, involve themselves in taking risks and performs multiple tasks. Inventors become accustomed to eagerly drastic alteration, in much enhanced manner and create innovative standards. Associating reasoning style philosophy with character, innovator is connected with the behaviors of taking risk and pursuant of sensation, conscientiousness as well as positivity whilst adaptors are concomitant to low level of self-confidence and low forms of insightdetection.

In the view of Moody (2003), characters of divergent classes may perhaps require a challenging period functioning collectively in groups, except supported in being extra careful of the vice versa of problem resolution form of penchants and becoming more aware of the opposite problem-solving style penchants and attitudes to thinking policymaking.

Ramlall (2003), assesses that recognizing the comprehensive effects of having emotional impact, disposition, behavior, thinking style and mental policymaking relative to stimulus and

the possible influence on employees and motivation is very vital. Positive emotional impact impacts on work stimulus and employees' ability to efficiently involve themselves in awareness-centered policymaking in motivating employees. Giving a helping hand to employees and work groups in being extra conscious of their differences is relative to emotional impact, character, and thinking styles which helps to improve joint effort and open feedback in addressing difficulties.

Relative to reasoning and sensitively centered inspirational elements affecting performance of duty, autonomy, self-efficacy, and self-confidence need a critical look since they function to sustain or challenge personal capability at the workplace.

# 2.2.3 Career Development

In responding to the current and ever increasing difficult working environments, institutions have designed tactics that have taken into account the acceptance of modern institutional planning. Theories of career concept and analysis have fallen short of the explanations of these emergent scenarios. Resting on Randall et al. (2000), an old-fashioned model established by patriarchal professional supervision in inflexible officialdoms remains to govern collected works of careers.

This gap in experimental investigation is particularly challenging for occupational advancement expert when dealing with the concerns of superiors and workers in modern institutions. Modern institutional viewpoints posited by Heathfield (2000), advocates that occupational modification is a vital instrument of yet to some career forms which find slight resemblance with old-fashioned hypothetical representations.

Undeniably, the degree to which transformation has become connected with occupations has paved the way to the upsurge of novice views. The degree and magnitude of transformation in

institutional hierarchical forms has shaped the opinion of some writers like Leopold (2010), who proposed that occupational uproar or mayhem must be looked at from inside a multicultural line of business supervision scheme joining together direct, knowledgeable, and momentary occupational values.

This permits the institution to become accustomed to its occupation schemes to altering employees' desires. Career advancement accomplishments are geared towards solidifying occupational flexibility which gives rise to added flexible and easy going worker character that are essential for the modern organization and for the person who should ultimately think of career adjustment.

## 2.2.4 Fringe Benefits

Employee welfares and salaries form reimbursement packages accessible in diverse amalgamations and at changed points to professions situated in unlike employment marketplaces according to (O'Rand, 2006). Worker assistance is vital for the advancement of shared company relationships. From the viewpoint of Herzberg's motivator and hygiene model, a worker assistance package is an important and necessary condition of work. The hygiene element will have an influence on workers' work stimulus or motivation and hence efficiency. With the stimulus -response actions, an individual's duty performance motivation, understood as the reaction or response could be studied from absenteeism rate, leave of absence rate, resigned rate, and so on. Additionally Vroom (1964), upheld in his expectancy model that people perform duties in anticipation of some form of attainment both bodily and spiritually. On the other hand, the level of attainments impacts on the value and amount of effort, which further produces efficiency. Therefore the situation remains essential to discover the way to give welfare which is stimulus in order to stimulate effort of inducement and efficiency as posited by (Vroom, 1964).

In the view of Maslow (1993), in his pyramid concept, worker assistance packages may possibly be categorized into four kinds of benefit namely: bodily demands; safety demands; collective demands and self-actualization demands. Benefits according to Cole (2002), comprise things like pension, which in some circles refers to as fringe sickness pay, provision of organizational cares which are supplementary to remunerations. Rosenbloom (2001), establishes that the most important concern of any employee is the employee's monetary and commercial safety. Worker benefits are generally used to propose an outside role in the emblematic salary package. The considerable development in the importance of most welfare schemes which spans over the previous years' worth that the name fringe does not fit any longer. An accumulative amount of worker compensation consists of extra, stipends and claims which are mostly rewarded in a compassionate way instead of monetary terms.

# 2.3 Types of Monetary Incentives

According to Herzberg et al. (1989), behind all ideas of inspiration or motivation for effort was and still is the concept of economic man. Kempner (1983), affirms that whiles this method is now perceived to be too rudimentary, financial motivations continues to have a conclusive impact on employees. In theory financial incentives have five main concepts of duties of money on impacting work behaviors. Firstly, money is a generalized conditioned reinforcer in that financial motivation normally works together with different principal reinforcers such as attainment, accountability and recognition. Again, money is a conditioned incentive because money could repetitively go together with different elements to generate encouraging work performance. Additionally, money as a motivator becomes an anxiety reducer in that it acts in association with some learned needs as an explanatory instrument for motivation.

Demos (1988), tags money as a hygiene factor as Herzberg et al. (1989), maintained that cash is a hygiene influence which can possibly generate gratification when it is given in huge

quantities, but cannot contribute as a potential motivator. Money or cash is also been labeled as a mechanism for attainment of anticipated outcomes. Money acquires valence – which is an effective coordination in the direction of a specific accomplishments and subsequently gains attainment, acknowledgment and status quo. Campbell (1982), asserts that cash and oral motivations influence greatly on person's inclination to employment on less difficult or hard objectives.

### 2.3.1 Merit Pay

Salary entails base pay and adjustable pay. Adjustable salary can offer motivations for people or a team accomplishment as Milgrom et al. (1992), identified. It can also be termed in the view of Burgess et al. (1999), as performance associated pay. The challenge involved with subjective valuations, from the perspective of Burgess et al. (1999), is that they cannot be verified by another person; as a consequence the assessor has a reason to change the calculation ex-post for personal benefit, loosening the enticements for the workforce to put in much effort.

Performance-related pay encompasses compensating the employee with a sum that rests on some goal measurement of the person's effort or performance. Most used form of Performance Related Pay is piece rates, which is described as compensation for agreed sum of outcome. Lazear (1999), dwelling on his concept of piece rates opines that it separates responsible employees who are more willing, from the collective normal capabilities of employees. Merit pay can be unsuitable even at what time precise enactment processes remain in place. The intention aimed at this is that employee preconceived impression en route for only those accomplishments that are quantifiable and entice payments, at the cost which is not difficult to quantify but in the same way significant responsibilities. Holmstrom et al. (1991), pinpoints the challenges of applying enticement pay in multiple task and multitasking conditions. Burgess et al. (1999), deduce from the concept of Holmstrom that work related pay would not be

appropriate in the civil service, judging from works that encompass performances which are not easy to assess.

### 2.3.2 Bonuses

Bonuses come in various forms and there have been arguments as to the reasons why organizations prefer to use bonuses to motivate their workforce. Before discussing the diverse reasons why institutions make use of bonuses to inspire workers there is the need to distinguish how additional benefits are given. To elaborate further, Pink (2009), explains that there exist two procedures of satisfying an employee. Firstly, in attendance are the dependent satisfiers or what he referred to as "if then satisfiers" that assures a direct repayment if a particular form of an act is accomplished or attained. In other words, there is also "now-that" compensations. These types of payments are given in remembrance of the work done or appraised duty performance.

A singular contended reason pertaining to the reason institutions work with bonus systems of diverse categories is that firms look at them as a worthy instrument to lure and maintain capacity as postulated by (Gomez-Mejia et al., 2011). This reason is most at times justifiable by institutions as a consequence of bonuses being an organizational standard. In an event to appeal to the finest employees, the institute arranges bonus systems that suggest a reasonable relationships and circumstances. An additional pertinent argument developed is that additional benefits offer institutions through a flexible emolument possibility. Subsequently the company is not creating an everlasting fiscal or monetary obligation, the danger of coming up with additional benefits compensation as a branch of the incentive scheme is considered to be of low consequence than raising the base pay level in the view of Lazear et al. (2009), as this form of incentive gives the industry with a particular cost flexibility. Rendering on Lazear et al. (2009), the best vital motive to connect compensation to an act is to intensify or raise workers' outcome.

This is constructed on a presupposition that extrinsic motivation will be geared towards an advance enactment. Additional benefits are consequently at times used as a dependent incentive to attract higher work performance by workers. The reasons for employee motivation via additional benefits are carefully connected to the perceived reason of supporting the workers. The purpose of motivating through bonuses is also carefully linked to the purpose of supporting the employees' happiness in relation to the institute's ones.

# 2.3.3 Wages and Salaries

Motivation of employees comes in several ways and salary is a major contributory factor to motivation. Bown et al. (2008), support the notion that salary is a motivating factor. In their research conducted on quantity surveyors in South Africa and their findings indicated that salary, advancement in career, individual satisfaction and acknowledgements were some of the factors that were motivating enough. The quantity of cash an individual gets at the end of the month has the potential of becoming the utmost forecaster of a person's stimulus. As Kowitz (1967), puts it, cash or money has a resolutely ingrained status as the eventual influence or stimulus. Enthusiasm from income occurs between workers, though may perhaps be inspired via contract or assignment besides others may possibly be stimulated by rise in permanent salary.

Pappas et al. (2006), observed the impact of establishment enforced incentive scheme on the stimulus stages of sales persons and established that certain individuals are stimulated by commission centered salary whilst other people are stimulated by permanent income. Organizations employ people in the event of effectively performing duties of the procedures and setups of their firms. Workers who are well-organized and operational in accomplishing responsibilities and objectives are worthy of a better income packet.

The results of Fox (1981), back the point of view of this study, which refer to established previous circumstances of income remains accomplishments. Workers who are seen at the lower echelons of institutional income schemes generally portray high prospects of career advancements. For example persons at the low level income attain advancements and income rises quickly as Gibbs et al. (2004), accounts. The dispersal of income has an impact on the level of income activities of workers, which is progressive for junior level workers and undesirable for those in higher positions. If supervisors or managers are thoughtful over impacting action and stimulus levels of workers via income, managers must raise the income greatly so that it can be seen as high. Mitra et al. (1997), proposes that it cannot be anticipated that progressive perception and response to attitude will be generated amongst workers.

### 2.3.4 Gain Sharing

Doyle (1983), describes gain sharing as a combined method to management challenges since it takes an all-inclusive standpoint, addressing the whole institute as a replacement of its branches. Gain sharing consists of three valuable categories which are management practices, employee participation and shared reward. Graham-Moore (1990), correspondingly explained these elements as values of teamwork, an involvement practices and a monetary incentive.

The initial factor, management values or practices, explains the idea of the organization's culture which functions as facilitator for superiority. Such forms are accomplished via the commitment of the institute and sustenance. Lawler (1983), on the other hand explains the commitment to involving superiors as a great participation method. These elements according to, Welbourne & Gomez-Mejia (1988), denotes the important of organization in leadership, assistance and resourcefulness in achieving institutional goals an essential element of gain sharing accomplishment.

The second component, which emphasizes on employee involvement, discusses the strategy and the approach which accelerates worker involvement in decision-making processes. Management distributes its activity by engaging workers with the required facts, acquaintance and authority to impact institutional enactment. Moreover, Ewing (1989), points that workers possess the capabilities to impact alteration inside the institutional realms. Institutional objectives will never be complete without the assistance of individual workers and accordingly gain recognition is an important achievement influence as Cascio (1992), supports the same literature. The final component of the gain sharing process is what is termed as shared reward which describes the process which regulates the standards and approach of incentive dispersal. Since individuals perform better on what they gain Berg

(1991), asserts that incentives show equality and makes the worker's energy feel valuable as Theisen et al. (1990), also recognize the same. Other authors, Hesterly et al. (1986), presuppose that such action is needed for surpassing the market environment in contrast to challengers.

# 2.4 Motivational Concepts

The word motivation emanates from the expression "motive" which expresses an intention related to behavior. Enormous collection of works exists on exploring the idea of motivation within organizations or institutions. The word has been used according to, Atkinson (1964), to mean the modern-day stimuli on the path, energy as well as persistence of accomplishment. Jones (1955), posits that motivation is the way an action develops, is strengthened, is continued, is focused, is motionless, and the form of personal or independent response which is inhibited within organizations despite the fact all these are ongoing. From the perspectives of Higgins (1994), motivation is inbuilt stimulus to fulfill discontented or unsatisfied need. Motivation has also been defined from the viewpoint of Baron (1983), as a set of procedures connected with the dynamism that strengthens an action and guides it in the direction of achieving some form

of objective. Also from the standpoint of Vroom (1964), motivation is a set of foremost selections made by individuals or lesser entities in the midst of different practices of unpaid action. Mitchell (2002), explains that motivation is the emotional procedure that induces stimulation, way and perseverance of intended activities that are geared towards achieving objective. All these diverse explanations suggest a number of inferences around social or human actions. In the first place, there remain certain needs that propel people to act in the way they do, and secondly, individual actions are concerned with an objective. Motivation, thus, becomes a continuous form of procedures which begins with needs, continues with objective-oriented performance and ends with the level of needs of fulfillment.

However a common meaning of motivation can be known by means of the level to which a person desires and decides on engaging in a particular definite action. Motivation therefore, within the working environs denotes the magnitude to which a person wishes and attempts to exert much effort to perform a specified work within an organization, according to (Mitchell, 2002). Motivation of workers or employees is the central theme for the reason that, it may well be a form to reducing and manipulating the space or gap that exists among employees tangible and preferred level or degree of being committed to the institution or organization in addition to encouraging individuals to perform a duty or a task singularly or in teams. The problem associated with motivation for an industry or organization is how to discover what the work force needs and wants are and where it intersects with the organization's core values and objectives.

Variables connected by the exceptionality of a person are in relation to employees' attitudes, level of interest and wants. There exists certain innate function that emanates from the kind of job, for example independence or autonomy, level of concern in the job and other functions. In addition, there also exist various influences from the work surroundings which include team or group relations, controlling or regulatory practices, income and reward schemes, sincerity in

the level of communication. For motivation to be affective, one or more of these innate variables must be altered or reformed if not all of these variables changed, as per the objectives or goals of this study is to ascertain if monetary and non-monetary incentives can be an effective way of motivating the Non-Teaching staff of Kumasi Polytechnic. Principal to ascertaining the effectiveness of monetary and non-monetary incentive, it is essential to have a critical look into these forms of controlling variables which have an impact on motivational practices.

It is vital for the organization to have a consideration on the part of personal characteristics in those diverse personal desires, wants and needs. Individuals are encouraged or motivated by needs that cannot be met and there exist a variation among persons with regards to their specific conditions, morals and philosophies, household, education, behavior, and work experience and so on. Whereas some people may be motivated by to seek value and encouragement in more creative work over high-salaried work, other individual might be interested in working more to acquire much money in their work. These are demonstration that different inhibitions in employees have an effect on their work patterns. Variables emanating from the kind of work employees perform have an impact on their level of motivation because employment associated features in the form of increased independence, the importance of the jobs, variation of accomplishments and joint effort or collaboration have the impetus of improving motivation for particular people. Nonetheless, it is significant to deliberate on the impact of personal features simultaneously, consequently not all employees want the same level motivation to have an enhanced employment, nor accomplish improved work when allotted such an employment (Maslow, 1993).

The working surrounding is also essential for motivation with regards to the superiority of ingroup relations, direction, styles, remuneration and incentive schemes. Managers in organizations can have a significant effect in the motivational practices. They have a pivotal part in putting work structure accomplishments and the capability and independence of workers

to undertake self-determination objectives on the work performance. Superiors have the ability of providing effective feedback on workers' output as well as empowering them to take part in decision making. The level of interactions that exists amongst managers and their subordinates, usefulness of communication between them similarly impacts the motivational development. Roethlisberger et al. (1999), put it that the work surroundings, the presence and the level of use of appreciation or reward schemes have effect on employees' level of action at the work place. Non-cash enticements have the advantage of seeing to the incorporation of most of these variations impacting motivation. Further, as the categories of non-cash rewards which can be accessible in a government institution like Kumasi Polytechnic are many, such non-monetary incentives have the prospect of motivating workers in various number of avenues as compared to financial incentives. Per exempli, non cash enticement has been indicated as the principal variable that has an impact on motivation in relation to people having differences in interests and needs. Employees likewise have diverse forms of gaining recognition or appreciation for the work they perform within the organization. Motivation via non-monetary means can take the usage of refining conditions of work, giving recognition to excellent or good work done in the form of gifts, note of appreciation and encouragement, a tap on the shoulder of an employee, lunch tickets and so on, arranging socially inclined activities at the work environment,

empowering them to undertake difficult tasks as well as involving employees in decision so that they will feel accepted and work hard towards achieving organizational goals.

Accordingly, interests and needs of individual employees may be met through the use of variety of these non-monetary incentives. Subsequently, certain non-monetary rewards that have a relation with monetary incentives are related with the features of the work or employment which may include giving encouragement to employees by allowing them to have autonomy with their job performance, passing on to them difficult tasks, varying of duties, and making them feel more responsible for their work will be a better platform to have them motivated in

functioning well. In these ways work-related factors which impact on motivation will also be used.

Furthermore, non-monetary incentives that embed some fundamentals that emanate from the working situation, paying attention to team inter-relations and style of leadership motivates employees across all sectors of working class. It is necessary for superiors to consider work environment characteristics that affect motivation like recognizing a good work performed, seeking opinions of employees, giving them the necessary feedback since all can contribute to enhance work output. Ryan et al. (2000), postulate that giving the various factors making motivation affective, there is the need for management of Kumasi Polytechnic to give vital credence to the variety of factors of motivation.

Motivation is part of our everyday lives and it is frequently been seen according to Sansone et al. (2000), in the work environment as being intrinsic or extrinsic in nature. As a consequence, it is likely to contend that the changes impacting motivation have intrinsic and extrinsic motivational paraphernalia. In as much as the problem of how to raise worker or employee motivation emphasizes on any or more of the variables talked about impacting on motivation, it can likewise determine any inducement or incentive apparatus, be it financial or non-monetary, geared towards providing extrinsic or intrinsic motivation. In psychological texts, from the viewpoint of Ryan et al. (2000), motivated behavior which is intrinsic is said to be inborn or inherent needs, such as the need for competency and independence. Inherent or intrinsic motivation can be explained as an inborn desire that emanates within an individual and inspires the person to act in a peculiar direction.

These intrinsic behaviors are linked to work related and socially induced incentives which are not limited to recognition of good work done, empowerment in decision making, being empathized with as well as giving the chance to develop. As an illustration, an individual may

be willing to put forth a sustained effort by working extra hours since the person has the feeling that the duty he or she is performing is challenging enough and it is essential that it should be completed to recognize the output. In such a condition, the person proceeds with the accomplishment since the probable effect of the perceived action is in direct consonance with the individual's tenets or beliefs. Since the intrinsic motivators are innate within the individual, it is probable that it will have profound and lasting impact. These categories of inducements or incentives are more or less as a consequence of the employee's level of contentment associated with the work he or she performs. In summation, intrinsic motivation emanates inside the individual or comes from the work performance itself, it impacts actions, duty performance, and positive security as opined by (Ryan et al., 2000).

However, extrinsically motivated behavior is believed to be present when an action is executed to achieve external behaviors controlled by incentives. Extrinsically motivated actions is in relation to tangible rewards which include salaries and wages, bonuses in financial forms, fringe benefits, promotions, tickets to attend movies, lunch coupons and so on.

Considering all the above clarifications, it is probable to claim that non-monetary incentives or inducement as a motivating factor has the potential or can cater equally for the motivation concept of both intrinsic and extrinsic. Whereas, non-monetary packages motivate employees both intrinsically and extrinsically with its diverse forms, financial incentives may perhaps be categorized as an aspect which ends up with extrinsically motivated behaviors. For instance, physical non-cash incentives like internet access, movie tickets, lunch coupons or nonmonetary social incentives which may include being recognized for a good work done, feedback on work output and picnics organized by the company may perhaps contain extrinsically motivational influences.

In addition, work-associated non-monetary incentives like empowering employees, giving them training programmes, challenging duties, working in teams and giving more responsibility might induce workers inherently. Thus, they aid in producing self-determined motivation because non-monetary incentives have multiple diversification of employee motivation which exist at the work environs unlike the singular measurement of financial motivations.

## 2.5 Review of Theories of Motivation Related to Monetary and Non-Monetary Incentive

#### 2.5.1 Content Theories of Motivation

The scholarship of motivation has generated two most important hypothetical strands of understanding which could be applied to the scheme of employee inducement programs, these two important elements are Content and Process Theories of motivation. These concepts have numerous submissions for motivation package engineers. Content philosophies lay much emphasis on the features in an individual which energizes, directs, endures and halts action of that individual in an organization. Content theories focus on particular desires that have the impetus to stimulate a person to exert energy to a work activity inside an organization. Fathers of Content theories comprise Clayton P. Alderfer, David C. McClelland, Frederick Herzberg and Abraham Maslow. Their philosophies have been very instrumental in debating motivation; then again these theories have not yet been validated via investigation. Content literatures centers on the needs of a person in defining behavior, incentive schemes and job satisfaction according to (Stotz et al., 2010). The foundation of content literatures has it that people desire absence trigger tensions that generates a behavior reaction. This becomes possible when people are not satisfied with what they think is important to their desires, and therefore try to fulfill that desire. Below are explanations of the content theories.

### 2.5.2 Hierarchy Theory

The hierarchical theory, one of the most popular philosophies of motivation was developed by Abraham Maslow an American psychologist. This theory posits that individuals have innermost desires to be attained or satisfied and as a consequence, getting the means to satisfy these existing wants have a deep-seated procedure for these desires to be achieved. These necessities are ranked in order of how desire is attained. These can be recognized in the levels as physiological, safety, social, esteem and self-actualization needs. According to Maslow, these are propelling factors that motivate employees to achieve organizational goals.

In the view of Martin (2001), once the functional or physiological wants are inherent within a person, it sends a signal of contentment in an individual. The functional desires are a necessity for humanoid to have the right frame of mind to work with special emphasis on prime essential of human nature which consists of shelter, water, food and air. With respect to these desires in institutional context a rise in salary levels is essential and it gives the individual a respectable and sustaining livelihood in society.

In relation to safety prerequisites, Martins (2001), deduces that safety desires bring together wants that assist the notion of security of an individual in the individual's daily working life. This goes on to say that safety needs or desires are a vital component in motivating workers within an organization. The safety needs give protection to workers from being harmed which originate from effort as individuals need work protection so as avoid relinquishing their places in organizational setting. Judging from the organization point of view this means that work safety should be a guarantee. If employees get to know that safety is certain they will be motivated enough to exert energy to accomplishing an outcome.

Socially the philosophy or theory considers communicative support or friendship at the work environment. In this vein individuals must feel valued and be cherished in the workplace as

part of the group in an organization. This requirement in an institutional situation is linked with acquaintances in the work environment and at the same time feels part of the employment group in an organization which in turn has the impetus to motivate employees either financially or non-financially to exert energy in the performance of duty.

With the esteem desires in relation to the hierarchy of needs theory, an employee or group of employees in an institution must have a sense of love irrespective of their rank in the organizations. This correspondingly, is associated with the idea or notion of achievement of a specific goal, ability in exceptional skills, acknowledgement and repute in addition. From institutional arena, it recognizes that when employees are given recognition on important contributions relating to the company, it serves as a necessary motivating factor to the employee which will lead to effective and efficient outcome of work.

An additional want recognized is the self-actualization desires which are correlated to satisfactory conditions of an individual's greatest competences in an institute. This suggests giving huge influence above a person's or an employees' workplace status quo. Giving judgment to this from the institutional view point, Martin (2001), suggests that it is vital to empower an individual to organize the needed job requirement to suit the person's choice and circumstance which can be managed on the level of ends not the means. When this happens employees becomes emancipated and have free will to put in their maximum best in the organization and those workers with that sense of respect will be motivated enough in exerting much effort to work for a repetitive action.

There are innumerable valuations of the hierarchy of needs literature because people are induced by diverse desires in the hierarchy since not every worker is induced in a positive or negative manner in an institution as motivation is varied. The concept makes mention of the fact that people have a tendency to assess each desire inversely since a number of workers in

an institution have a preference to working for low level income but then again in a more tenable working atmosphere.

Nonetheless the model of hierarchy need is not always applicable to all employees and it is tool for supervisors to query responsively on inducement from the angle of the worker to establish how to comprehend circumstances. It as well offers superiors the grounds to supplement what is previously delivered by the institute via well-being and aid packages to be encompassed in the employment incentive systems, according to (Martins, 2001).

This theory implies that there is the need for organizations to know the level of needs which their employees are presently at. These needs must be addressed with a motivational drive. Where the first two levels of needs (physiological and Safety needs) are not met, the others cannot be met. There is therefore the need for organizations to design the reward scheme that would meet the needs of the employees.

### 2.5.3 Two Factor Theory (Motivator-Hygiene)

Developed by Herzberg, an American psychologist (1923 - 2000), the motivator-hygiene theory is at times known as the two-factor theory. The model was founded on Maslow's concept of the working condition by exploring working stimulus which wanted to divulge numerous situations and conditions that employees perceived to be encouraging. The scholarship from the perspective of Axelsson et al. (2009), revealed that workers are focused on achieving a need or desire by two features referred to as motivator and hygiene factors.

From the perspectives of Axelsson et al. (2009), the concept's motivator aspect points out a state of satisfaction when accomplished but the hygiene aspects generates dissatisfaction. In view of this, incentive schemes normally posit that cash is the singular feature which has the capacity to motivate or induce workers. From the standpoint of Herzberg cash or money is an imaginary hygiene feature that creates dissatisfaction when acknowledged in an unsuitable

quantum, but then again it does not actually serve the likelihood for accomplishing fulfillment or positive stimulus. As Herzberg (1974), identified in the Motivator-Hygiene concept the consequence of income produces a temporary sociable emotion, therefore the stimuli add to contentment which is more lasting to workers.

Herzberg (1974), presumes that stimuli which create satisfaction in a worker and the features of drive take account of recognizing the employee, attainment, thought-provoking tasks, contributing meaningfully in the organization, trust building and a likely viewpoint of emerging a profession and a sense of accountability are all required in the workplace surroundings. Hygiene elements are required to be definite that an individual will not be upset or dissatisfied with work. The hygiene factors do not ensure that an employee will perform a surprising form of stimulus. All the same devoid of the hygiene factors, discontent between individuals is noteworthy in collective hygiene aspects such the form of work condition, salary in terms of fiscal cash, organizational strategies and administration (Herzberg, 1974).

This theory implies that there is the need for organizations to provide factors that are important to work itself to enhance the satisfaction of employees on their job rather than providing only hygiene factors that will help avoid employees motivation

### 2.5.4Erg Theory

Motivation is a challenging theme because it comes in diverse forms in its applicability which is hard to comprehend and achieve. The acronym ERG stands for Existence, Relatedness and Growth. This theory was established by (Clayton P., 1972). The theory ascertains three diverse stages of a concept which is somewhat related to Maslow's hierarchy of needs. By clarification of the ERG concept, Alderfer splits it into three characteristic echelons of Existence, Relatedness and Growth needs of social conduct.

McShane et al. (2003), give details of Alderfer's ERG concept as a satisfied stimulus theory that has three features of basic wants categorized in an ordered arrangement by which workers develop the direct significant want. As soon as the lower desire or need is achieved the next higher level want in the ranked-order yet to be accomplished turns to the lower level need. The existence need clarifies a person's biological desires and wants which includes the necessity to fulfill an individual's hunger, shelter, clothing, and shelter, decent and safe working environment which are tangibly focused on.

The relatedness or empathy need level interpret circumstances to include the necessity for employees to have a sense of belongingness by social relations, appreciation from diverse individuals and the capability to have perceived security from the employees in the institution or company. The growth needs considers that an employee have self-identity by accomplishing a work efficaciously in as much as conceiving the notion of self-actualizing as elaborated by (McShane e al., 2003).

As the three classes transform, supervisors must be in a position to detect that individuals in the workplace have diverse wants which needs to be satisfied simultaneously. According to the ERG concepts if consideration is given to a specific want concurrently, there is a possibility that motivation will not be efficient enough.

Again the ERG model enhances the experience of a greater level necessity which is not able to be fulfilled, an individual or the employee might go back to previous lower level need that is not hard to fulfill.

Judging from the point of view of Executive Fast Track (2010), the ERG model is paramount to the frustration-regression rule as the norms have emotional impact on stimulus at the work surroundings. Per se if satisfactory conditions are nonexistent for the workers, there is the

likelihood for employees to revert to the relatedness needs and relationship among the same level of workers.

The theory implies that there is the need for organization to give importance to the fact that employees have several needs that must be satisfied at the same time. The ERG Theory has helped to know that when organizations focus on satisfying one need at a time, employees may not be successfully motivated.

### 2.5.5 Mcclelland's Need Theory

Another important father of content philosophies is McClelland who also contributed to the study of motivation which is now an important topic for discussion. McClelland's concept was the beginning for most motivation scholarship writers. The model of McClelland emphases on three drives that is significant in the context of the institutional level as suggested by (Miner, 2006). Maslow distinguished amongst many definite changes amid the desires; while McClelland point out that a number of people have greater desires more than some people.

Additionally, the needs in McClelland's opinion vary with time as molded by individuals' understanding. That is the reason why in some circles of motivation his concept is referred to as "acquired needs model or theory". McClelland (1990), advocated that majority of the acquired desires can be categorized into three levels: achievement needs, power needs and affiliation needs. According to McClelland (1990), a good number of individuals possess a greater need for achievement, other people have strong test to achieve power and last but not the least there exist another school of thought that relishes affiliation.

Greater or high perceivers have a habit of performing well for the inherent fulfillment for achieving to some extent better to demonstrate that people have the ability of performing a work. Individuals have a preference to perform a duty with responsibilities which remain reasonably thought-provoking and in reality carry out improved performance of tasks in an

organization. In their literature, McClelland et al. (1976), discusses the potentials of making individuals better supervisors. Their study sought to mean that people with impetus for higher accomplishment or achievement are a significant element that hints at individual achievement but then again it is not a probability for making decent or respectable superior.

People with high achieving niche have the tendency of performing on self-attainment by executing work individually and in receipt of reaction that is critical for them. Supervisors are unable to perform all tasks personally so they have to delegate some of their responsibilities to other members of staff. In relation to the stated arguments by McClelland et al (1976), the element that partake a pronounced impact on the existence of an effective and efficient supervisor is to some degree different from necessity for attainment.

The authors McClelland et al. (1976), put forward that among the three categorizations it is only the desire for authority that is regarded as a need to impact on individuals. McClelland (1990), established that persons who wish to have a number of thoughtful impacts on others contain certain different characters. The condition for greater desire normally emanates with elements to include high competition, decisiveness and belligerence which impact on an undesirable self-esteem. A generally suitable manner to satisfy the need for supremacy is the quest for status by pulling together attitudes of control. Socially oriented individuals considered by a greater desire for supremacy have a habit to behave in a manner that sees their recognition in a team.

As a final point, they remain more willing to pursue a high risk activity. The latter associate of needs exemplified by McClelland is the category of people oriented for affiliation. Atkinson et al. (1954), explains affiliation or need for attachment as the anxiety over creating, upholding, or reestablishing a progressive, emotional connection with other individuals in the society as has been mentioned by McClelland (1990). Employees that have the niche for affiliation work

on duties which are better in association with need for attachment or affiliative motivations or incentives. In different dimensions, such people have a preference for tasks that need to maintain connections with other individuals. People who are highly affiliated have disengagement and have a preference to resolve difficulties by accommodative and confirmative activities. The purpose for this action is the fact that the individual is afraid of being dismissed. McClelland's conclusions proposed that the need for attachment or affiliation is not a feature that backs superiors. Supervisor's enormous in association or relationship attempt to devote most periods with workers and create better relationship with employees; then again it is not a fundamental measure of being a leader, who from time to time has to make tough judgments (McClelland, 1990).

#### 2.6 Process Theories of Motivation

Process models tries to clarify how character is strengthened, focused, continued and halted. The four most important models process concepts take into account are Expectancy, Goal Setting, Equity and Reinforcement. Subsequently these models have established maximum consideration from scholars and have the maximum supportive information; the model gives the greatest fundamental for inducement and improving performance in organization with particular mention of goal-setting and reinforcement concepts.

### 2.6.1 Expectancy Theory

Bestowing on Robins et al. (2008), expectancy literature affirms that a person has the tendency to exhibit actions in a specific manner with respect to perceived consequence in that the behavior will be a success in an occurrence established on the desirability of a single consequence. The model was proposed by Victor Vroom, a Canadian. The model states that stimulus response is established by three elements which take into account the idea that effort will certainly be positive and that an important enactment will be the consequence of the end

results of a job done, according to Helicon (2009), which will include an incentive which satisfies a person from the outcome of the task.

The expectancy model methodology pinpoints three stages, which are, Expectancy-toperformance, Performance-to-Outcome, and Outcome Valences. The theory posits that worker motivation is largely influenced by the three stages of the concept and that the nonexistence of any of the part establishes that stimulus- response will be less motivated that is according to the views of (McShane et al., 2003).

In making the expectancy-performance to be influential, supervisors must enhance the notion that workers have the capacity to complete a task in a way which will be successful. When such ideology is explicitly defined to workers in an organization, it makes workers appreciative of the fact that their involvement is recognized by senior members in an institution. In furtherance to this, superiors in establishments need to possess the rightful competence and be considerate in a manner that provides a significant training and transparency of conditions of service to workers. Moreover, allocation of means required in executing the job is very necessary in motivating workers and assigning them with flexible activities will help them gain expertise of such accomplishment to be done at the workplace. Creating divisions that will coach workers who lack self-confidence will enhance selfefficacy.

From the standpoint of McShane et al. (2003), in order to advance Performance-Outcome expectations, it is vital for superiors to emphasize and explain the range of worker enactment properly. Notwithstanding, workers will have the idea that satisfying a particular task will generate a positive outcome and come to terms with the fact that completed task will not influence the end results of task performance.

Separate from this, the utmost comprehensible methods to raise performance-to-outcome expectations are to regulate the possibility of wage earner enactment appropriately by assigning

and holding in great esteem incentives to task performance. Firms must regularly give details that incentives are centered on enactment schemes through formal procedure.

The third aspect of expectancy approach discusses Valence-Outcome, which vividly is described as the supposed form of satisfaction and discontentment that an individual senses with respect to an influence. An effect of valence is definite with the capability of a person's important desires that are associated with results of consequences as the proceedings have a clear valence if it impacts on an individual's desire directly or indirectly. Although, valence also have an opposing consequence on result as soon as valence tries to avoid desired fulfillment of workers.

Attainments of consequences have an influence on employment when workers are appreciative of the end results. In this attempt organizations have a duty to perform to be willing to cultivate a scheme to compensate workers who execute their duties excellently in the company. The expectancy model in addition, stresses that it is essential to discover and decrease counter valence- outcomes that ought to have undesirable valence that is central in curbing incentive schemes. The expectancy concept similarly provides one of the further sociable representations for articulating a behavior in progress of tasks and highly motivated workforce.

## 2.6.2 Equity Theory

One of the leading variations in contentment connected with Porter and Lawler's anticipation ideal methodology is the empathetic well-adjusted rewards which endorses advanced process concept of stimulus and is called Equity model, this model is adaptable in the workplace. The equity concept is associated with the scholarship of Adams from the perspective of (Mullins, 2002).

Equity model deliberates on a person's observations of how rightfully individuals compare how they have been perceived with other people in the same institution. From the standpoint of

Mullins (2002), equity model or scholarship is of the principle that individuals perceive exact result in altercation for a contribution.

Societal relationships comprise a procedure of variation which may be that a person may perceive a rank which is higher in the institution as a probable outcome of effort in helping to establish an essential company goal. Employees choose their own reasonable equity of the rank presumed in the institution that distinguish action in equity of modification which is changed with favorable reception amongst the controlling members and diverse workforce in equal or the same institution.

In their document, organizational behavior, the authors McShane et al. (2003), pinpointed six important techniques to examining the inequitable behavior of workers in an institution. McShane et al. (2003), pointed out the following: varying effort, changing consequences, changing perceptions, veering away from unequal working circumstances, altering the conduct of associating with others and changing the attitude of the comparison as the six possible forms of eliminating in equitability amongst workers.

Individuals or employees have a tendency to put out of order efforts and consequences to sustain a fair level of equality in the organization as this element is usually monitored by employees who feel unrewarded, since this is a probable manner to supplement the perceived efforts than to ask for unsatisfactory wage which will alter opinions of workers as postulated by (McShane et al., 2003).

In order for individuals to bring down the count and for employees to lower the sentiment of injustice, workforce shift from the prejudicial conditions of service parting with the institute while others rests on the comparison direction of equality in a manner to advance in work conditions by fine-tuning the comparison with other's results. Equity model clarifies that employees are motivated by particular incentives or rewards and equal paybacks that are

available in the institution and more often than not workers are in a position to identify equity that impact on a person's level of stimulation within the organizational domain. From this angle, supervisors should be in a position to identify performances and shape it to sustain the level of equitable distribution that is existent in the establishment. It is in this vain that Plunkett et al. (2005), also adds that superiors must have the eye to predict and come in terms that equality or equity is not only incident of previous behaviors but then again prevailing actions and behavior are impacted by past attitude.

## 2.6.3 Goal Setting Theory

In the opinion of Robbins et al. (2008), goal setting philosophy assumes that a specific objective have to tendency to impact on behaviors which are very challenging and accepting it generates a need for higher attainment rather than objectives that are easy to accomplish. Robbins et al. (2008), opined that the volume of objectives provide a tool for in-house motivation which means that a particular set goal produces an outcome of great intense as likened to generalized objective.

According to Hodgetts et al. (2006), goal-setting concept revolves around how individuals arrive at objectives and respond to situations in relation to the outcome of this process model. Yet again, workers participation in goal setting is envisaged as an unequal with the current ideologies of taking part in unionized representation in as much as the alteration that occurs in diverse traditional management surroundings which include getting involved in setting objectives might be impacted by traditional surviving organizational standards.

Goals define an aspect of organization and gives direction for accepting how much energy to exert on a job when there are variations with the objectives. For objectives to be industrious there is the necessity to explain the objectives that needs to be attained, as objective model that is being pursued also provide precise and straight forward interrelations inherent in demanding

goal and performance. This expresses that demanding or challenging goals specify that more energy needs to be exerted than task performance which is not so challenging to accomplish. Furthermore, goals which are challenging above employees level will not motivate the individual to produce high level duties of capability. Fincham et al.

(2005), added that employee involvement is seen to have its outcomes as it builds a perceived path and equal opportunity in the process and it will have high output as the employee is involved in decision making process in the organization.

Yearta et al. (1995), suggested two characteristics of goal setting which are important for employee motivation as difficulty and performance, and involvement and performance. They expatiated that objectives refer to consequences that include personal commitment and the emotional or inner level influences embedded in attaining and recognizing objectives as the necessary impetus that stimulate employees to put or exert much effort in their work activities.

Yearta et al. (1995), clarifies that objective satisfaction and performance focus on the link that occurs amongst goal difficulty and performance. They added that satisfactory level of task enactment, complete commitment and challenging objectives lead to exertion of energy and employees commit more greatly than easy objectives. This suggests that competence develops with the level of goal difficulty, which proposes that a worker aiming to achieve the objective is more dedicated to achieving it. Involvement and performance indicate that agreeing on involvement in the practice of setting objectives there is the presence of intensification in an individual's capability in gaining control and equity, which later points to greater goal performance.

### 2.6.4 Reinforcement Theory

Pride et al. (2009), advocate that reinforcement is a philosophy of stimulus which is well known on the premise that a behavior which is rewarded for an appreciative action is most probably to be repeated, whereas deeds which are corrected or reprimanded is possibly not to be repeated. Griffin et al. (2009), opined that reinforcement theory is established on the notion that attitude is a function of its outcomes. Judging from the explanations given above, it can be inferred that an individual is likely to exert greater energy to perform a task when an action is satisfied, or in other terms the worker will be stimulated to replicate the present conduct that accounted for the behavior to be satisfied. Looking at it from the angle of an establishment and industrial perspective, Landy et al. (2009), describe that reinforcement concept is contingent on three modest components which are stimulus, response and reward. Pride et al. (2009), expound in detail that reinforcement concept give the impression in diverse levels and can be used in numerous manner consisting of positive and negative reinforcements. A constructive reinforcement concerns the status quo where preferred actions are reinforced by giving a worker an incentive. An example is that, majority of employees recognize compliment as well as been acknowledged by their managers for an action well executed and increase the readiness to participate very well in prospect events. An undesirable reinforcement on the other hand characterizes the idea that there is the possibility that a conduct connected with a deed will be sustained by restricting an undesirable work.

# 2.7 Challenges in Motivating Employees

From the perspective of Thumbran (2010), both monetary and non-monetary incentives have an abode in an all-inclusive overall incentive method. On the other hand, looking at the cost benefits associated with non-financial incentives, institutions, must learn to come to terms with

worker priorities to incentive features and should create stipends centered on the demographical levels of their workers in a bid to efficiently use non-financial incentives.

Bestowing on Adams (2007), Roberts (2005), put forward that institutional strategies must enrich a strong sense of balance amongst the working populace, as this possibly will certainly impact on stimulus and accordingly, may perhaps end up in intensifying work output and high productive level. These institutional strategies, from the view point of Adams (2007), may in addition consist of worker support packages, flexible work life and strategies to carter for children's health.

Herzberg's Two-Factor theory (1968), proposes that institutions should pay attention to preserving the appropriateness of the hygiene elements to avoid worker discontent. In addition, institutions must see to it that work activities are challenging as well as stimulating and satisfying in that way worker will be encouraged to have a better output. Rendering on Nel et al. (2001), it is imperative for institutions to give preference to hygiene elements before offering motivator. Conferring on the philosophy, hygiene features are elements which are important for the presence of motivation any institutions (Herzberg, 1968).

These though, do not provide constructive contentment over a long period of time.

Nevertheless lack of these factors, on the other hand produces employee discontent. Institutions should not only focus on hygiene elements to evade or circumvent individual worker discouragement, but then again, try to provide factors important to the actual work for workers be feel contented with work performance. Repercussions of this in the work environment put forward that work role must be challenging enough to use the abilities of the worker.

### 2.8 General Discussion on the Use of Non-Monetary and Monetary Incentives as A

#### Motivator

The significance of non-monetary incentives in stimulating workers is backed by numerous researches and cited in the literatures of many writers. Wiscombe (2002), maintained that what individuals actually need is to be acknowledged for making impact on the work; as a result, appreciation and commendation are amongst solid motivators. In the view of Wiscombe (2002), non-monetary rewards cannot only be cost efficient, but then again, impact a lot on self-esteem, efficiency increase, value creation and safety principles. Nonmonetary inducement is the response that Wiscombe (2002), offers to the query in what manner to sustain and increase employee self-esteem whereas retaining the costs. Nelson (2001), is a strong advocate of the view that there is a relationship among non-monetary incentives and enriched work stimulus. Nelson (2001), believes that non-monetary incentives have the ability to lessen stress, absent from work, self-confidence, efficiency and effectiveness. Furthermore, Nelson (2001), asserts that monetary incentives may perhaps have some certain setbacks. The money employees get for performing a job is called compensation. Nelson (2001), further states that in a period, financial rewards, as well begins to be seen as privilege instead of incentives and the upsurge claim for tangible rewards quickly puts away their efficacy as inducements and management tools.

From the perspectives of Gale (2002), non-financial motivations are valued as more valuable enticements than financial motivations. Gale (2002), highlights that the minute you remunerate individuals for performing a duty, it turns out to be part of their remuneration anticipations, a non-financial motivation, however, whether it is a citation or pat on the shoulder is a bonus different from rewards that demonstrates esteem and lauds achievement.

Adeogun (2008), highlights that financial incentives is a means to attract and maintain important workers, nonetheless it is not accepted if improved career performance and contentment are the outcomes of such resourcefulness. Armstrong (2007), put forward that financial motivations are stimuli since it fulfills needs. Armstrong (2007), presupposes that cash is important as it is necessary to fulfill elementary desires of existence and safety. In the managerial worker link, rendering on Mitchell et al. (1999), establishments remunerate workers in return for their work. Milkovich et al. (1993) propose that cash is used by institutions as a bait, stimuli and maintenance device. Establishments use cash to motivate and identify, and they refuse it as a penalty.

From Ross et al. (1957), in order to entice and preserve workforces in institutions, their desires must from the beginning be fulfilled. The desires would comprise a realistic reasonable remuneration and other economic benefits. Bestowing on Kirkcaldy et al. (1993), and Tang (1992), cash is relative to attainment and respect, prominence and admiration, selfdetermination and control as well as supremacy.

Judging from the afore-mentioned, Kirkcaldy et al (1993), and Tang (1992), contend that cash is consequently a characteristic of incentive or motivation because of what it stands for.

Writers' advice that financial incentives are highly essential in a person's actual choices than in answering query relating to the importance of financial incentives as a stimulus. This diminishes financial incentives as a stimulating feature in institutional workplace.

Outcomes about the significance of financial incentives as a stimulating element from Agarwal (2010), investigation centered a collection of works on motivation and decisionmaking rewards. Agarwal (2010), establishes that cash or money remains the important stimulating element for workers in that it leads them to exert more energy to work for the organization. Agarwal accepts that non-financial incentives induce, but then, after a particular period in a

person's profession, cash possess the greatest importance. The motivation concepts referred to, advocate that enthusiasm is an inward driven desire to accomplish an objective. Herzberg's hygiene-motivator philosophy, recommends that financial incentives such as recognition, working conditions, rewards and institutional does not stimulate, they basically approve that performance is at unacceptable level. Nel et al. (2001), additionally advocates that non-financial incentives, such as responsibility, development, reproach and work projections stimulate workers to enhanced performance, rather than simply receiving remuneration.

#### 2.9 Implication of the Review to the current study

The intention of the review was to examine how monetary and non-monetary incentives have been used as a motivator among employees. My main aim was to assess the impact of monetary and non-monetary incentives in motivating Non-teaching staff of Kumasi Polytechnic to give out their best. The review revealed that there are various forms of incentive that could be used to motivate employees. These incentives include monetary and non-monetary incentives. The review further brought out the various types of monetary incentives and non-monetary incentives. Some of the non-monetary incentives were career development, recognition amongst others, whiles monetary incentives comprised of salaries and wages, merit pay, gain sharing amongst others.

The review further revealed some motivational concept and theoretical frameworks which explained the fact that individuals at various levels are motivated by different factor. Therefore the need to use different factors to satisfy various employees. The review also showed that the work environment was also essential for motivation with regards to in group relation, remuneration and incentive scheme.

The review further brings out the work of other researchers who have researched into the impact of monetary and non-monetary incentive on motivation in various areas. From their studies,

there was a solid support for cash as an encouraging element. On the other hand, there were investigators who totally differ with cash as the lone crucial stimulus affirming that cash does not meaningfully impact on individual's motivation. Non-financial incentives when efficiently used are likewise as significant. Additionally, there were scientists whose results indicated the importance of managerial style and the language used by superiors, managers and administrators in the institution in growing their worker's performance. These investigators advocate that work strategy or proposal and respect are essential elements in stimulating workers. The crucial query in itself is what do workers themselves consider stimulating to them the most and what are the challenges in finding what actually motivates them.

My study seeks to add to this discussion as I seek to assess whether monetary and nonmonetary incentives have an impact in motivating non-teaching staff of Kumasi Polytechnic.



#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.0 Introduction

This chapter presents the methodology of research that was used in this study. It enlightens the approach that was taken to examine the data for the chosen variables and analysis of the data to discourse the research problem. The areas covered in this entire research design includes: research design, study population, sampling, data collection, variable specification and data analysis.

This study investigates the non-teaching staff of Kumasi polytechnic to assess the impact of monetary and non-monetary incentives on motivation. Various variables concerning how the staff of Kumasi polytechnic are being motivated form the basis of this study.

#### 3.1 Research Design

According to Kothari (2004), research designs deal with creation of decisions regarding the techniques which are utilized in gathering data, the type of strategies and instruments for sampling, and ways in which the constraints of time and cost can be dispensed. In the view Chandran (2004), research design brings out the features of a population in full. The study adopted a quantitative approach. With the quantitative approach a survey method that depends on questionnaires was used. Questionnaires were distributed among the non-teaching staff of Kumasi Polytechnic, of which the results were subjected to Statistical Computation in the form of tables, frequencies and percentages.

The decision was essential to aid the researcher in gaining the required information being sought for to conduct the study.

### 3.2 Study Population

Ngechu (2004), explains the term population as a set of elements, events, people, or group of items under a research-based investigation. It is the unit of study and also a total collection of elements (Emory, 2005). The target population of this study was the entire Kumasi polytechnic community constituting teaching staff of 227 and non-teaching staff of 300. This study targeted all the workers in all departments in Kumasi polytechnic because all the people are deemed to have the appropriate information as per the requirements of this study.

# 3.3 Sample and Sampling Technique

Sampling means selecting a number of elements in a population in order to give conclusions that can be made concerning the complete population (Cooper and Schindler, 2003).

In this study, a judgmental or purposive method of sampling was used to select the study sample. The non-teaching staffs of Kumasi polytechnic were used as the basis of the research. They comprised of senior members, senior staffs and junior staffs.

In selecting the sample size of the non-teaching staff of Kumasi Polytechnic for the study, the Slovin's (1973), sampling method was adopted.

The formula is presented as;  $n = N/[1+N(e)^2]$  (where n = sample size; N = sample frame; and e = margin of error/confidence level.

Now, using a margin of error of 6%, and applying the Slovin's formula to compute for the sample size of the non-teaching staff (300) resulted in the following:

$$n = N = 300 = 300 = 144.2$$

$$1 + N (e)^{2} = 1 + 300(0.06)^{2} = 2.08$$

Therefore the sample size selected for the study is 144 people

#### 3.4 Data Collection

The research tool that was used for the collection of data was questionnaires.

A structured questionnaire with regard to the topic was used to collect data from the respondents. Mugenda and Mugenda (2003), defined Questionnaires as a series of written questions on a topic about which the respondents' opinions are required.

The aim of this study was to assess the impact of monetary and non-monetary incentives on motivation among non-teaching staffs of Kumasi polytechnic. The three variables under study were monetary rewards, non-monetary rewards and motivation. The questionnaires were grouped into six sections.

The first section depicted the demographical factors of the respondents.

The second part talked about employees' perception of monetary and non-monetary incentives, where the respondents were asked to rank their perception on the key incentives for motivation. The third part talked about the Monetary and Non-monetary incentives used in Kumasi Polytechnic. Here, respondents were asked to tick the incentives both monetary and non-monetary which are used in Kumasi polytechnic. The options provided respondents to select from included: job promotion, recognition, crèche, career development and fringe benefits which represented non-monetary incentives and with the monetary incentives they included: merit pay, bonuses, wages and salaries, accommodation loan, scholarship and gain sharing. The responses were categorized from totally agree to totally disagree in a five point likert scale.

The section four of the questionnaire seeks to determine the level of motivation among the non-teaching staffs of Kumasi polytechnic. The responses were categorized from totally agree to totally disagree in a five point likert scale.

The section five seeks to establish the impact of monetary and non-monetary incentives on motivation of non-teaching staff of Kumasi Polytechnic. Some questions were asked to know from the respondents the impact of monetary and non-monetary incentives on non-teaching staffs. The responses were categorized from totally agree to totally disagree in a five point likert scale.

The last section seeks to know the challenges in motivating staff in Kumasi polytechnic through some questions. Again, the responses were categorized from totally agree to totally disagree in a five point likert scale.

### 3.4.1 Primary Data

Primary data was used for this study. Primary data is information that is collected specially for the purpose of a research. The Primary Data was collected using the survey method. These involved the distribution of questionnaires and collection of data from key respondents. In other to achieve the aim of the objectives the study well designed questionnaires with close ended questions were formulated to gather information from appropriate respondent.

### 3.4.2 Secondary Data

Secondary Data is data collected by someone other than the user. A benefit of this form of data is that most of the background work needed has already been done. The secondary data include desk review of both published and unpublished materials including journals, research papers, articles and books. The secondary source was gathered to get a deeper insight on the impact of monetary and non-monetary incentives on employees' motivation. The information gathered from this source helped to guide the structuring, distribution and collection of data from the key respondents.

### 3.5 Variable Specification

In order to achieve the objectives of the study, various factors that potentially assess the impact of monetary and non-monetary incentives on motivation among non-teaching staffs of Kumasi polytechnic were studied. The variables that were used in this study included Job Promotion, Recognition, Career Development, Crèche, and Fringe Benefits for Non-Monetary Incentives. The variables used for Monetary Incentives included Merit Pay, Bonuses, Wages and Salaries, Scholarship, Accommodation Loan and Gain Sharing.

#### 3.6 Data Analysis

The collected questionnaires were comprehensively examined, and checked for completeness. The questionnaires were then coded and entered into the Statistical Package for Social Sciences (SPSS) version 20. SPSS was used because it helps in organizing and summarizing the data to provide important parameters, which were useful for the data analysis. Both descriptive (frequencies, means, minimum, maximum, standard deviations and graphical illustrations) and inferential statistics were used for the analysis.

The presentation of findings was done by the use of charts and graphs, percentages and frequency tables accompanied by appropriate descriptions. Correlation coefficient was used to measure the strength of the linear relationship between two numerical variables. A regression coefficient was applied to determine the relative importance of each of the variables with respect to employee motivation. Saunders et al., 2007 stated that regression coefficient model is used to assess the strength of relationship between dependent variables and independent variables. Using SPSS (version 20), an analysis was made to determine which of the independent variables influence the dependent variables and to what extent they affected them.

The regression model was as follows:

Y1 =  $\beta$ 0 +  $\beta$ 1MP -  $\beta$ 2BO +  $\beta$ 3SW +  $\beta$ 4GS -  $\beta$ 5AL -  $\beta$ 6SC +  $\beta$ 7JP +  $\beta$ 8CD +  $\beta$ 9RE -  $\beta$ 10FB +  $\beta$ 11CR +  $\epsilon$  Where:

(NUSI

Y1= Employee Motivation

MP = Merit Pay

BO = Bonuses

SW = Salaries/Wages

GS = Gain sharing

AL = Accommodation Loan

SC = Scholarship

JP = Job Promotion

RE=Recognition

CD=Career Development

FB=Fringe Benefits CR=Crèche

 $\beta 0$  = Constant Term

 $\beta$ 1,  $\beta$ 2,  $\beta$ 3,  $\beta$ 4,  $\beta$ 5,  $\beta$ 6,  $\beta$ 7,  $\beta$ 8,  $\beta$ 9,  $\beta$ 10,  $\beta$ 11 = Beta coefficients  $\epsilon$ 

= Error term

## 3.7 Ethical Issues

For the sake of ethical issues, the researcher educated the participants concerning the details needed for the study, the reason why the information were being gathered, the rationale, as well as the way in which they were expected to participate, in addition how the study would directly and indirectly affect them. Again, the researcher assured them of the confidentiality of the information given.

## 3.8 Organizational Profile

Kumasi Polytechnic was established in 1954 as Kumasi Technical Institute (K.T.I) to offer craft courses. In 1963, the Institute was converted into a non-tertiary Polytechnic status under the Ghana Education Service to start offering technician, diploma and sub-professional courses. The Polytechnic Law, 1992 elevated the Polytechnic to a tertiary institution to provide high caliber skilled manpower with reference to manufacturing, commerce, science and technology to act as a catalyst for technological development. The Polytechnic is one of the famous, elegant and vibrant polytechnics in Ghana. It is a spectacularly beautiful institution which is located at the heart of the Garden City of West Africa Kumasi the capital city of the Ashanti Region of Ghana. It has within the period of its existence become an important center for training not only for Ghanaians but also nationals from other African countries.

Kumasi Polytechnic has a teaching staff strength of 227 lecturers of whom 38 have terminal degrees (PhD) and non-teaching staff strength of 300.

#### **CHAPTER FOUR**

## DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

#### 4.1 Introduction

This chapter talks about the interpretation and presentation of the findings. It presents the analysis of the data on assessing the impact of non-monetary incentives and monetary incentives on motivation among non-teaching staffs of Kumasi polytechnic. The objectives that this study seeks to establish are as follows: To identify the monetary and non-monetary

incentives used in Kumasi Polytechnic, to determine the level of motivation among nonteaching staff of Kumasi Polytechnic, to determine the impact of monetary and non-monetary incentives in motivating Non-teaching staff of Kumasi Polytechnic and to identify the challenges faced in motivating non-teaching staff of Kumasi Polytechnic.

# **4.2 Response Rate**

The researcher targeted a sample size of 144 non-teaching staff of Kumasi polytechnic from which 120 filled in and returned the questionnaires making a response rate of 83% which is very appropriate and excellent for this study (Mugenda & Mugenda, 1999). According to Mugenda and Mugenda (1999) where response rate is 50%, it is suitable for analysis, where the rate is 60% it is good and where the rate is 70% and over it is excellent for analysis.

## 4.3 Demographical Factors

# 4.3.1 Age distribution of respondents

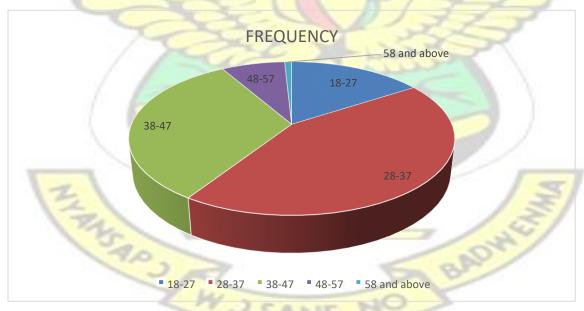


Figure 4.1 Age of the Respondents

Source: Field work, 2016

From chart 4.1, it was realized that majority of the respondents were within the ages of 28-37 representing (43.33%), 15.83% were aged between 18-27, 32.5% were within 38-47, and 7.5% were within 48-57 and 0.83% were within 58 and above. The dominant age group is between 28-37 years. This presupposes that most of the non-teaching staff of Kumasi Polytechnic are in their mid ages.

## 4.3.2 Gender of respondents

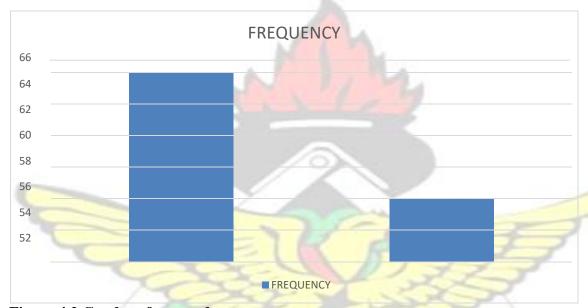


Figure 4.2 Gender of respondents

Source: Field work 2016

It could be seen from the chart 4.2 that, 64 of the respondents representing 53.3% were male and 56 of them representing 46.7% were female. This indicates that majority of the respondents were male.

# 4.3.3 Marital Status of respondents

**Table 4.1 Marital Status** 

	Frequency	Percent	Cumulative	
			Percent	
SINGLE	32	26.7	26.7	

MARRIED	84	70.0	96.7
DIVORCED	4	3.3	100.0
Total	120	100.0	

Source: Field work 2016

The study sought to establish marital status of the respondents. From table 4.1, majority of the respondents (70.0%) indicated that they were married, 26.7% were single and 3.3% were divorced.

# 4.3.4 Educational Level of respondents

**Table 4.2 Educational Level** 

	Frequency	Percent	Cumulative
			Percent
LESS THAN HIGH SCHOOL	8	6.7	6.7
HIGH SCHOOL	34	28.3	35.0
COLLEGE	9	7.5	42.5
BACHELOR`S  DEGREE	34	28.3	70.8
MASTER`S DEGREE	35	29.2	100.0
Total	120	100.0	E B

Source: Field work 2016

The study also sought to establish the respondents' highest level of education. According to the findings from the table above, majority of respondents had master's degree as shown by a

percentage of 29.2 of the respondents, 7.5% had a college as their highest level of education while 28.3% of the respondents had high school education. 28.3% had bachelor's degree and 6.7% had less than high school. This indicates that majority of the respondents have higher educational background and could give relevant information on the subject matter.

## 4.3.5 Number of years worked

Table 4.3 Number of years worked

-	Frequency	Percent	Cumulative
			Percent
BELOW 1 YEAR	5	4.2	4.2
1-5 YEARS	49	40.8	45.0
6-10 YEARS	35	29.2	74.2
11-15 YEARS	19	15.8	90.0
16-20 YEARS	10	8.3	98.3
70	935		
21 YEARS AND	2	1.7	100.0
ABOVE	2	1.7	100.0
Total	120	100.0	

Source: Field work 2016

The table 4.3 above displays the years spent at the institution, most of the respondents (40.8%) have spent 1-5 years in the institution, 29.2% have spent 6-10 years in the institution, 15.8% have worked with the institution for 11-15 years and 8.3% have spent 16-20 years. However, 1.7% have spent above 20 years in Kumasi polytechnic whiles 4.2% have worked for below 1 year. This shows that most of them have spent a lot of years in the institution which has given them experience in working career for the institution. The distribution indicates that

respondents have had some knowledge and experience in their work and can provide relevant responses.

# 4.3.6 Job Rank of Respondents

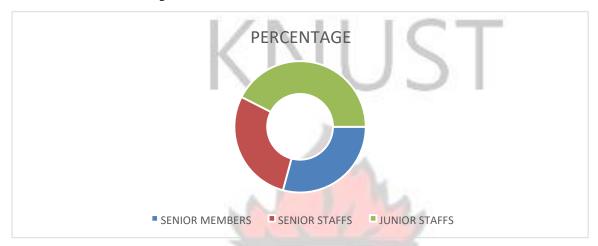


Figure 4.3 Job Rank

Source: Field work 2016

Chart 4.3 above depicts the job rank of the respondents in the Institution, 42.5% were junior while 29.2% of the respondents were Senior Members. However, 28.3% of the respondents were senior staffs. The chart indicates that most of the responses would be dominated by the Junior Staff.

# 4.4 Perception of Monetary and Non-Monetary Incentives

Table 4.4 Perception of Monetary and Non-Monetary Incentives

NON-MONETARY INCENTIVES	N	Mean	Std. Deviation
JOB PROMOTION	120	4.17	1.125
FRINGE BENEFITS	120	3.98	1.145
CAREER DEVELOPMENT	120	4.12	.989
RECOGNITION	120	3.90	1.148

PRE-EDUCATION FOR MY KIDS	120	3.38	1.360
MONETARY INCENTIVES	B 1.1	1.0	
MERIT PAY	120	3.85	1.157
BONUSES	120	3.82	1.195
SALARIES/WAGES	120	4.27	1.115
GAIN SHARING	120	3.72	1.277
ACCOMMODATION LOAN	120	4.18	1.085
SCHOLARSHIP	120	4.23	1.119

Source: Field work 2016

A section of the questionnaire used assesses the perception of respondent on incentives that motivate them by indicating on a five point likert scale their level of agreement or disagreement with the statement provided eventhough it was not part of the objectives. This was done to know what staff perceived motivates them most. The likert scale ranged from 1= strongly disagree to 5 strongly agree. Based on the likert scale a criterion is deemed significant if it has a mean higher than 2.5 than when it is lesser than 2.5. Also for the standard deviation, the higher the number, the more variance it is in agreement whiles the lesser the standard deviation, the more consistency it is in agreement among the respondents. From table 4.4 above, most of the respondents think that for non-monetary incentives job promotion should be ranked first because it has the highest mean(4.17) followed by career development with a mean of 4.12 then fringe benefits which also have a mean of 3.98. Recognition is next to fringe benefit because it has a mean of 3.90. Lastly, pre-education had a mean of 3.38. For the level of variability, career development is more consistent in the agreement among the respondents because it had the lowest standard deviation.

For the monetary incentives for employees motivation, the respondents ranked salaries/wages first (it had a mean of 4.27), followed by scholarship with the mean of 4.23, then accommodation loan which has a mean of 4.18. Merit pay was the next with a mean of 3.85 then bonuses with a mean of 3.82. Respondents ranked gain sharing last with a mean of 3.72. The variability in gain sharing was the greatest.

# 4.5 Monetary and Non-Monetary Incentives used at Kumasi Polytechnic

Table 4.5 Monetary and Non-Monetary Incentives used at Kumasi Polytechnic

Monetary & Non-Monetary packages/	Strongly	Disagree	Neutral	Agree	Strongly
incentives	disagree	Freq.(%)	Freq.(%)	Freq.(%)	agree
	Freq.(%)	43			Freq.(%)
Non-Monetary Incentives					7
My organization provides me with Job promotion	2(1.7)	0	6(5)	48(40)	64(53)
Career development is provided in my organization	1(8.8)	3(2.5)	9(7.5)	59(49.2)	48(40)
Recognition is given as a non-monetary incentive in my organization	2(1.7)	13(10.8)	25(20.8)	55(45.8)	25(20.8)
Fringe benefits are given in my organization	4(3.3)	14(11.7)	31(25.8)	56(46.7)	15(12.5)
Crèche is provided by organization.	76(63.3)	17(14.2)	7(5.8)	9(7.5)	11(9.2)
Monetary Incentives			200		
Merit pay is provided by my organization	8(6.7)	11(9.2)	26(21.7)	59(49.2)	16(13.3)
Bonuses are provided by my organization	10(8.3)	16(13.3)	24(20)	51(42.5)	19(15.8)
Salaries/wages are given in my organization	2(1.7)	4(3.3)	5(4.2)	42(35)	66(55.8)

Gain sharing is used as an incentive in my organization	6(5)	9(7.5)	32(26.7)	44(36.7)	29(24.2)
Accommodation Loan is an incentive given in my organization	0	6(5)	18(15)	43(35.8)	53(44.2)
My organization provides scholarship	1(0.8)	1(0.8)	4(3.3)	46(38.3)	68(56.7)

N = 120

Source: Field work 2016

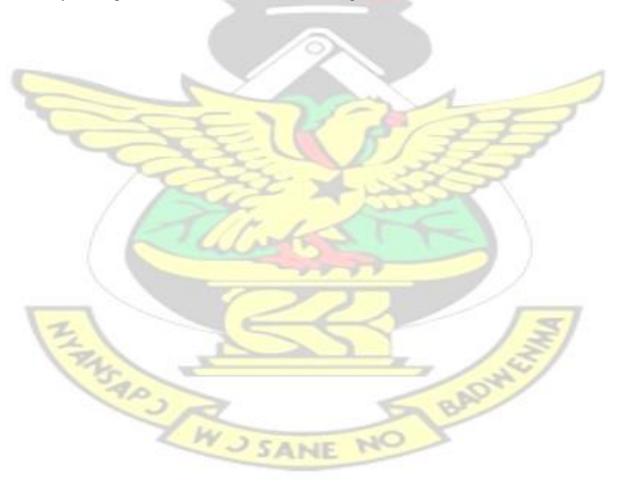
The table 4.5 above demonstrates the monetary and non-monetary incentives used at Kumasi polytechnic. With regards to the organization providing them with job promotion, 93% of the respondents strongly agree and agree that the organization provides them with job promotion. This is encouraging number that can help to conclude that job promotion is used at Kumasi polytechnic.

Furthermore, the issue of career development was raised. Here, 49.2% of the respondents agreed and 40% of the respondents strongly agreed that career development is provided by the organization. The next was about recognition and 80% of the respondents responded that they agree that recognition is given as a non-monetary incentive in the organization. On the issue of fringe benefits, 56 of the respondents agreed those fringe benefits are given in the organization whiles 15 respondents strongly agreed to that. But for the crèche, majority of the respondents disagreed to that. 76 respondents strongly disagreed whiles 17 respondents disagreed that crèche is provided by the organization.

For the questions associated with monetary incentives, this is what popped up. On the issue of merit pay, 75 of the respondents representing 62.5% agreed to the fact that merit pay is provided by the organization. 70 respondents agreed on the issue of bonuses being provided by the organization.

When the respondents were again asked to respond whether or not salaries/wages are given in the organization, their responses suggest that they do have. 55.8% of the respondents strongly agreed that they were given salaries/wages and 35% agreed. The next issue was about gain sharing, which 60.9% of the respondents agreed that gain sharing is used as an incentive in Kumasi polytechnic. Again, on the issue of accommodation loan, 96 of the respondents were in agreement with accommodation loan as an incentive given in the organization. Lastly 95% agreed that the organization provides scholarship.

In conclusion, for the non-monetary incentives, all but crèche were known by the majority of the respondents as incentives used at Kumasi polytechnic. For the monetary incentives, all were known by the respondents as incentives used at the organization.



#### **4.6 Motivation Level of staffs**

**Table 4.6 Motivation Level of staffs** 

Descriptive Statistics	N	Mean	Std. Deviation
Needed equipment to work	120	3.55	1.003
Feedback on my performance	120	2.49	1.366
Decision-making	120	1.94	1.154
Recognition on my performance	120	3.28	.907
Management-worker relationship	120	3.57	1.010

Source: Field work 2016

From table 4.6, on the level of agreement with statements that relate to the motivation level of non-teaching staffs of Kumasi polytechnic, majority of the respondents were in agreement with the management-worker relationship encouraging them to work as shown a mean score of 3.57 and the agreement varies among the respondents. The institution providing them with the needed equipment to work also shows a mean score of 3.55 which means most of the respondents agreed to that.

The respondents were however neutral on the fact that their superior giving them recognition on their performance as shown a mean score of 3.28 and their level of agreement among the respondents were consistent. Their superior giving them feedback on their performance also gave a mean score of 2.49.

They were also in disagreement on the fact of management involving them in decisionmaking as shown by a mean mark of 1.94 and the level of agreement among the respondents were not in consistent but rather vary.

#### **4.7 General Motivational Level**

#### **Table 4.7 General Motivational Level**

Motivation level	Frequency	Percent	Valid Percent	Cumulative
				Percent
Strongly Demotivated	4	3.3	3.3	3.3
Demotivated	3	2.5	2.5	5.8
Neutral	36	30.0	30.0	35.8
Motivated	73	60.8	60.8	96.7
Strongly Motivated	4	3.3	3.3	100.0
Total	120	100.0	100.0	

Source: Field work 2016

From table 4.7, this research questions focuses on the general motivation level of the respondents within the institution. The analysis revealed that 73 of the respondents representing 60.8% were generally motivated by the incentives used in the institution.

## 4.8 Determining the Impact of Monetary and Non-Monetary Incentives on Motivation

This section of the study determines the impact of monetary and non-monetary incentives on motivation. First and foremost, correlation analysis was employed to establish the strength of relationship between the dependent variable (motivation) and the variables measuring monetary and non-monetary incentives. The various statements/variables measuring motivation was composited into one main variable called work-output.

The monetary incentives considered in this study were Merit Pay (MP), Bonuses (BO), Salaries/wages (SW), Gain Salary (GS), Accommodation Loan (AL), Scholarship (SC). The non-monetary variables considered in this study were Job Promotion (JP), Career

Development (CD), Recognition (RE), Fringe Benefit (FB) and Crèche (CR).

Table 4.8 below shows the correlation matrix of all the monetary and non-monetary variables and motivation variable. The table shows the Pearson correlation coefficient (r) which measures the strength of relationship between any two variables in the correlation matrix. From Table

4.8, the Pearson correlation coefficient (r) was 0.431 which shows a mild positive relationship between the various motivation variables and Merit Pay (MP). In other words increasing the merit pay of non-teaching staff of Kumasi Polytechnic tends to increase their level of motivation to some extent. Similar relationship was established between motivation variable and Bonuses (BO) with a Pearson correlation coefficient of 0.379 meaning there exist some mild or below average relationship between bonuses and workoutput. This means that, when non-teaching staffs of Kumasi Polytechnic are given bonuses in carrying out their duties, it increases their motivation to some extent but it's not always the case. Also there also exists some positive relationship between crèche as a non-monetary incentive and motivation. This means that crèche as a non-monetary incentive package for non-teaching staff of Kumasi Polytechnic increases their motivation to some extent but the relationship between these variables is not strong.

Table 4.8 Correlation matrix

	,	MV	MP	ВО	SW	GS	AL	SC	JP	CD	RE	FB	CR
MV	Pearson	1	.431**	.379**	.317**	.352**	.243**	.214*	.313	.360	.329**	.277**	.347*
	Correlation		B	1	F.	1		3		1			
	P-value		.000	.000	.000	.000	.008	.019	.001	.000	.000	.002	.000
MP	Pearson	.431**	1	.663**	.339**	.513**	.460**	.208*	.259**	.314**	.445**	.519**	.223*
	Correlation	1			5		5	1		13	3		
	P-value	.000	0	.000	.000	.000	.000	.023	.004	.000	.000	.000	.014
ВО	Pearson	.379**	.663**	1	.446**	.484**	.343**	.215*	.315**	.291**	.411**	.501**	.307**
	Correlation		_	M	25	ANI	N	9	>				
	P-value	.000	.000		.000	.000	.000	.018	.000	.001	.000	.000	.001

SW	Pearson	.317**	.339**	.446**	1	.205*	.294**	.348**	.258**	.306**	.272**	.224*	.055
	Correlation												
	P-value	.000	.000	.000		.025	.001	.000	.005	.001	.003	.014	.551
GS	Pearson	.352**	.513**	.484**	.205*	1	.547**	.258**	.236**	.320**	.518**	.458**	.349**
	Correlation					$\setminus$	II.	16					
	P-value	.000	.000	.000	.025	A	.000	.004	.010	.000	.000	.000	.000
AL	Pearson Correlation	.243**	.460**	.343**	.294**	.547**	1	.374**	.311**	.390**	.426**	.353**	.304**
						1	7						
	P-value	.008	.000	.000	.001	.000	1	.000	.001	.000	.000	.000	.001
SC	Pearson	.214*	.208*	.215*	.348**	.258**	.374**	1	.532**	.410**	.274**	.248**	.150
	Correlation			- (		10							
	P-value	.019	.023	.018	.000	.004	.000	-	.000	.000	.002	.007	.103
JP	Pearson	.313**	.259**	.315**	.258**	.236**	.311**	.532**	1	.629**	.422**	.335**	.212*
	Correlation	~		5	£	0	1	1	7	5	1		
	Sig. (2-tailed)	.001	.004	.000	.005	.010	.001	.000	R	.000	.000	.000	.021
CD	Pearson	.360**	.314**	.291**	.306**	.320**	.390**	.410**	.629**	1 /	.420**	.395**	.296**
	Correlation				7		>			-	1		
	P-value	.000	.000	.001	.001	.000	.000	.000	.000	13	.000	.000	.001
RE	Pearson	.329**	.445**	.411**	.272**	.518**	.426**	.274**	.422**	.420**	1	.670**	.393**
	Correlation		3	R				5	BA				
	P-value	.000	.000	.000	.003	.000	.000	.002	.000	.000		.000	.000
FB	Pearson Correlation	.277**	.519**	.501**	.224*	.458**	.353**	.248**	.335**	.395**	.670**	1	.471**

	P-value	.002	.000	.000	.014	.000	.000	.007	.000	.000	.000		.000
CR	Pearson	.347**	.223*	.307**	.055	.349**	.304**	.150	.212*	.296**	.393**	.471**	1
	Correlation												
	P-value	.000	.014	.001	.551	.000	.001	.103	.021	.001	.000	.000	

Source: Field work 2016

From table 4.9, after identifying the strength of the relationship that exist between motivation and the various monetary and non-monetary incentive packages, Linear regression analysis was employed in explaining the relationship identified in the correlation matrix and also finds out/test the relevance/significance of each of the independent variables (monetary and nonmonetary incentives) in influencing the dependent variable (motivation). From Table 4.9 the various coefficients of the independents variables are being estimated as well as their t-test and p-values testing their significance in predicting the dependent variable (motivation). Firstly the individual independent variables (monetary and non-monetary incentives) were checked to ensure that there is no presence of multicollinearity among them. In other words, the researcher checked whether the independent variables are not correlated among themselves. From the Collinearity statistics column in table 4.9, all the tolerance values for each independent variable were all more than 0.1 and the Variance Inflation Factor (VIF) values for all the variables being less than 10. This shows clearly that, the predictor variables (monetary and non-monetary incentives) are not correlated among themselves (multicollinearity does not seem to be a problem) and hence the unique contribution of each predictor variable can be easily access by the derived regression model and this is good for regression analysis.

**Table 4.9 Regression Analysis** 

Model	Unstan	dardized	Standardized	t	P-value	95.0% C	onfidence	Collinea	arity
	Coeff	ficients	Coefficients			Interva	al for B	Statist	ics
	В	Std. Error	Beta	11	J!	Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	2.347	.324		7.246	.000	1.704	2.989		
MP	.165	.061	.317	2.703	.008	.044	.286	.453	2.20
ВО	006	.064	011	094	.925	134	.122	.437	2.29
SW	.116	.062	.178	1.869	.044	007	.240	.688	1.45
GS	.065	.055	.128	1.168	.245	045	.174	.521	1.91
AL	080	.059	141	-1.354	.179	197	.037	.576	1.73
SC	007	.060	011	113	.910	125	.112	.630	1.58
JP	.067	.071	.107	.935	.352	075	.208	.474	2.11
CD	.086	.072	.130	1.196	.234	056	.228	.526	1.90
RE	.039	.074	.061	.521	.603	108	.185	.450	2.22
FB	100	.065	185	-1.543	.126	229	.029	.433	2.30
CR	.117	.041	.271	2.886	.005	.037	.198	.709	1.41

Source: Field work 2016 From Table 4.9, the derived regression model was obtained as

*Motivation* □ 2. 35 □ 0. 165 *MP* □ 0. 006 *BO* □ 0. 116 *SW* □ 0. 065 *GS* □ 0. 08 *AL* □ 0. 007 *SC* □ 0. 067 *JP* □ 0. 086 *CD* □ 0. 039 *RE* □ 0. 1 *FB* □ 0. 117 *CR* 

From the above regression equation, we can clearly observe that, increasing the merit pay of non-teaching staff tends to increase their motivation as well and hence there exist some positive relationship between merit pay and motivation. Similarly increasing the Salaries/Wages (SW)

and holding all other predictor variables constant increases the motivation of the sampled staff. In other words the workers were of the view; they are mostly motivated to work harder to improve upon their work output whenever their salaries and other wages are increased by the management of the institution. Also from the equation we found out that whenever staff members are promoted their status changes and this serves as an incentive to challenge them to work harder to improve upon their performance as well as that of their institution. Career development was also found to be having a positive relationship with motivation as well as recognition and crèche.

The significance of each of the independent variables was tested with *t-test* statistics and their respective *p-values* were recorded as shown in 4.9. From the table only three variables namely Merit Pay (MP), Salary/wages (SW) and crèche (CR) were all found to be making significant contribution in increasing the motivation of workers sampled at Kumasi polytechnic. Merit Pay, Salary/Wages and crèche (CR) as an incentive was influencing the workers greatly in increasing their work-output and these three variables were found to be a major determinant that influences the motivation of staff members.

The Anova table as shown in Table 4.10 was used to evaluate the strength of the prediction equation. A measure of the strength of the computed prediction equation is the coefficient of determination (R-square).

To test the hypothesis of non-linear relationship between the predictor (monetary and nonmonetary incentives) and the dependent variable (motivation), i.e. R-Square=0. From Table 4.10, the F-test statistics of 4.939 which test how well the regression model fits the data recorded a *p-value* of 0.000, hence we reject the hypothesis that there is no linear relationship and conclude that there exist linear relationship between the dependent variable and the independent variables.

Table 4.10 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.241	11	.658	4.939	.000 <sup>b</sup>
	Residual	14.128	106	.133		
	Total	21.368	117	1 10		
o Done	andont Vonich	la: Mativation		1 1 6	8	

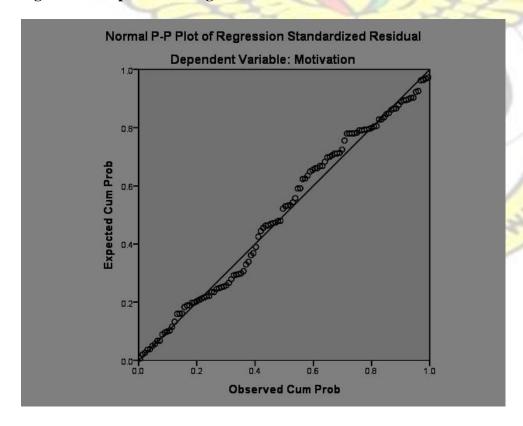
a. Dependent Variable: Motivation

b. Predictors: (Constant), CR, SW, JP, GS, MP, SC, AL, RE, CD, BO, FB

Source: Field work 2016

The P-P plot of the regression standardized residual as shown in Chart 4.4 was used to check whether the derived regression model was adequate in explaining the relationships as well as check whether the model fit the data well. From chart 4.4, it is evident that, almost all the data points were around and closed to the line of best fit indicating that there existed strong relationship between the predictors and the dependent variable and hence the model is adequate.

Figure 4.4P-P plot of the regression standardized residual



Source: Field work 2016

Table 4.11 Challenges in Motivating the Non-Teaching Staffs of Kumasi Polytechnic

	N	Mean	Std. Deviation
Only Key Motivator	120	3.07	1.179
Key Factor	120	2.88	1.134
Employee Preferences	120	3.49	.996
Each Time	120	1.92	1.066
Me Most	120	1.79	1.003

Source: Field work 2016

One of the most difficult human resource tasks that are faced by managers is the management of motivational incentive systems. Bargraim, et al. (2007), says that there is the need to investigate the needs and goals of employees to be able to address them to get the needed motivation and if this is not done it may pose a challenge. The researcher therefore seeks to identify challenges that are faced in employee motivation.

The results revealed that majority of the respondents were in agreement to the fact that management failed to understand the external environment in relation to the organization and understanding that employees preferences were key factors that affected them to work harder was shown by a mean score of 3.49 and a standard deviation of 0.996 which means there was consistency in the agreement in the response given by the respondents.

The respondents also reported that they were uncertain in terms of their superior perceiving monetary incentives to be the only key motivator and management having knowledge of nonmonetary incentives as a key factor to motivate employees as shown by a mean score of 3.07 and 2.88 respectively. They also indicated that they disagree with the management knowing their level of motivation at each time and management knowing what motivates them most. This was revealed by a mean score of 1.92 and 1.79 respectively. These results

presuppose that management have not investigated the needs and goals of non-teaching staff of Kumasi

Polytechnic to get the needed motivation.

## **CHAPTER FIVE**

## SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter consists of a presentation of the summary of the study findings on the Impact of Monetary and Non-Monetary Incentives on Employee Motivation a case of Non-Teaching staff of Kumasi Polytechnic.

## 5.2 Summary of Findings

The objectives of the study was to identify the Monetary and Non-Monetary Incentives used in Kumasi Polytechnic to motivate staff, determine the level of motivation among the nonteaching staff, determine the impact of monetary and non-monetary incentives on employee motivation and finally identify the challenges faced in motivating employees.

## 5.2.1 Perception of Monetary and Non-Monetary Incentives that Motivate Staff

This section of the study was to identify the perception of non-teaching staff on both monetary and non-monetary incentives and how they will rank them in motivating them eventhough it was not part on the objectives. The researcher did this in order to identify what staff perceive motivate them most to give out their best. From the study it was revealed that most of the respondents were of the view that in terms of non-monetary incentives, Job Promotion has the ability to motivate them, followed by career development, then fringe benefits. Recognition was next and it was lastly followed by crèche. For the monetary incentive the respondents

ranked salaries and wages first, followed by scholarship, then accommodation loan. Merit pay was next followed by bonuses and gain sharing was ranked last. However in terms of variability, gain sharing was most variable.

## 5.1.2 Monetary and Non-Monetary Incentives used at Kumasi Polytechnic

The study was to identify the monetary and non-monetary incentives used by Kumasi Polytechnic to motivate its staff. The study revealed that the monetary incentives used are Merit Pay, Bonuses, Salaries and Wages, Gain Sharing, Accommodation Loan and Scholarship. The monetary incentives consist of Job Promotion, Career Development, Recognition, and Fringe Benefits.

#### **5.2.3 Motivational Levels**

The study was also to identify the motivational level of the non-teaching staff of Kumasi Polytechnic. The study revealed that most of the respondents were motivated given the fact that they were provided with the necessary equipment to work, they were given recognition for the work performed and they had a good management – worker relationship that motivated them to give out their best. The study further revealed that staff were not included in decision making which demotivates them. However generally, the analyses revealed that 60.8% representing 73 of the respondents were motivated in the Institution.

# 5.2.4Determining the Impact of Monetary and Non-Monetary Incentives on Employee Motivation

The study revealed that both the monetary and non-monetary incentives have impact on employee motivation which is the dependent variable. Monetary Incentives such as Merit Pay, Salary and Wages and Gain Sharing had a positive impact on motivation whiles Bonuses,

Accommodation Loan and Scholarship had a negative impact on motivation. Also the nonmonetary incentives that had positive impact were Job Promotion, Career

Development, Recognition and Crèche whiles Fringe Benefit had a negative impact.

Considering the P-Values, variables such as Merit Pay and Salaries and Wages for Monetary Incentives and Crèche for Non-Monetary had significant impact on employee motivation meaning that an increase in those variables will lead to an increase in the dependent variable while a decrease in those variables will lead to a decrease in the dependent variable. Whiles other variables such as Bonuses, Gain Sharing, Accommodation loan and scholarship for monetary incentives and Job Promotion, Career Development, Recognition and Fringe Benefit for non-monetary incentives had insignificant impact meaning that eventhough they impact on the dependent variable, an increase or decrease in those variables will not be much felt.

# 5.2.5Challenges in Employee Motivation

The study was to identify the challenges in employee motivation. The study revealed that the challenges in motivating staff are the fact that Management does not know what motivates them each time. This may be due to the fact that each employee has something that motivates him or her most that Management may not know.

Also the study revealed that Management failed to understand the external environment in relation to the organization and that Management does not know what motivates them most.

## 5.3 Conclusions

From the findings, the study concludes that the monetary incentives used by Kumasi

Polytechnic are Merit Pay, Bonuses, Salaries and Wages, Gain sharing, Scholarship and

Accommodation Loan. Whiles the Non-Monetary incentives used are Job Promotion, Career

Development, Recognition and Fringe Benefit.

The study deduced that the general motivational level among Kumasi Polytechnic Nonteaching staff was high as they have the necessary equipment among others to work with. The study further concluded that both monetary and non-monetary incentives had impact on motivation, however, the impact can be positive or negative. Merit Pay, Salaries and Wages and Crèche have significant impact therefore need to be increased in other to increase employee motivation. As said by Bagraim et al. (2007), there is a category of employees that are motivated by financial goals, others that are motivated by professional goals and others that are motivated by personal goals. In view of this one incentive cannot be used to motivate all staff at all levels. There is therefore the need for Kumasi Polytechnic to use both incentives as they both have impact on motivation.

The study lastly concluded that challenges that were faced in motivating employee are management not knowing the level of motivation at each time and that the fact that Management does not know what motivates them most. This can be linked to Bargraim et el. (2007), which says that there is the need to investigate the needs and goals of employees to be able to address them to get them motivated without this, it will be difficult to know what actually motivate employees.

#### 5.4 Recommendation

From the study I recommend that management of Kumasi polytechnic should adopt a clearly laid out promotion scheme for the employees in the Institution. Since promotion was ranked first among the non-monetary incentives, proper policies should be implemented to enable fair promotions to uplift the employee motivations.

Merit pay had a significant positive relationship with the motivation of staffs in Kumasi polytechnic. Management should provide the staffs who perform their jobs effectively with merit pay since it will affect their productivity positively. However paying merit pay comes with a cost, so higher performing employees should be rewarded.

Salaries/wages had a significant positive relationship with motivation. Salaries/wages of staffs should be paid frequently and at the right time since it will motivates them work harder which will intend increase their work output.

Crèche had positive influence on motivation. The findings indicate that management of Kumasi polytechnic should provide crèche for the children of the staffs of the institution. This will provide the institution with two benefits: motivating the staffs and source of income for the organization.

The study recommends that in order to enhance employees motivation and retention, management should offer increased medical package, scholarship, staff contribution in decision making, transparency in matters relating to staff benefits and accommodation.

This study recommends that the government of Ghana formulates labor policies that would ensure that employees are treated with maximum importance in the organizations they work for, and that their needs should be addressed not only in terms of money, but also in nonmonetary ways by their organizations recognizing them and allowing independence.

#### 5.5 Recommendations for Further Studies

This study looked at the impact of monetary and non-monetary incentives on motivation of Non-Teaching Staff of Kumasi Polytechnic. The researcher suggests that, similar study should be conducted for the Teaching Staff of Kumasi Polytechnic. The study should also be conducted in different Polytechnic using different methodology and compare results in different organizational context. The exercise will go a long way to help Institutions know what best motivate their staff.

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#### **APPENDIX I**

## **RESEARCH QUESTIONNAIRE**

Eunice Nkansah is a post graduate student of Strategic Management in the Department of Marketing, KNUST (School of Business), Kumasi. She is currently carrying out a study on Assessing the Impact of Monetary and Non-Monetary Incentives on Motivation among Non-Teaching Staff at Kumasi Polytechnic. This is purely an academic work in partial fulfillment for a Master's Degree in Business Administration (Strategic Management option). Your cooperation is therefore needed in providing the required relevant information as factual as possible. All responses derived from this study will be treated with utmost confidentiality and used for academic purpose only. Therefore, your name or address is not required. I count on your cooperation.

**Instruction:** Please thick your answer to the following questions below:

# Part One: Demographic Factors

1.	Age
	1. 18 - 27 ( ) 2. 28 - 37 ( ) 3. 38 - 47 ( ) 4. 48 - 57 ( ) 5. 58 and above ( )
2.	Gender
	1. Male ( ) 2. Female ( )
	z   =   3
3.	Marital status
	1. Single ( ) 2. Married ( ) 3. Separated ( ) 4. Divorced ( ) 5. Widowed ( )
	E BAN
4.	Educational level
	1. Less than High School ( ) 2. High School ( ) 3. College ( ) 4. Bachelor's Degree ()
5.	Master's Degree ( ) 6. PhD (
	) 7. If other,
	specify

- 5. How many years have you worked in this Institution?
  - 1. Below 1 year ( ) 2. 1 5 years ( ) 3. 6 -10 years ( ) 4. 11 15 years ( ) 5. 16-20 years ( ) 6. 21 years and above ( )
- 6. What is your rank in the institution
  - 1. Senior Member ( ) 2. Senior Staff ( ) 3. Junior Staff ( )



# Part Two: Perception of Monetary and Non-Monetary

7. Which of these in your opinion are key incentives for employee motivation (rank your answers in order of scale of importance from 1 to 5; 1, being the least with 5 being the greatest)

Non Monetary	1	2	3	4	5
			(		
Promotion		U			
Fringe Benefit					
Career Development	1	N			
Recognition		13	4		
Pre-education for my kids					
Others (name it)	12				
	2	7		3-	-3
Monetary	10	1	13	8	-
Merit Pay	- 2	1	360	Z.	Λ.
Bonuses	15			3	)
Salaries and Wages		5			
Gain Sharing					*
Accommodation			10	MON	
Scholarship	ANI	N	2		
Others (name it)					

Part Three: Monetary and Non Monetary Incentives used at Kumasi Polytechnic

8. The table below shows various monetary and non-monetary incentives. Kindly tick the ones that you are used in your Institution (5 – Strongly Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1- Strongly Disagree)

Monetary & Non-Monetary packages/ incentives	Strongly disagree	disagree	Neutral	agree	Strongly agree
	. 1 \	U.			
Non-Monetary Incentives	M	5			
My organization provides me with Job promotion					
Career development is provided in my organization	5		1	5	7
Recognition is given as a non monetary incentive in my organization	X E	100	瑟	-	
Fringe benefits are given in my organization	"who	5	F	1	
Crèche is provided by organization.	77	77		/	
Monetary Incentives				CHAIN	
Merit pay is provided by my organization		5	BA		
Bonuses are provided by my organization	SANE	NO			
Salaries/wages are given in my organization					

Gain sharing is used as an incentive in my				
organization				
Accommodation is an incentive given in my organization				
1/	LA	1.10	CT	
My organization provides scholarship		U.		



#### **Part Four: Motivation Level of Staff**

9. The table beneath seeks to identify the level of motivation among non-teaching staff of Kumasi Polytechnic. The ratings are as follows: (5 – Strongly Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1- Strongly Disagree

	VIII.	1 0			
Indicators of Motivation Levels	Strongly disagree	disagree	Neutral	agree	Strongl y agree
My institution provides me with the	A	le c			
needed equipment to work.	1	12			
My superior gives me feedback on my performance.		5			1 2
Management involves me in decisionmaking.	C	7	7	7	
My superior gives me recognition on my performance.	XX	H 200	3	\	
Management-worker relationship encourages me to work.	7			3	

10. In general, how motivated are you within the institution which you work?

1. Strongly demo	tivated ( ) 2. Demo	tivated () 3. New	itral ( ) 4. Motivated	( ) 5. Strongly
motivated ( )	ZWO	CANIE !	NO	

# Part Five: Impact of Monetary and Non-Monetary Incentives

11. The table indicated below seeks to establish whether monetary incentives have an impact on employee motivation or not. The ratings are as follows: (5 – Strongly

Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1- Strongly Disagree

Monetary Incentives	Strongly disagree	disagree	Neutral	agree	Strongly agree
Being given Merit Pay by my organization					
highly motivates me	M	JS	T		
My organization paying bonuses at the end of the year motivates me a lot	_				
I am motivated when my salaries/wages are paid by my organization regularly	XI,	1			
Receiving part of the gains accrued by my organization motivates me					4
My organization providing me with	A	700	4		/
accommodation gives me a sense of motivation	K	P)	2	7	
My organization giving me scholarship motivates me a lot.					

12. The table indicated below seeks to establish whether non-monetary incentives have an

impact on employee motivation or not. The ratings are as follows: (5 - Strongly)

Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1- Strongly Disagree)

Non-Monetary Incentives	Strongly disagree	disagree	Neutral	agree	Strongly agree
My organization giving me job promotion gives me a sense of motivation					

My organization giving me the opportunity to develop my career impact on my motivation				
When I receive recognition I am more motivated				
My organization providing me with attractive fringe benefits motivates me		S	T	
I am highly motivated when my organization provides me with a crèche	1			

13. The statement below shows how you view your personal job output brought about by your motivation level due to the monetary and non-monetary incentives. Give your answer whether you never, rarely or always attain the attributes as indicated below:

		$\circ$		ı	Ī
Elements of job output	Strongly disagree	disagree	Neutral	agree	Strongly agree
I report to work on time	夏儿	5	13	3	7
I by pass my goal	4				
My job output is of good quality	ling			)	
I protect the corporate image by being positive		3		Tink.	BU/
I handle corporate equipment with care	Z 2 C N	JE NO	BA	O.A.	
I can handle different task	JA	AE .			

# **Part Six: Challenges in Motivating Staff**

14. The table below seeks to identify the challenges in motivating staff. Kindly tick the answer you deem appropriate. The ratings are as follows: (5 – Strongly Agree, 4 –

Agree, 3 – Neutral, 2 – Disagree, 1- Strongly Disagree)

Motivational Challenges	Strongly disagree	disagree	Neutral	Agree	Strongly agree
My superior perceives monetary incentives to be the only key motivator.	1	La			
Management has knowledge of non-monetary	1	7			
incentives as a key factor to motivate employees.	<u>_</u>				
Management's failure to understand the external environment in relation to the organization and understanding employee preferences are key factors that affect me to work harder.	A CONTRACTOR OF THE PROPERTY O	1 334			
Management knows my level of motivation at each time.					
Management knows what motivates me most.	5		NOW	MAN	
Thank you for your participation	NE P	10	D.	,	,

