

# Monetary and Non-Monetary Rewards for Employees Motivation in Tanzania Public Sector: The Management Perspectives

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**Abstract:-** The study on monetary and non-monetary rewards for employees' motivation in Tanzania public sector was done in Kakonko district council. A case study research design, mixed research approaches were used and eighty employees participated. Both qualitative and quantitative data was collected. Close ended-questionnaire, documentary review and documentary review guide were used to collect data. Quantitative data was analyzed by using descriptive statistics, Spearman's correlation and regression methods while qualitative data was analyzed by using contents analysis method. The study reveals that paid leave, merit pay and salary increments were among monetary rewards provided to employees. It was also revealed from the study that promotion, appreciation, training and development were non-monetary rewards provided to employees. It was also revealed from the study that salary increment and merit pay had positive and significant effects on employees' motivation while paid leave had negative and significant effect on employees' motivation. Also, appreciation and promotion had positive and significant effect on employees' motivation. It was also revealed from the study that training and development had no significant effect on employee's motivation. Conclusively, there is no significant difference in motivational effects between monetary and non-monetary rewards among employees and it is therefore recommended that the integration between monetary and non-monetary to be emphasized and provided equally to employees.

**Keywords:-** Monetary, Non-Monetary, Public Sector, Rewards and Motivation.

## I. INTRODUCTION

### ➤ Background to the Problem

Globally, employees' motivation is argued to be a fundamental aspect in managing employees at workplace. George (2023) contends that employees' motivation is a degree of dedication, zeal and creativity which employee's exhibit throughout the course of a workday and thus, motivation plays vital role in initiating, improving and sustaining employees' job performance (Manzoo *et al.* 2021; Qader, 2021). In light of this, monetary and non-monetary rewards are echoed to be frequently used by organizations for the purpose of improving and maintaining high level of employees' motivation (Sheikh *et al.* 2022; George, 2023).

Odhiambo and Iravo (2019) argue that motivation is influenced by culture, background, religion and needs of employees. Based on these, different employees are motivated differently by monetary and non-monetary rewards which in turn account for struggle of employers and managers on how to ensure high level of employees' motivation. Qader (2021) narrates that different types of non-monetary incentives are always provided on course motivating employees and include advancement to senior position, training opportunities and flexible terms of annual leave. These variables were claimed to positive and significantly association with employees' job satisfaction.

For health sector in Pakistan, it is reported that the performance of employees was improved through provision of various forms of non-monetary rewards (Habib *et al.* 2019). The non-monetary rewards included preferred lunch hours, own secretary, preferred office furnishing and pleasant working environment. These rewards agitated different motivational effect among nurse staff, doctors and paramedical staff in the health sector of Pakistan. Mokhniuk and Yushchrsyna (2018) compared different forms of monetary and non-monetary motivation among Ukrainian workers from top level managers to the supporting staff. The report showed that having satisfaction salaries, obtaining bonuses and receiving verbal or written recognized were more influential rewards motivation of workers in all levels.

In Africa, organizations use different forms of monetary and non-monetary rewards in a mission of ensuring high level of employees' motivation. In support of this, Birhanu (2022) mark that most of the African countries have embarked on the Total Rewards Model (TRM) which provides for variety of rewards over and beyond tradition monetary rewards. It embraces other forms of rewards such as insurance coverage, scholarships and school fees cover and support after retirements. Birhanu (2022) gives country specific data which show that Ethiopian Construction Public Company offered a range of monetary rewards to workers such as salary and allowances, bonuses, insurance coverage, merit pay and scholarships and school fees. Also, the company offered non-monetary rewards such as job promotion, career development, recognition, training and development and job security.

In Kenya, Odhiambo and Iravo (2019) showed that employers among Public Universities provided a range of non-monetary rewards including recognition, capacity



building, work autonomy and flexible work schedule all of which had significant role in enhancing employees' performance. So, from the African based reports, it can be argued that different forms are monetary and non-monetary rewards are provided by African countries to employees in workplaces for the sake of improving the level of employees' motivation.

In Tanzania, the public sector has reformed the reward system to make it capable of attracting and retaining highly motivated and performing workers. The motivated workers are argued to be important agents who can enable the public organizations to withstand in a growing competitive business environment and to cope with pressure of delivering improved goods and services (Public Service Management and Employment Policy – PSMEP, 2008). In that endeavor, in 2010, the Government of Tanzania approved Public Service Pay and Incentive Policy (PSPPI) in which TRM was adopted in order to address employees' motivation problems in the public sector.

#### ➤ *Statement of the Problem*

In general, organizations provide monetary and non-monetary rewards to employees on course of enhancing and sustaining employees' motivation (Mnzoor *et al.* 2021; Birhanu, 2022). Being one of the Tanzania's public organizations, Kakonko District Council is entailed to provide various forms of monetary rewards as stated under the PSPPI (2010), Regulation 22 of the Public Service Regulation of Tanzania (2003) and other legal and administrative tools governing rewards practices in the Tanzania public sector.

In practices, there has been inadequate provision of some types of monetary and non-monetary rewards at Kakonko District Council. This is due to limited financial capacity of the Council to meet the provision of monetary and non-monetary rewards which require high use of finance such allowances, bonuses, transport, scholarships, school fees and accommodation. According to report of Controller and Auditor General – CAG (2023), over 70% of annual budget of Kakonko District Council depend on Central Government donation which however is not disbursed as expected. For instance, in a financial year 2021/22 actual budget disbursement to Kakonko District Council was just 33% (CAG, 2023). As result, there has been employees' motivation problem given limited public funds to support provision of variety of monetary and non-monetary rewards to employees.

Previous studies have suggested that different forms of monetary and non-monetary rewards account for different motivational effect among employees in different professions and hierarchal levels (Odhiambo and Iravo, 2019, Okereke and Asha, 2022). But, the above researches cannot be compared or generalized across the public organizations in Tanzania to explain influence of monetary and non-monetary rewards on employees' motivation. This is because employees in different organizations receive some types of monetary and non-monetary reward more often than other forms of rewards due to factors like budget

constraint, policies and regulations governing employees' rewards of the organization (Birhanu, 2022).

Also, motivation is influenced by culture, background, religion and needs which in turn may account for different levels of employees' motivation irrespective of the types and scale which monetary and non-monetary rewards are provided by the organizations (Odhiambo and Iravo, 2019). At Kakonko District Council, CAG (2023) indicates that the organization has been encountering problems of poor service delivery and retention of employees. This raise a fundamental question on the forms and motivational effect of the monetary and non-monetary rewards provided by the Council to employees given its budget constraints.

#### ➤ *Objectives of the Study and the Underpinning Reviewed Literature*

The general objective was to investigate the monetary and non-monetary rewards for employees' motivation at Kakonko District Council. Specifically, the study sought to: Identify the monetary rewards provided for enhancing employees' motivation, determine the non-monetary rewards provided for enhancing employees' motivation and evaluate the effect of monetary rewards on employees' motivation and effect of non-monetary rewards on employees' motivation.

## II. THEORETICAL AND EMPIRICAL LITERATURE

### A. *Theoretical Literature*

#### ➤ *Theories Related to the Study*

This study was anchored on the content theories which explain the substances that should be provided to employees in a bid of enhancing level of motivation and monetary and non-monetary rewards are part of such substances (Okereke and Asha, 2022). In this regard, Frederick Herzberg's Two Factors Theory is most preferred content theory of motivation. It recognizes two types of contents of motivation namely; monetary (extrinsic) and non-monetary (intrinsic). Also, the Herzberg's Two Factors underscore motivational effects of both monetary and non-monetary rewards among employees at workplaces (Herzberg, 1968).

The Two-Factors Theory of motivation was founded by Frederick Herzberg through his systematic inquiry on what make workers feel satisfied or unsatisfied at workplace (Herzberg, 1968). According to Two Factors Theory, non-monetary rewards are regarded to be the motivators (Mnzoor *et al.*, 2021). Herzberg argues that the motivators tend to motivate employees to higher level of performance by providing opportunities for personal satisfaction (Herzberg, 1968). These factors originate from job, that is, they are intrinsic in nature and include career advancement, recognition, responsibility and feelings of achievement. Herzberg argued that absence of motivators would not make employees unhappy instead they would just feel neutral towards work. But when motivators are present, workers are highly motivated to excel at their work (Herzberg, 1968).



Based on Two Factors Theory, the monetary rewards are conceived to be hygiene factors or dissatisfies (Mansour *et al.* 2021). Herzberg contends that the hygiene factors do not induce employees towards higher level of motivation or satisfaction though if they are completely lacking they cause great dissatisfaction (Herzberg, 1968). Hygiene factors are extrinsic in nature because they originate outside the job and include compensation, job security, working conditions and quality of leadership (Herzberg, 1968). The Herzberg's Two Factors Theory is criticized on the grounds that its contribution is within the boundary of Maslow Need Hierarchy Theory rather than adding new motivational concept and does not show clear distinction between motivators and hygiene factors (Buberwa, 2015). The significance the theory in this study is that Herzberg's Two Factors theory provides for variety of substances which should be provided to employees in attempt to improve and sustain high level of motivation and performance

#### ➤ *Types of Rewards Provided by Employers to Employees*

Frederick Herzberg's Two Factors Theory recognized two major types of rewards which were provided by employers to employees. One is the extrinsic rewards and the other is intrinsic rewards. However, original theory regarded them as motivator and hygiene factors respectively (Herzberg, 1968). Substitution of the original construct of the theory with extrinsic and intrinsic rewards respectively was made by researchers who used Two Factors Theory in exploring the link between motivation and other outcomes like employees' performance, satisfaction, retention and motivation (Tan *et al.*, 2021). For instance, Mnzoor *et al.* (2021) translated extrinsic and intrinsic rewards by referring them to monetary and non-monetary rewards respectively.

Buberwa (2015) echoed Herzberg's Two Factors Theory to specify the types of rewards which were provided by employers to employees as non-monetary rewards and monetary rewards. The former includes career advancement, recognition, responsibility and feelings of achievement. Meanwhile, the later included compensation, job security, working conditions and quality of leadership. Further specification of the types of rewards have led to more specific forms of non-monetary and monetary rewards provided to employees. The non-monetary rewards based on several scholars include performance feedback, appreciation, training and development, promotion, conducive working condition, improved management, job security and meaningful job contents. However, monetary rewards have been specified as to include salary increment, overtime pay, merit pay, bonuses, allowances, accommodation, transport, scholarships and paid leave (Manzoor *et al.*, 2021, Birhanu, 2022).

#### ➤ *Techniques Used to Provide Rewards to Employees*

Gupta (2006) explain three techniques used to provide rewards to employees which include: performance-based payment (PBP) technique, time rate payment (TRP) techniques and merit-based payment (MBP) technique. A performance-based payment (PBP) technique is the one which look for actual performance of workers to differentiate pay levels accordingly (Gupta, 2006). That is to

say, pay level vary with actual performance of employees in attaining quantifiable or qualitative objectives. The PBP technique works better if tasks which are undertaken by employees are easy to quantify. It may serve as the motivator toward higher performances of employees who consider receiving high salary much better. Though, PBP is claimed on the ground that it may reduce quality of the work by driving employees more on quantity of outputs while ignoring quality (Armstrong, 2011).

The PBP technique is partially used in Tanzania's public sector and this is supported by Regulation 22 of the Public Service Regulations (2003) which states as follows: The purposes of open performance review and appraisal system shall be to discover, evaluate and document the potential and shortcomings of individuals to enable measures to be taken for improvement of the efficiency and effectiveness of the public service as the continuous objective and to obtain appropriate information for awarding or withholding increments, planning job rotation, training program, and in making appointments to higher posts or in demotions or termination of appointment to that particular post.

Time rate payment (TRP) technique involves allocation of pay based on labour hour spent by individual working for employer (Armstrong, 2011). Normally, labour hour pay is fixed within a working time such as hourly, daily or weekly basis. This technique is very common for casual labour who are paid in hourly basis or daily basis. It is also very common in micro informal businesses like employment in agriculture, business shops and food vendors. For instance, a pay level may be fixed on daily basis such as 5,000 Tanzania shilling per day. This technique is easy to manage, control and ensure fair payment between employee and employer.

Merit based payment (MBP) technique considers individuals level of academic qualifications, professional qualifications and experiences in making determining pay levels (Gupta, 2006). Operationalization of the MBP requires a well-defined and clarified levels of qualifications, professional qualifications and experiences all which should reflect pay levels of the job incumbent (Armstrong, 2011). This is relevant in Tanzania's Public Sector in which factor like experience is used as differentiator of pay levels on the entry grade or point through the middle grades of the job to the higher grades of the job in the relevant Scheme of Service. For example, the Scheme of Service distinguishes inexperienced employees on the entry grade from one who has three years of experience by specific pay difference and soon.

#### ➤ *Challenges Faced by the Employers when Providing Rewards*

Employers in different organizations encounter several challenges in the provision of rewards to employees. The most discussed challenges relate to ability to pay, cost of living, governing policy on minimum wage and trade unions activities (Gupta, 2006). Ability to pay denotes financial capacity of the organization to effectively and fairly



implement monetary and non-monetary rewards to employees. As echoed to Kakonko District Council, most organization encounter challenges of low financial capacities to provide required levels and amount of rewards to employees (CAG, 2023).

The cost of living measures the extent which minimum pay level is capable of meeting basic needs of employees. Gupta (2006) claims that as inflation keeps on increasing cost of living, pay levels to most of low cadre workers become unable to meet the cost of living. At this point, employees are not motivated by employers unless decision is made to raise the pay level (Gupta, *ibid*). Governing Policy on minimum wage acts as a challenge to most of micro and small firms which in most cases are unable to meet a minimum wage stipulated by the Government Policy. Trade unions activities among others, is constant bargaining for high wages. Normally, pay level of employees and expected pay levels by the trade union do not match. So, trade union movements demanding high pay create great challenges to most employers in making reward decisions and rewards management (Gupta, *ibid*).

## B. Empirical Literature

### ➤ *Monetary Rewards Provided for Enhancing Employees' Motivation*

Mokhniuk and Yushchvsna (2018) investigated the effectiveness of different methods for enhancing employee motivation among Ukrainian workers. They revealed that the monetary rewards which were given to employees included salaries and bonuses. Birhanu (2022) assessed the financial and non-financial rewards which affected the motivation of employees in Ethiopian Construction Design and Supervision Works Corporation. He identified the monetary rewards which were offered by the company as salary and allowances, bonuses, insurance cover, merit pay, scholarships and schools fees. Henry (2019) examined the contribution of non-monetary incentives on employees' performance at Chato District Council in Tanzania. It was indicated in a that monetary rewards which were given to employees included accommodation, medical assistance, rewards for higher performance and children education support.

### ➤ *Non-Monetary Rewards Provided for Enhancing Employees' Motivation*

Habib *et al.* (2019) investigated and identified the types of non-monetary which led to employee engagement in the private hospitals of Pakistan. It was revealed from the study that, healthcare workers were provided with the following non-monetary rewards: training and development, pleasant working environment, preferred office furnishing, preferred lunch hours, business (vising) card and own secretary. Their research used 193 respondents in total who completed self-administered questionnaire within which the responses were recorded using 5-points Likert scale.

Qader (2021) investigated the effect of non-monetary incentives and work environment on employees' job satisfaction. It was revealed from the study that the non-

monetary incentives which were given to employees were advancement to senior position, support for training and development, flexible term of timing of annual leave, flexible use of breaks, receiving regular feedback on job performance and publicly and praise of high performance. Birhanu (2022) assessed the effect of financial and non-financial rewards on employee's motivation. The study revealed that non-monetary rewards which were provided to employees of Ethiopian Construction Design and Supervision Works Corporation were job promotion, career development, training and development opportunities and job security. Odhiambo and Iravo (2019) assessed the role of non-monetary incentives on employees' performance report which investigated the role of non-monetary incentives on employee performance in public Chartered Universities in Kenya. The findings indicated that the non-monetary incentives which were provided to employees were recognition, capacity building, work autonomy and flexible work schedule. Though, due different focus, the researcher did not correlate non-monetary incentives with employees' level of motivation.

### ➤ *Effect of Monetary Rewards on Employees' Motivation*

Mokhniuk and Yushchvsna (2018) analyzed the impact of monetary and non-monetary factors of motivation on among healthcare workers in Ukraine. The study revealed that there were three (3) more influential rewards towards employees' motivation namely, having satisfactory salary, obtained bonuses (monetary rewards) and receiving verbal or written recognition (non-monetary rewards) among healthcare workers in Ukraine.

Birhanu (2022) assessed the effect of financial and non-financial rewards on employee's motivation. Report showed that non-financial rewards (job promotion, career development, training and development opportunities and job security) affected motivation of employees at Ethiopian Construction Design and Supervision Works Corporation. Its further revealed from the study that many non-monetary rewards were used in the Company. Henry (2019) examined the contribution of non-monetary incentives on employees' performance at Chato District Council in Tanzania. He reported that employees expressed preferences towards monetary rewards namely; accommodation, medical assistance, rewards for higher performance and children education support in order to feel motivated at workplaces. The above researches were applicable by the present study because they give pieces of evidence regarding the provision of monetary rewards among employees and their motivation effects on employees' motivation.

### ➤ *Effect of Non-Monetary Rewards on Employees' Motivation*

Qader (2021) investigated the effect of non-monetary incentives and work environment on employees' job satisfaction. The results indicated that there was a positive and statistically significant relationship between non-monitory incentives and employees' job satisfaction. The non-monetary incentives which were covered included advancement to senior position, support for training and development, flexible term of timing of annual leave,



flexible use of breaks, receiving regular feedback on job performance and publicly and praise of high performance. Habib *et al.* (2019) analyzed the influence of non-monetary rewards on employees' engagement. The report stated the types of non-monetary which led to employees' engagement in the private hospitals of Pakistan which in turn had positive effect non-monetary rewards and there were differences in the responses towards each subset of non-monetary reward. The types of non-monetary rewards which were covered are training and development, pleasant working environment, preferred office furnishing, preferred lunch hours, business (vising) card and own secretary. According to the report, while the preferred lunch hours was negatively related to motivation of sector staff, own secretary was negatively related to motivation of Doctors.

Birhanu (2022) investigated the effect of non-monetary rewards (job promotion, career development, training and development opportunities and job security) on motivation of employees in Ethiopian Construction Design and Supervision Works Corporation. The results of the above research demonstrated that non-financial rewards affected motivation of employees and there was a direct and significant relationship between non-monetary and monetary rewards with employees' motivation. Odhiambo and Iravo (2019) assessed the role of non-monetary incentives on employees' performance report which investigated the role of non-monetary incentives on employee performance in public Chartered Universities in Kenya.

It was revealed from the study that recognition, capacity building, work autonomy and flexible work schedule had significant role on employees' performance. The researchers used a survey research design and the semi-structured questionnaire (contained closed and open-ended questions) was the main research instrument. Okereke and Asha (2022) examined the effect of non-monetary rewards on employees' performance at Mount Meru Referral Hospital in Arusha Tanzania. The study revealed that indicated existence of direct and significant linkages between non-monetary rewards (recognition, employee independence, training and flexible work schedule) towards employees' performance.

#### ➤ *Research Methodology Employed During the Study*

Case study research design and mixed research design was employed during the study. Mixed research approach included both quantitative and qualitative research approaches. Quantitative research approach involves gathering of quantitative statistical data for making detailed analysis and qualitative research approach focuses on gaining well understanding of the underlying meaning of the problem using non-numeric, narrative or visual data (Park & Park, 2016).

For this particular research, quantitative research approach was used because the study aimed at gathering statistical (numeric) data on the types of monetary and non-monetary rewards the management provides to employees. Besides, in order to ensure better understanding of the research problem, the qualitative approach was used to

collect comprehensive explanatory data on monetary and non-monetary rewards provided to employees of Kakonko district council. Eighty respondents were obtained through stratified sampling method. Documentary review was data collection method used to collect data. Data collections instruments used to collect data were questionnaires and documentary review schedule. Quantitative data was analysed by using descriptive statistics, Spearman's correlation and Regression. The qualitative data was analyzed using the contents analysis method.

### III. FINDINGS, ANALYSIS AND DISCUSSION

#### ➤ *Monetary Rewards Provided for Enhancing Employees' Motivation*

It was revealed from the study that there were four types of monetary reward which were provided to employees and included Such rewards were: paid leave (Mean = 4.2000, Std. deviation = 1.04396), merit pay (Mean = 3.6429, Standard deviation = .85186), salary increments (Mean = 3.4429, Std. deviation = 1.42071) and bonuses (Mean= 3.2714, Std. deviation = 1.12831). Overall implications of the findings on the monetary reward provided for enhancing employees' motivation at Kakonko District Council is that variety of monetary rewards were provided to employees of organization in a mission of motivate them towards works. On the case of Non-Monetary Rewards Provided for Enhancing Employees' Motivation, it was revealed from the study that a total of 30% and 28.6% of all respondents (58.6%) strongly agreed and agreed respectively that they were provided with variety of non-monetary rewards in order to be motivate them towards works.

Undecided respondents were 15.7% in total. Nevertheless, a total 14.3% and 11.4% of all respondents (25.7%) disagreed and strongly disagreed respectively that they were provided with variety of non-monetary rewards so as to motivate them towards work. It was therefore revealed from the study that forms of non-monetary rewards which were more provided by the organization in order to motivate employees towards work. A total of nine (9) non-monetary rewards were analyzed. Due to use of Likert scale of five options to measure the data, it means that individual element of non-monetary rewards was said to be more provided if its means value was  $\geq 3.1$ . Therefore, forms of non-monetary provided to employees were: promotion (Mean= 3.6000, Std. deviation = 1.1966), appreciation (Mean = 3.3714, Std. deviation = 1.13152), and training and development (Mean = 3.1857, Std. deviation = .99699).

#### ➤ *Effect of Monetary Rewards on Employees' Motivation*

Two inferential analyses namely; Spearman's correlation analysis and linear regression analysis were employed to analyze data collected.

#### ➤ *Spearman's Correlation Analysis*

A Spearman's correlation analysis was used to ascertain nature and strength of the association between monetary rewards which were provided more to employees with employees' motivation. The Correlation Matrix



generated at  $p$ -value = 0.01 and 95% confidence level revealed that Spearman's correlation coefficients between, salary increments, merit pay and paid leave against employees' motivation were all positive values (0.931, 0.865 and 0.861) at significant level = 0.01. This implied that monetary rewards (salary increments, merit pay and paid leave) have positive association with employees' motivation at Kakonko District Council.

In other words, the results mirrored that offering salary increments, merit pay and paid leave accompanied with positive effect on the level of employees' motivation in Kakonko District Council. It suggested further that an increase in the level of salary increments, merit pay and paid leave could accompany with a proportionate increase in employees' level of motivation.

#### ➤ *Linear Regression Analysis*

Individual data for salary increments, merit pay and paid leave variables were regressed against individual data for employees' motivation variable. The regression analysis generated a model summary and regression coefficients.

#### ➤ *Goodness of Fit Test of the Regression Model*

The study checked a goodness of fit of the regression model in explaining the effect of salary increments, merit pay and paid leave on employees' motivation. This involved evaluation of the value of R-Square ( $R^2$ ) which is a statistical factor which tells how much the independent variables if combined together account for the variability of the dependent variable. It was revealed from the study that a value of R Square was = 0.895. This translated that when salary increments, merit pay and paid leave are combined together they explained for the variability of employees' motivation for about 89.5%. The percentage being very high, the study confirmed that regression model was fit in explaining and predicting the effect of salary increments, merit pay and paid leave on employees' motivation in Kakonko District Council.

#### ➤ *Statistically Significant Test of the Regression Model*

The study checked whether or not the regression model used was statistically significant in explaining the effect of salary increments, merit pay and paid leave on employees' motivation. In order to check that, the value of F Statistics of the regression model was evaluated. Normally, a regression model is said to be statistically significant in explaining the phenomenon if the value of F-Statistics obtained at  $p$ -value  $\leq 0.05$  (at least 95% confidence level). It was revealed from the study that the value of F Statistics was 187.558 at  $p$ -value = 0.000. This confirmed that the regression model used was statistically significant in explaining the effect of salary increments, merit pay and paid leave on employees' motivation at Kakonko District Council.

#### ➤ *Constant Level of Employees Motivation*

The regression model assumed that there was constant level of employees' motivation which was represented by symbol ' $\alpha$ ' which was not dependent on the provision of salary increments, merit pay and paid leave among employees of Kakonko District Council. In order to detect

that, the study evaluated a constant value of the regression in. Normally a constant value is said to be statistically significant if its value is at  $p$ -value is  $\leq 0.05$ . For this study, constant value of the regression coefficients of salary increments, merit pay and paid leave against employees' motivation was = 0.078 at  $p$ -value = 0.784. It was revealed from the study that a constant level of employees' motivation (in absence of salary increments, merit pay and paid leave) among employees of was not significant. This implied that motivation of employees in absence of salary increments, merit pay and paid leave was minor or negligible.

#### ➤ *Estimations of the Effect of Monetary Rewards on Employees' Motivation*

The effect of individual variable of monetary rewards (salary increments, merit pay and paid leave) was estimated based on the regression coefficients. Salary increments obtained regression coefficient = 0.717 at  $p$ -value = 0.000. This indicated that the effect of salary increment on employees' motivation was positive and statistically significant. It indicates further that salary increments by 1% may cause an increase in employees' motivation by 71.7%. Also, merit pay scored regression coefficient = 0.388 at  $p$ -value = 0.000. This reveals that the effect of merit pay on employees' motivation was positive and statistically significant.

It was revealed from the study that any increase of merit pay by 1% may cause an increase in employees' motivation by 38.8%. In this case paid leave was rated by regression coefficient = -0.313 at  $p$ -value = 0.018. This means that the effect of paid leave on employees' motivation was negative and statistically significant. The study reveals that an increase in paid leave by 1% caused decrease employees' motivation by 31.3% as far as employees.

#### ➤ *Effect of Non-Monetary Rewards on Employees' Motivation*

A Spearman's correlation analysis was used to test the nature and strength of the association between non-monetary rewards which were provided more to employees of the organization (appreciation, training and development and promotion) with employees' motivation.

The study reveals that spearman's correlation coefficients between appreciation, training and development and promotion with employees' motivation were positive values (0.919, 0.883 and 0.922) at significant level = 0.01. This implies that appreciation, training and development and promotion had positive association with employees' motivation. In other words, level of employees' motivation could increase positively and proportionally with an increase in appreciation, training and development and promotion as far as employees are concerned.



#### IV. CONCLUSION, POLICY IMPLICATIONS AND RECOMMENDATIONS

It is empirically concluded from the study that rewards provided to Kakonko district council employees influence their performance. Thus, salary increment and merit pay had positive and significant influence on employees' motivation. It is also concluded that even though paid leave was provided more often compared to other rewards, its effect on employees' motivation was negative and statistically significant. Furthermore, appreciation and promotion had positive and significant effect of promotion on employees' motivation. Yet, even though training and development was provided more often than the most of other types of non-monetary rewards, but it had no significant effect on employee's motivation.

The policy implication of this study is that both monetary rewards beyond salary increments and merit pay and non-monetary rewards beyond appreciation, promotion and training and development should be integrated, emphasized and provided equally to employees of Kakonko District Council as required under PSPIP (2010).

It is therefore recommended that the management should extend offering of monetary rewards to cover allowances, overtime pay, transport allowance, accommodation allowance and scholarship in order to motivate its employees as required by PSPIP (2010). The management should extend offering of non-monetary rewards by including regular performance feedbacks, recognition, improved leadership and conducive work environment in order to motivate its employees as required by PSPIP (2010). Provision of training and development should be strengthened by the management of Kakonko District Council. This is because the manner which training and development was provided even though it had potential of contributing positively towards employees' motivation but such contribution was very small or negligible. The future researchers should use qualitative research approach particularly interviews and focus group discussion in order to explain the reasons behind negative effect of paid leave on employees' motivation at Kakonko District Council.

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