



**ASSESSING THE EFFECTIVENESS OF INCENTIVES TOWARDS EMPLOYEES’
PERFORMANCE IN ABAQULUSI LOCAL MUNICIPALITY**

By

NOKULUNGA C. NGWENYA

Student Number: 21031789

A thesis submitted in fulfilment of the requirements for the degree of
MASTER OF MANAGEMENT SCIENCES (BUSINESS ADMINISTRATION)

in the

Department of Business Studies, Faculty of Management Sciences

at

DURBAN UNIVERSITY OF TECHNOLOGY

Approved for examination

Supervisor: Dr. Albert Tchey Agbenyegah

ABSTRACT

The research study focused on assessing the effectiveness of incentives towards employees' performance in Abaqulusi Local Municipality, KwaZulu Natal Province of South Africa. This aim was fulfilled and supported with the research objectives, to determine the relationship between biographical factors of education qualifications, to ascertain relationship between non-financial incentives and performance level and to ascertain the relationship between financial incentives and performance level.

The purpose of incentive schemes is to influence employees to achieve higher performance in the workplace. To confirm this purpose in ALM, this study assess the extent to which incentive encourage employees to higher performance.

The incentive factor and the quality of working life needs to get the attention of the management to be able for improve the employees performance. It is essential that employees in municipalities enjoy some kind of incentive system to motivate and raise their level of performance, like other public sector employees, municipal workers in South Africa have different needs to satisfy; these needs include the need for recognition, respect and superior approval, flexible working hours, work autonomy, as well as the ability to self-development. Considering these needs, it is important to state that non-financial incentives are likely to motivate employees in public organisations, including ALM employees.

The research design used in this study was the quantitative approach, a high response rate of 100% was obtained using the personal method of data collection, and questionnaire was structured in a seven point Likert scale format. The Statistical Package for Social Science (SPSS) version 24.0 for Windows was used for statistical analysis of the main responses. A stratified random sampling technique was applied in selecting the 150 permanent employees from the various departments into several and mutual strata in ALM.

Keywords: Incentive; employee performance

DECLARATION

I Nokulunga Cynthia Ngwenya declare that this dissertation is my own work and I have not previously submitted it for any degree at any other University.

Nokulunga C. Ngwenya
21031789

DEDICATION

I dedicated this study to my late mother and father. I wish they were here to witness the completion of such an important milestone in my life.

I dedicate this study to my brother Kwanda Ngwenya, Thank you for all the sacrifices you have made in order for me to achieve my academic vision. It's more than a blessing to have you as a Big Brother.

ACKNOWLEDGEMENTS

I would like to thank God, for through Him, all things are possible.

I would like to send my sincerely thanks and deep appreciation to the following people:

I thank my Supervisor Dr. Albert Tchey Agbenyegah for his constant guidance since the inception until the completion of this study, thank you for your willingness to work with me, this would not have been possible without your support and guidance.

I thank my partner for positive support and encouragement at all times. Thank you for being my pillar of strength throughout the many tough times I experienced whilst completing my dissertation.

To all other individuals who directly contributed by participating in questionnaires and those who indirectly contributed to this study, I would like to say thank you and may others benefit from the same services that was rendered to me.

TABLE OF CONTENTS

PAGE

TITLE PAGE	I
ABSTRACT	II
DECLARATION	III
DEDICATION	IV
ACKNOWLEDGEMENT	V
TABLE OF CONTENTS	VI-XI
LIST OF ANNEXURES	XI
LIST OF TABLES	XII
LIST OF FIGURES	XIII

CHAPTER ONE

BACKGROUND AND OVERVIEW OF THE STUDY

1.1	Introduction	1
1.2	The Study Area	2
1.3	Background of the research	4
1.4	The problem statement	4
1.5	Research Framework	5
1.6	Research aim and objectives	6
1.6.1	Research aim	6
1.6.2	Research objectives	7
1.7	The research hypotheses	7
1.7.1	The significance of this research	7
1.7.2	Delimitations of the study	8
1.8	Research methodology	8
1.8.1	Target population	8
1.8.2	Sampling procedure	9
1.8.3	Data collection process	9
1.9	Ethical issues	9
1.10	Definition of terms	9

1.11	Research structure	10
1.12	Chapter summary	12

CHAPTER TWO

LITERATURE REVIEW

2.1	Introduction	13
2.2	Theoretical framework	13
2.3	Vroom's expectancy theory	13
2.4	The Porter-Lawler Expectancy Model	14
2.5	Abraham Maslow: Hierarchy of Needs	14
2.6	Synopsis of employee performance	16
2.6.1	The definition of performance	17
2.6.2	The concept of employee performance	17
2.6.3	Perspectives of employee performance	18
2.6.4	The expectations of employees' performance	18
2.7	Types of employee performance	19
2.7.1	Positive effect of incentives on employees' performance	20
2.7.2	Negative effect of incentives on employees' performance	21
2.8	The influence of incentives on employees' attitudes	22
2.9	Factors influencing employee performances	22
2.10	Human capital and level of performance	23
2.10.1	Connection between incentives and performance	24
2.10.2	Connection between promotion and performance	25
2.10.3	Connection between appreciation, recognition and performance	25
2.11	Reasons for using the pay-for-performance approach	26
2.11.1	Problems with pay-for-performance	27
2.11.2	Benefits of pay-for-performance	27
2.12	Defining the concept of incentives	28
2.12.1	Types of incentives	29
2.12.2	Financial incentives	30
2.12.3	Semi-financial incentives	31

2.12.4	Non-financial incentives	31
2.12.5	Short-term incentives	34
2.12.6	Long-term incentives	35
2.13	The effect of incentives in an organisation	36
2.14	Justification for using incentives	37
2.15	Limitations of incentive plans	38
2.16	The selection of a reward system	38
2.17	Demographic characteristics and reward systems	40
2.18	Designing effective reward policies	41
2.19	Chapter summary	43

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1	Introduction	44
3.2	Research objectives	44
3.3	Methodology	44
3.3.1	Research design	44
3.3.2	Quantitative design	45
3.3.3	Justification for using the quantitative design	45
3.4	Target population	45
3.5	Sample and sampling techniques	46
3.5.1	Sample procedure	46
3.6	Test of reliability	47
3.7	Research framework	47
3.8	Sample criteria: inclusion and exclusion	49
3.9	Data collection methods	49
3.10	Types of data collection techniques	50
3.10.1	Primary data collection technique	50
3.10.2	Secondary data collection technique	50
3.11	Research instrument	50
3.11.1	Pre-testing of the research instrument	51

3.12	Validity and reliability of the research instrument	51
3.13	Analysis of research data	52
3.14	Data analysis procedure	53
3.15	Data analysis steps	53
3.16	Descriptive statistics	54
3.16.1	Inferential statistics analysis	54
3.16.2	Pearson’s chi–squared test	54
3.17	Ethical considerations	55
3.18	Chapter summary	55

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1	Introduction	56
4.2	Demographics of respondents	56
4.2.1	Research respondents and rate of response	56
4.3	Respondents’ demographics	57
4.3.1	Respondents’ age groups	57
4.3.2	Marital status of the respondents	58
4.3.3	Academic qualifications of respondents	59
4.3.4	Number of years a respondent worked at the Municipality	60
4.3.5	Percentage of respondents by gender	61
4.3.6	Population group	62
4.3.7	Religious denomination	63
4.3.8	Employment status	64
4.3.9	Current position	65
4.4	Perceptions regarding non-financial incentives	66
4.4.1	Requirement not aligned to incentive	66
4.4.2	Non-financial incentives push employees to work hard	67
4.4.3	Non-financial incentives lack employee motivation	68
4.4.4	Promotion opportunities not linked to non-financial incentives	69

4.4.5	Non-financial incentives promote quality work	70
4.4.6	Non-financial incentives promote productivity	71
4.4.7	I am more satisfied with non-financial incentives than salaries/wages	71
4.4.8	Lack of non-financial incentives effect on employee satisfaction	72
4.5	Effects of incentives on employee performance in the organisation	73
4.5.1	Employees' salaries affects performance	73
4.5.2	I think non-financial incentives should be linked to performance	74
4.5.3	Do you agree that incentives are essentials	75
4.5.4	Are you satisfied with your present salary	76
4.5.5	Working environment affects employee performance	77
4.5.6	Do you agree that changes in the present incentive system improves employee performance	78
4.5.7	Incentives in any firm improves work quality	79
4.6	Extent to which incentives improve performance	80
4.6.1	Incentives increase employee performance	80
4.6.2	Better improvement through non-monetary outcomes	81
4.6.3	Work in groups	82
4.6.4	Delegate tasks	83
4.6.5	Promotion of employees	84
4.6.6	Fringe benefits such as housing, a car, school fees and paid trips	85
4.7	Impact of non-financial incentives on employee performance	86
4.7.1	My managers allow free expression on issues of incentives	86
4.7.2	Managers seek employees' opinions on decision-making on non-financial concerns	87
4.7.3	Awards given to employees by different institutions	88
4.7.4	Through different promotional paths in the organisation	89
4.8	Inferential Statistics	90
4.9	Hypotheses testing	91
4.10	Testing formulated hypotheses	91
4.11	Cross-tabulation and Pearson's chi-square test	92
4.12	Summary	96

CHAPTER FIVE
CONCLUSION, RECOMMENDATIONS AND MANAGEMENT
IMPLICATIONS

5.1	Introduction	97
5.2	Aim of the research	97
5.3	Primary outcomes of the empirical research	97
5.4	Conclusion	98
5.5	Recommendations	101
5.5.1	Non-financial incentives	101
5.5.2	Financial incentives	101
5.5.3	Work environment	102
5.5.4	Packages of merit payments	102
5.5.5	Application of Flexible packages	102
5.5.6	Effectiveness of incentives	103
5.6	Management implications	103
5.7	Research contribution	104
5.8	Summary	105
BIBLIOGRAPHY		106

LIST OF ANNEXURES

Annexure A	Questionnaire
Annexure B	Letter of Permission to Conduct Research
Annexure C	Covering Letter
Annexure D	Consent Form
Annexure E	Certificate of editing

LIST OF TABLES

Table 3.1:	Likert scale	49
Table 4.1:	Requirement not aligned to incentive	66
Table 4.2:	Non-financial incentive push employees to work hard	67
Table 4.3:	Non-financial incentive lack employees' motivation	68
Table 4.4:	Promotion opportunities are not linked to non-financial incentives	69
Table 4.5:	Non-financial incentives promote quality work	70
Table 4.6:	Non-financial incentives promote productivity	71
Table 4.7:	I am satisfied with non-financial incentives than salaries/wages	72
Table 4.8:	Lack of non-financial incentives affect employee satisfaction	73
Table 4.9:	Employee salary affect performance	74
Table 4.10:	I think non-financial incentives should be linked to performance	75
Table 4.11:	Do you agree that incentives are essentials	76
Table 4.12:	Are you satisfied with your present salary	77
Table 4.13:	Working environment affect employee performance	78
Table 4.14:	Do you agree that changes in present incentive system improves employee performance	79
Table 4.15:	Incentives in any firm improves work quality	80
Table 4.16:	Incentives increase employee performance	81
Table 4.17:	Better improvement through non-monetary outcomes	82
Table 4.18:	Work in groups	83
Table 4.19:	Delegate tasks	84
Table 4.20:	Promotion of employees	85
Table 4.21:	Fringe benefits such as housing, car, school fees and paid trips	86
Table 4.22:	My managers allow free expressions on issues of incentives	87
Table 4.23:	Managers seek employees' opinion on decision making on non-financial concern	88
Table 4.24:	Awards given to employees by different institutions	89
Table 4.25:	Through different promotional paths in the organisation	90
Table 4.26:	Cross tabulation of academic qualifications versus performance level	92

Table 4.27:	Level of performance and academic qualifications	93
Table 4.28:	Level of impact of non-financial incentives versus performance level	93
Table 4.29:	Level of impact of non-financial incentives versus performance level	94
Table 4.30:	Level of impact of financial incentives versus performance level	95
Table 4.31:	Level of impact of financial incentives versus performance level	95

LIST OF FIGURES

Figure 1.1:	Geographic depiction of Abaqulusi Local Municipality	3
Figure 1.2:	The research framework	6
Figure 1.3:	Illustration of the study structure	10
Figure 2.1:	Maslow's Needs Hierachy	15
Figure 2.2:	Financial and Non-Financial Incentives	33
Figure 3.1:	The research framework	48
Figure 4.1:	Respondents' age groups	57
Figure 4.2:	Marital Status of the respondents	58
Figure 4.3:	Academic qualifications of respondents	59
Figure 4.4:	Number of years a respondent has worked in the Municipality	60
Figure 4.5:	Respondents by gender	61
Figure 4.6:	Population Group	62
Figure 4.7:	Religious denomination	63
Figure 4.8:	Employment Status	64
Figure 4.9:	Current Position	65

CHAPTER ONE

ORIENTATION OF THE STUDY

1.1 INTRODUCTION

The effectiveness of incentives, either financial or non-financial, on employees' performance has been well researched (Promberger, Dolan and Marteaua 2012; Abdullah and Wan, 2013; Harunavamwe and Kanengoni, 2013; Kosolapov, 2012). Incentives remain a major concern for the management of organisations given their sole responsibility of ensuring growth of performance. The insufficient management of available incentives in organisations by management can lead to enormous negative consequences. These may not only be management results, but also due to poor performance. This implies that in the end the dissatisfaction of employees creates a sudden drop in an organisation's performance. Incentives are key tools that managers utilise within the organisation to shift employees' attitudes towards high performance level (Hicks and Adams, 2003). On the other hand, performance entails how efficient employee tasks are completed through individual efforts. Based on these explanations, most establishments have turned to using relevant and corrective incentive measures to motivate and encourage high production through personal effort (Yap, Bove and Beverland 2009)

According to Manjunath and Rajesh (2012), it is not easy to apply incentives in global terms; however, incentive packages can be applicable where management creates incentives schemes in the right conditions. In the light of this, in organisations where incentive programmes are well balanced, employees are motivated; thus, the general level of performance is improved (Petrescu and Simon, 2008). To establish a better incentive system, many comprehensive tasks are required from management. These tasks include stress level reduction, long-term employee retention, and improvement in the quality of life for employees. Management needs to consider that to be successful they should put in place a well-formulated incentive system (Lowenberg Jr., 2007). Management and organisations also need to understand the primary factors that stimulate productivity and better employee performance (Gunawan and Febrianto, 2014).

Although various studies have shown that through incentives, there are possible linkages between performance and employee competency, organisations are able to offer different incentive schemes to employees (Pay Review, 2013; Nawab and Bhatti, 2011). Higher levels of organisational performance largely depend on individual productivity or groups within the

establishment. To maintain better performance, management needs to pay attention to better employee retention programmes, improve incentives packages, and attract productive staff (Martocchio, 2006). Human attitudes influenced by various incentives. Hence, for management in organisations to either reward or give recognition to employee performance, better incentive systems can serve as the best motivational tools. Thus, it is up to organisations to rely on other forms of incentives, according to specific business settings (Lawler, 1996). Moreover, it is found that incentive packages work better in some countries than others (Chiang and Birtch, 2005). This research aims to assess the effectiveness of incentives towards employee performance in the Abaqulusi Local Municipality.

1.2 THE STUDY AREA

The Abaqulusi Local Municipality (ALM) is located in the KwaZulu-Natal (KZN) Province of South Africa. It is one of the five largest municipalities and forms part of the Zululand district in the KZN Province. ALM generates revenue from eco-tourism activities to enhance its Local Economic Development (LED) plans. ALM constitutes roughly 30% of the Zululand district Municipality (Census, 2011). Eco-tourism activities in the Municipality include the Ithala Game Reserve, the Ngome Forest, as well as the Thendeka Wilderness, which over the years continue to attract visitors and generate income for the local authorities. During the late nineties, ALM depended on coalmines from Coronation, Mnyathi and Hlobane (Zululand and Coordination LED Framework, 2003).

ALM has a total population of 211060, which consists of both rural and urban communities over 485 km². Similar to other municipalities in South Africa, ALM is experiencing acute service delivery constraints due to increasingly high infrastructure deficiencies.

The general population of ALM consists people of diverse ethnic backgrounds, which include the minority white population, followed by Africans, Coloureds, and the few Asian communities. One of the commercial hubs of ALM is located in Vryheid. The Vryheid area has developed socio-institutional facilities, more than other areas, namely the eDumbe, eNgoje and Utrecht areas. In addition, in economic terms ALM is endowed with wholesale and retail activities, which contribute 18 to 20 percent to the LED, manufacturing activities, 14 to 16 percent, and financial activities, 14 percent. Furthermore, the forestry and agricultural sector contributes 12 percent to the LED. More than 80% of the existing manufacturing industries across the region are located in the Vryheid area. However, their level of output is insufficient to sustain the entire municipality (Zululand and Regional Development Plan, 1998). In addition to the manufacturing activities, the ALM district produces self-sufficient agricultural output.

Some 80 percent of the agricultural land is owned and managed by the minority white communities. The Gross Geographic Product of the municipality largely depends on the agricultural sector. Approximately 15 percent of the agricultural land is able to provide higher returns due to timber production, and livestock and maize farming. Other agricultural outputs of high economic significance include groundnut, soya bean and sunflower farming.

The figure below illustrates the research setting of the present study. The empirical research took place in the KZN Province of South Africa, and the Abaqulusi Local Municipality (ALM) (encircled below) was the specific location of this research. All the respondents were permanent employees in various departments of ALM.

Figure 1.1: Geographic depiction of Abaqulusi Local Municipality



Source: municipalities.co.za

1.3 BACKGROUND OF THE RESEARCH

According to Locke and Latham (2004), there are different theories of motivation that inform the extent to which incentives drive production. Hence, it is pivotal to understand and update our knowledge on what stimulates employees in organisations. It is not certain whether incentives, financial or non-financial, are the necessary motivators in public sector organisations (including ALM). Given the context of South African municipalities, financial incentives in general, for instance salaries and fixed wages are of huge concern to employees. Aside from creating stability, financial incentives allow employees to enjoy lasting job security. In the public organisations, there are no incentives that directly influence payment in public sector organisation, as compare to private organisations.

Like other public sector employees, municipal workers in South Africa have different needs to satisfy; these needs include the need for recognition, respect and the approval of superiors and peers, flexible hours of work, work autonomy, as well as the ability to self-development. Considering these needs, it is vital to state that non-financial incentives are likely to motivate employees in public organisations, including ALM employees. Public employees, especially in municipalities, underestimate the value of non-financial incentives. However, it is essential that employees in municipalities enjoy some kind of incentive system to motivate and raise their level of performance. However, employers, are expected to encourage good performance standards among employees. The application of non-financial incentives enables employers to recognise employees' contributions and improves the working climate. In attempts by employers to develop specific incentive systems in municipal establishments, the options of non-financial and financial incentives should be taken into account to enhance employees' performance.

1.4 THE PROBLEM STATEMENT

The problem statement expresses different forms of a dilemma that require an evaluation, as well as a rationale for a fresh inquiry (Polit and Beck, 2012). From the perspective of human resource management, various incentives (non-financial and financial incentives) are used as essentials tool to improve employees' performance. This is in line with the psychological literature on the motivation of employees in organisations. For instance, the World at Work (2007) study found that 70 percent of professionals experienced rewards as the key to their success and the sustainability of organisations. Supporting this claim, researchers argue that incentives motivate employees' performance (Manjunath and Rajesh, 2012). The payment of

incentives, according to Petrescu and Simon (2008), affects the performance of individual employees and increases the productivity of organisations (Cadsby, Song and Tapon, 2007).

based on the aforementioned which links incentives to improved employee performance and organisational success, and keeping in mind the high incidence of service delivery protests in South Africa (Municipal IQ, 2012), this study is designed to understand the effect of incentives on employees' performance in the Abaqulusi Local Municipality, in order to attempt to develop more effective strategies on incentives.

1.5 RESEARCH FRAMEWORK

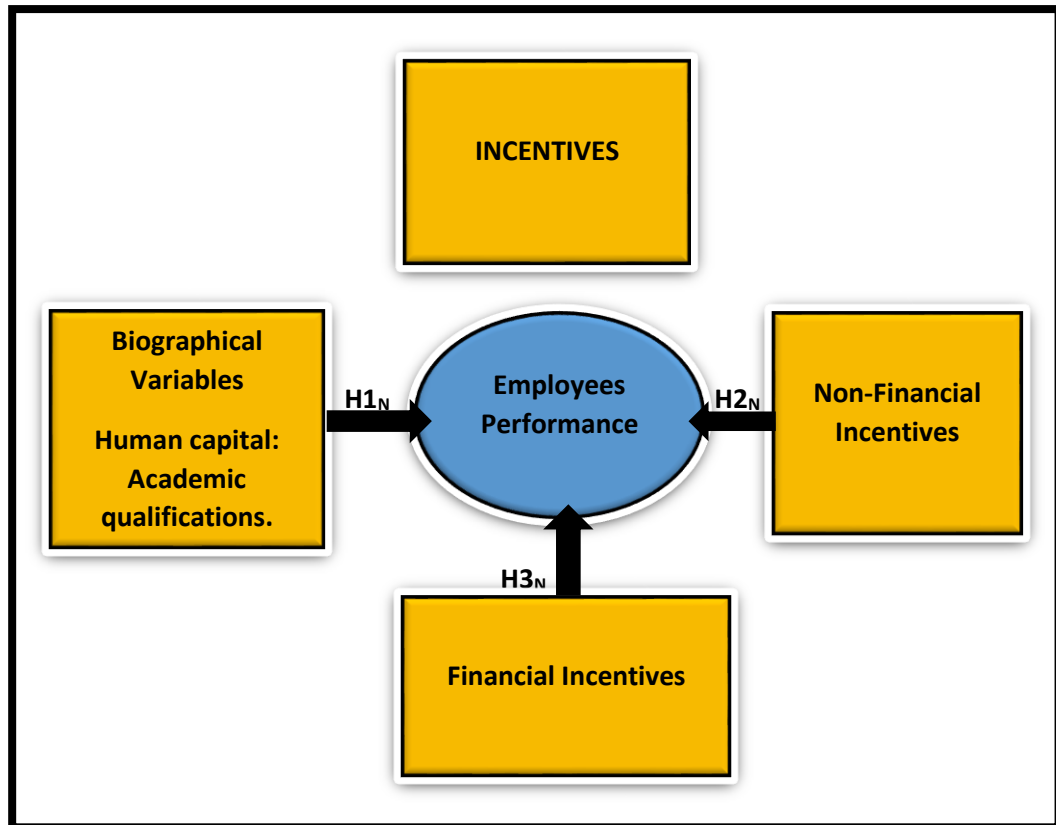
This research follows key approaches, initially the research conducted extensive but related literature review on incentives and performance. The literature reviews were possible through national and international literature. The aim was to identify the theoretical models as applied in several and related studies. In addition, the researcher aimed to uncover all the underlying factors that are proven the vital stimulants of organisational performance. The extensive volumes of theories applied in other studies emerged with several indicators including incentives that seem to influence employees' performance and increase growth in the organisation.

Instead of analysing every factor with the support of theories, the researcher adapted critical theories such as vroom's expectancy model and Abraham Maslow hierarchy of needs for successful implementation, the researcher established key lists of variables from the literature as well as through the consultations of individuals and other experts in the field of management. The views expressed by these experts were collected to determine which of the incentives and other indicators were important in stimulating employees' performance and creating growth.

The primary objectives of this framework is to reduce large amount of variables to a more convenient lists of variables and also establish whether other variables were not already listed. Drawn from individual responses, numerous variables were deleted as the review progressed. In this research some changes were initiated to specific variables in search of the research objectives. These variables include non-financial incentives (Aktar, Sachu and Ali, 2012., Von Bonsdorff, 2011, Gunawan and Febrianto, 2014). Financial incentives (De Waal and Jansen, 2011, Perkins and White, 2008, Agwu, 2013).

Below is figure 1.2 that depicts the research variables with graphic explanations of the entire research process. Further explanations of the variables are discussed in chapter 2 of the literature study.

Figure 1.2: The research framework



Source: Researcher's own creation

1.6 RESEARCH AIM AND OBJECTIVES

Based on the problem statement above, this research is driven by the following aims and objectives.

1.6.1 Research aim

This research is aimed at assessing the effectiveness of incentives towards employees' performance in ALM. This aim was to fulfil and supported with the research objectives as highlighted below.

1.6.2 Research objectives

The objectives that guide this research are derived as prescribed by the research framework in figure 1.1 the objectives include assessing the effectiveness of incentives (financial and non-financial) towards employees performance in ALM. Besides, the research continued to assess the impact of some of the variables that lead to the objectives stated below:

- To determine the relationship between biographical factors of education qualifications.
- To ascertain relationship between non-financial incentives and performance level.
- To ascertain the relationship between financial incentives and performance level.

1.7 THE RESEARCH HYPOTHESES

Given the research framework and the objectives above, the researcher formulated the following hypotheses:

H1_N: There is no significance relationship between academic qualifications and the performance level.

H2_N: There is no significant relationship between financial incentives and performance level.

H3_N: There is no significant relationship between non-financial incentives performance level.

1.7.1 The significance of this research

This research is designed to assess the effectiveness of incentives towards employees' performance in ALM. Employees' incentives are of utmost concerns to employers in organisation (Harunavamwe and Kanengoni, 2013, Abdullah and Wan, 2013). According to Hicks and Adam (2003), employers apply incentives to shift the mind-set and employees attitudes to raise performance levels in the organisation. Incentives stimulate employees to increase their output volumes of the organisation. Through their effort, productivity and the organisation are able to realise set objectives. From the researchers' point of views; the outcomes of this research will make maximum contributions to the understanding the employees perceptions by employers towards the enhancement of productivity in the organisation. Precisely, this research will emerge adequate information regarding employees' feelings about incentives that the employers can use as a guide in decision making.

Furthermore, these researches add to the development of existing literature on providing employees with incentives packages that will enhance productivity. The subject of incentives

and employee performance is very significant to both employers and various stakeholders of the organisations. Finally, the empirical outcomes of this research could be used in the future.

1.7.2 Delimitations of the study

The sample from which the data for this research was collected consisted of employees from ALM in the KZN Province of South Africa. Thus, the research cannot be easily generalised due to the fact that only municipal employees of a specific study area were sampled and targeted to provide data. Moreover, the research findings cannot be correctly inferred to include other employees working in a similar municipal environment. Given this situation, it can be stated that the external validity of this research is likely to be compromised.

Taking into account the views of the participants, the factors that influence employee performance might not be viewed as the only important variable. Other variables, such as pensions, travel allowances, flexible working hours and child care did not form part of the formulated hypotheses. Thus, the internal validity of this research will be affected negatively. In the light of these factors, the empirical findings of this research are rather tenuous.

1.8 RESEARCH METHODOLOGY

1.8.1 Target population

According to Burt, Barber and Rigby (2009), a target population consists of all individuals who are relevant to the study. Sekaram and Bougie (2009) on the other hand, state that it is part of the research elements, as well as its geographical boundaries. The target population of ALM comprises of permanent, non-permanent and contract employees across different five departments, namely corporate services, community services, technical services, planning and development, and the finance department, excluding the office of the municipal manager (MM). This empirical study used all permanent staff members across the different departments.

1.8.2 Sampling procedure

In social science, sampling is the rule of thumb. Sampling represents the subset of the overall population (De Vos *et al.* 2007). In order to gather an empirical data set, 150 permanent employees from various departments of ALM were selected utilising the stratified random

technique. This technique allowed the researcher to make a representative selection of the permanent employees (Wilson, 2010).

1.8.3 Data collection process

Two methods of data collection, primary and secondary, were used in this research. Initially, secondary data was collected through scientific literature, which consisted of internet sources and scientific journals. Primary data, on the other hand, was gathered by means of a structured questionnaire (Annexure A). The researcher hand delivered the questionnaires, designed in a Likert Scale format, to employees over a period of two weeks. The questionnaires were based on relevant items, in line with set objectives.

1.9 ETHICAL ISSUES

Written permission to conduct the research was obtained from the Municipal Manager of ALM (Annexure B). All the participants received an informed consent document (Annexure D) before they participated in the research. The letter informed the participants that their participation in the study was voluntary and that they had the right to withdraw from the study at any time. In addition, the consent document was used to inform the participants that their involvement in the study was entirely confidential and that their responses would be kept anonymous.

Moreover, the respondents were treated with respect throughout the research process. No risk towards the respondents was identified at any stage of the research.

1.10 DEFINING RELATED TERMS

For the purposes of this study, the following main terms are defined:

- **Incentive:** Incentive refers to something that intends to ignite one and/or calls for a greater output (Atambo *et al.* 2013).
- **Financial Incentive:** According to Buchan, Thompson and O'May (2000), these incentives incorporate the granting of financial/monetary rewards, such as commission, bonuses, and increase in pay, retirement benefits or other related advantages.

- **Non-financial Incentive:** These incentives do not consist of any payment or remuneration and in most cases entails mental and emotional achievement (Buchan *et al.* 2000).
- **Employee Performance:** This refers to the standard at which someone does something, such as act, process or manner of performing or functioning (Macmillan English Dictionary for Advanced Learners, 2007:1109).

1.11 RESEARCH STRUCTURE

The chapters that follow are sequenced in a manner that seeks to provide the reader with a logical understanding of the overview of the study. Figure 1.3 on the next page illustrates the study in summary

Figure 1.3: Illustration of the study structure



Source: Researcher's own creation

Chapter 1: Orientation of the research

Chapter 1 provided the research orientating, including the research questions, objectives and hypothesis. The chapter also gave a brief account of the research problem statement, the methodology and the data analysis.

Chapter 2: Literature review

This chapter provides a discussion on the relevant literature, the various theories and the related definitions that underlie the study.

Chapter 3: Research design and methodology

Grove, Burns and Gray (2013) define research design as the blueprint of a study. Other researchers are of the view that research design involves planning the procedure of problem conceptualisation, data collection and analysis interpretation, and the writing the final research report (Creswell, 2013). The design was applied to assess the impact of incentives on employees' performances in ALM. In gathering data for this study, a seven-point Likert scale was applied. The instrument included various items, including a biographical questionnaire (Annexure A)

Chapter 4: Findings and Analysis

The primary data for this research were collected through structured questionnaires. According to Bryman and Cramer (2009), the responses to quantitative questionnaire allowed reliable data to be collected. In analysing the captured data, the researcher used the latest edition of the statistical package for social sciences (SPSS) version 24.0. This is a set of reliable statistical tests. Descriptive inferential statistics were utilised to make meaning of the data.

Chapter 5: Conclusions and Recommendations

Chapter 5 discuss the research outcomes. The final conclusions are drawn based on the research findings from the precious chapter. Also, the chapter provides information on the practical implications of the research findings. Lastly, future empirical studies were proposed.

1.12 CHAPTER SUMMARY

This chapter outlined the orientation of the research. Besides, it provided a brief account of the research questions, objectives and the hypotheses. The chapter also provided the problem statement, methodology, data collection methods, and the processes used in analysing the data.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter provided a brief background of the study and also outlined the overall importance, as well as the objectives of the study. This chapter provides the theoretical framework that guides the study in order to understand the effectiveness of incentives on employees' performance. It will provide in-depth definitions of various incentives and related concepts regarding employees' performance within an organisation. Furthermore, the chapter will offer some of the reasons why organisations provide incentives, the effect of incentives in an organisation, and long and short-term incentives, as well as the conceptual framework of the study.

2.2 THEORETICAL FRAMEWORK

There are various forms of incentives that encourage employees' performance. Key among these incentives are the financial and non-financial incentives. These incentives play crucial roles in stimulating individuals' competency levels, abilities and personal capacities and developments that makes it possible to create sound balance between the needs of employees and the organisation; as a result, there is growing potentials of the organisation to increase its level of performance.

Employees of organisations are motivated by different factors including:

- Financial incentives; for instance payments and salary packages, special allowances, promotions and fringe benefits
- Non-financial; for instance trust, respect, quality of supervision, appreciation, organisational loyalty, needs identification as well as fulfilment, growth opportunities, praises and leadership.
- Others are training, effective systems of communication, provision of actual information and favourable working conditions.

2.3 VROOM'S EXPECTANCY THEORY

According to Scholl (2009), the Vroom's expectancy theory emanates from cognitive stance. This theory as explained by Robbins, Odendaal and Roodt (2006), is made up of various

elements. These elements include valence, instrumentality and expectancy. The terms, expectancy explains the extent that employees believe his or her effort can produce expected level of performance; valence on the other hand, describes the level at which individual employee values a given various reward packages to be aligned to specific performance (Lunenburg, 2011). According to the researcher, instrumentality focus on the notion that the level of performance by individuals impact on the results of organisation.

There are other motivational theories that are based on cognitive approaches. Given the Vrooms expectancy theory (1964), motivation entails the processes of cognitive nature. Lunenburg (2011) states that variables that relates to cognitive approaches reflect significant levels of dissimilarities in line with motivation towards specific tasks. The Vroom's theory of expectancy add that individuals make choices based on personal behaviours on forces of alternative forms of motivation instead of providing specific forms of suggestions (Scholl, 2009)

2.4 THE PORTER-LAWLER EXPECTANCY MODEL

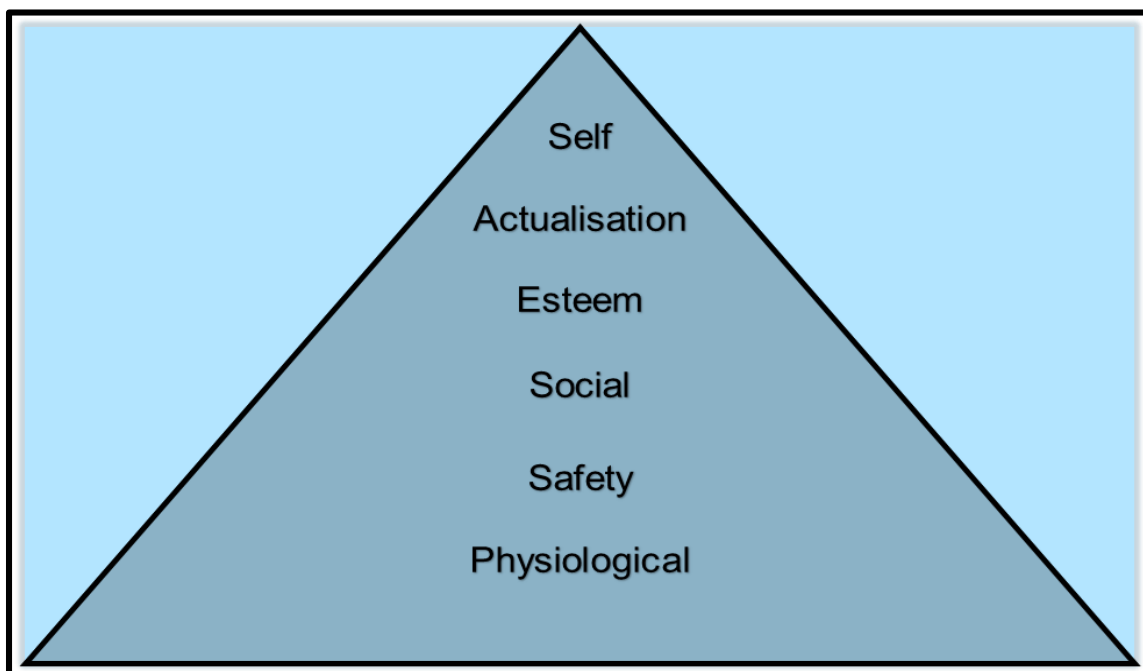
The theory of Porter-Lawler stressed that most establishments structured their activities to specific employees' performance. This is to make sure that incentive packages paid to employees are aligned to their needs according to assigned tasks. The model of Porter-Lawler is not only used as a motivational tool but also as the means to provide insights on relationship between job satisfaction and employees (Moorhead and Griffin, 2010). The researchers further stressed that the model depicts that job satisfaction is associated with the performance of employees. As such, the model is perceived as a critical tool that determine employees' performance. Based on scientific evidence, the model is used to provide definitions of motivation, job satisfaction as well as employee performance as key variables that are applied to explain each relationship (Porter and Lawler in Mullins, 2007).

2.5 ABRAHAM MASLOW: HIERARCHY OF NEEDS

As early as 1943 Abraham Maslow made public the individuals needs of hierarchy. A theory that according to the author is one of the requirements of individuals in order to attain personal satisfaction. Drawing from the words of Abraham Maslow, the theory is based on scientific insights of individuals that represents a fraction of the entire range of human behaviour. The author stated that motivation plays significant role in satisfaction human needs. In sum, Aldag and Kuzuhara (2002) human needs represent every requirements of individuals not to only create satisfaction but to also serve as motivational tool.

Maslow's theory entails the needs of physiological, the needs of self-actualisation, safety needs, love and needs of esteem. These needs are designed in order of hierarchy. Shan and Shan (2007) explained that as individuals attained the higher level of needs, others in the lower level follows. These needs are arranged in levels. According to Stone (2005), the fact that individuals needs are in hierarchical format indicates that one cannot reach the higher levels of needs prior to reaching the lower needs. The following page depicts figure 2.1 that illustrates various elements of needs in order of hierarchy format.

Figure 2.1: Maslow's Needs Hierarchy



Source: Adapted from Shah and Shah (2007).

According to Latham and Ernest (2006), physiological needs as stated in figure 2.1 above define the primary physical human needs. These needs include food, water, air, sleep warmth as well as medication. The authors noted that financial assistance represents one of the key needs that commits employees to their jobs. The needs for safety as stated by the authors depicts keeping individuals from danger, shelter, job or food and from emotional harm (Latham and Ernst, 2006).

The theory of Maslow further add that human beings are expected to “belong” in otherwise they are expected to belong from families and friends. In the same light, Latham and Ernest (2006) add that need satisfaction, affection, acceptance and friendship are key to human well-being. In line with these needs, it is significant that establishment motivate employees and

create team building activities. The social or the needs of belonging is vital as humans are seen as social beings. Needs such as esteem needs are very satisfactory to humans as social beings. These esteem needs are examples of feelings of power, status, individual confidence and prestige. Self-actualisation as part of the theory, is about the individual self-accomplishment and capabilities, exploit potentials in order to achieve something. Latham and Ernst (2006) add that self-actualisation optimises not only the employees' skills but to increase the level of performances and knowledge.

The theory of needs is further supported by researchers Mager and Sibilia (2009) that states that for organisation to attain lasting successes, employees' needs and motivation must be taken into consideration. Primary such as the needs of self-esteem, free from danger, self-actualisation and sense of belonging must be met. In order for employers to better motivate employees, recent research revealed that employers must be able to determine the actual location of needs on the pyramid of hierarchy and plan to create satisfactory climate (Mager and Sibilia, 2009).

Furthermore, researchers add that organisational programs such as remuneration and pension benefits packages, programs of sustainability and healthy working climate must be created to satisfy employees (Mager and Sibilia, 2009; Latham and Ernst, 2006). In summary, Maslow's theory is very important in recognising the needs of humans. Hence, it is vital to take these needs into account. Some of these needs include the financial and non-financial incentives.

2.6. SYNOPSIS OF EMPLOYEE PERFORMANCE

Nowadays, the importance of employee performance for the success of organisations cannot be overstated. Employees are the human capital of organisations and their performance is a key indicator for an organisation to achieve its goals.

Cook and Crossman (2004:527) states that employee performance is about employees succeeding in their goals or values, as per what was agreed upon by the organisation. It is about creating a workforce who understands what it has to achieve at an organisational level. Every single organisation knows which objectives it wants to accomplish. Thoyib and Astuti (2012) suggests that employee performance depends on many dynamics, like performance assessments, employee motivation, employee satisfaction, compensation, training and development, job security, and organisational structure. All of these resources are imperative,

but work force is the most important. It plays an important role in performing tasks for accomplishing goals of the organisation. However, this study focusses only on the effectiveness of incentives, as this factor strongly influences the performance of employees.

2.6.1 The definition of performance

The concept of performance and behaviour are somehow interchangeable. Armstrong (2006) describe that performance is not about what is achievable but it is also relates to how achievements are realised. As Brumback in Armstrong (2006) put it, human behaviours are not about results specific; equally, it represents the right overall findings of specific tasks. According to Diab and Ajlouni (2015), every form of services and organisations become very much interested in performance as the means to effective and competency of establishments.

2.6.2 The concept of employee performance

Employee performance is the standard to which someone does something, such as a job or examination (Macmillan English Dictionary for Advanced Learners, 2007:1109). Employee performance is related to quantity of output, quality of output, relevance of output, presence on the job, capability of the work accomplished, and success of the work completed (Mathis and Jackson, 2007). Afshan *et al.* (2012) define employee performance as the accomplishment of specific responsibilities measured against prearranged or identified standards of correctness, completeness, cost and speed.

Aguinis (2009) suggests that, *“The definition of performance does not include the results of an employees’ behaviour, but only the behaviours themselves. Performance is about behaviour or what employees do, not about what employees produce or the outcomes of their work.”* Perceived employee performance represents the general belief of the employee about his behaviour and contributions to the success of the organisation.

For the purpose of this study, the researcher’s definition of employee performance will be as follows: Employee performance is the tasks performed by a selected individual or individuals, as set and measured by a supervisor or organisation, to pre-defined acceptable standards, while efficiently and effectively using available resources within a changing environment.

2.6.3 Perspectives of employee performance

Quick and Nelson (2009:195) highlight that employee performance needs to be visible and distinctive, and be performed by employees who are committed to perform well and skilfully at work. Work performance and employee performance are interchangeable terms and usually refer to whether employees perform their job proficiently. Khan (2007:106) states that work performance is the mark of achievement of the duties that make up an employee's job.

Mobley *et al.* (2001:401) suggest that the constructive guidance of managers may be through self-confident responses to others, through demonstrating behaviour, and to some extent, through educative processes. Positive response means enhancing self-esteem by responding positively to employees' problems. Smit and Cronje (2003:153) state that positive feedback begins with the manager showing an attitude of kindness, pleasantness and perseverance. The manager who takes his job seriously, observing targets, carefully observing the organisation's policies, and dealing with others flexibly, fairly and respectfully provides the employees with a proper model of performance (Crow and Hartman, 2007:37).

The management of a company should understand the importance of employees' performance and sincere efforts be implemented in that regard. They should take timely steps, which would put them in a good position to develop and motivate their employees.

2.6.4 The expectations of employees' performance

According to Nel *et al.* (2004:185), when an employee joins an organisation, besides the employment contract, a psychological contract established between the employer and the employee with respect to what each could expect of the other. Robbins and Coulter (2002:350) assert that employees cannot function exceptionally if they unaware of what they are being measured against and on the other hand, if workers clearly know the expectations of them, they can assess their performance and make appropriate alterations as they carry out their jobs without having to wait for an evaluation review.

Fletcher (2008:2) argue that performance management activates long before an employee's first annual performance assessment policy. On the first day on the job, the employee has the first chance to form performance expectations. Employment descriptions cover a list of accountabilities and responsibilities. Markle (2000:7) suggest that employee performance expectations include obligations and duties, and the manner in which an employee must

perform his/her job efficiently. Tyson and York (2000:142) state that organisations normally provide a job description. Yet it fails to confer new employees about the purpose of the job, and how the job relates to the organisation and the employee.

Stone (2002:3) suggests that discussions about employee expectations could uncover what motivates the everyday responsibilities in the employee's performance description. Clarifying employee performance expectations is a step in the direction of producing an effective performance assessment policy. If an employee is not aware of the performance expectations, the employee's hard work could be fruitless or unrecognised (Coens and Jenkins, 2000:232).

2.7 TYPES OF EMPLOYEE PERFORMANCE

There are two theories that guide employee performance in an organisation. Mobley et al (2001) outlined employee performance into two different theories; namely the duty and conceptual performance. According to the researchers, conceptual performance depicts uncontracted tasks to be accomplished by employees. However, such tasks are designed to enable the organisation achieve set goals. Duty performance on the other hand, focuses on the aspects of positive level of employee performance of specific-job earmarked for completion in the organisation (Heizer and Render, 2006). There is high level of dissimilarities in contract signed between employer and employees and assessment through the performance evaluation systems.

According to Mathis and Jackson (2007), employees' behavior that is linked to specific tasks within the organisation include the conversion of raw materials into goods and services, distribution of goods, supervision and coordination of activities in the organisation. Ziel and Antoinette (2003) further add that job satisfaction is based on various aspects of individuals cognitive. However, researcher claimed that the level of performance by individuals needs ongoing contact with the employees, active coaching, provision of regular results and training programs.

2.7.1 Positive effect of incentives on employees' performance

The recommendation of incentives prompts much attention, particularly when starting to look for skilled employees who are capable of succeeding in the organisation's goals. This is because incentives play a key role in the employee's efficiency. The impact of incentives develops from the necessity for the employee to be recognised and valued for his/her hard work. In reality, appreciating individuals for their determinations by providing them with incentives is an appropriate major element in satisfying the core needs of individuals. Individuals' own abilities are not sufficient to let them work with high efficiency except if there is an incentive scheme that inspires their core purpose and then leads to hard work (Locke and Braver, 2008).

A successful organisation is the one that can capably exploit its workers' talents and experiences. Therefore, scholars have worked hard to come up with a complete explanation of how to improve the competence of employees and how management selects suitable individuals, and how to associate the institution's goals with the individual aims of the employee who will increase the institution's performance. Positive organisations are able to establish an active incentive structure capable of affecting their employees' performance in an approach that drives them into working harder and preserving the goals of the organisations.

Besides, the encouragement of employees could offer the necessary assistance to overcome many difficulties employees face at work (Palmer, 2012). On the other hand, for the supervisor to be managing, he/she must try to create confidence and an environment of composure, safety and respect in a straightforward and concrete routine. One must know that appreciating people's effort and admiring their accomplishments does have an emotional impact on individual achievement, so one must do this openly for those who deserve it or in front of a crowd of people by admiring their success (Locke and Braver, 2008).

The offering of incentives has numerous positive organisational effects. Helpful incentives are those incentives that are responsible for a positive promise for satisfying needs and wants. Positive incentives usually have a positive approach and are normally assumed to satisfy the psychological desires of workers. These include promotion, admiration, acknowledgement, benefits and allowances. It is positive by nature since individuals that value this procedure of attraction will be desirous to work there, rather than people who are only pursuing solid benefits. Incentive plans that reward employees for reaching pre-established goals provide inspiration and give staffers something to aim for. The benefit to the employer is improved levels of productivity.

Kiruja and Mukuru (2013) found that most of the time workers are not happy with their salaries and working environment; however Crewsen (2010) found that in the public sector rewards influence employees' motivation and behaviour, which might not be true in the private sector. Managers from different organisations face different challenges in attempting to satisfy the needs of their employees to encourage them and improve their job performance (Alonso and Lewis, 2001).

2.7.2 Negative effect of incentives on employees' performance

In addition to these views that incentives have a positive effect on employee incentive, there are certain understandings concerning the probability of failure or some negative effects about the incentives application of employees. It been said that although direct financial rewards play a major role in attracting skilled employees, they have only a temporary influence on the motivation of employees (Ellis and Pennington, 2004; Samodien, 2004). It has also been revealed that financial incentives, although generally used as motivators, create other problems, such as employees trying to get their work done quickly without concern for quality.

Evidence has been produced that shows that a financial reward, such as profit sharing, does not encourage motivation in all employees (How can you increase employee motivation? 2005). Shives and Scott (2003) however report that gain sharing improved the effectiveness of employees. Gain sharing is a method to improve organisational efficiency, which embraces the entire firm over a recognised system of employee involvement and financial bonuses based on productivity gains. It mainly focuses on reducing costs, which results in a monthly payment of bonuses. Profit sharing, on the other hand, is not that specific in indicating exactly what each employee must do on a daily basis to improve profitability. Profit-sharing bonuses remunerate on an annual basis and employees often believe that managers will not keep their promises in paying out the profit bonuses. Profit bonuses are perceived to focus only on higher-level employees and not on lower-level employees.

Employees also feel that profit sharing does not provide for individual performance (Bateman and Snell, 2013) and that they (the employees) have little influence on the overall profitability of the business (Hellriegel, Slocum and Woodman, 2001). Many managers still view money as the main motivator of employees, despite the lack of conclusive evidence about the motivational impact of monetary rewards on the job performance of employees (Why money is not a motivator, 2004). Van Zyl (2000) and Sherrat (2000) agree that a bonus or 13th cheque is not a concern among employees to increase their job performance or remain with a firm.

Negative incentives are those whose drive it is to correct the mistakes of employees. The purpose is to correct mistakes in order to obtain effective results. Negative incentives are usually resorted to when positive incentive did not work and a psychological setback is given to employees. It is negative by nature. Examples are demotions, transfers, fines, and penalties.

Mehta (2011:1) highlights the three associated risks that extreme dependence on incentives may create as follows:

- They may improve performance but there is no guarantee that the improvement in performance will come with ethical behaviour and concrete developments;
- They discourage employees who do not get them and actually reduce performance; and
- They can cause a sort of addiction, particularly where employees are working for incentives.

2.8 THE IMPACT OF INCENTIVES ON ATTITUDE OF EMPLOYEES

There are different factors that contribute to employees attitudes. These attitudes include contentment which according to a research does not create hazard environment in organisations (Spector, 2003). According to Newman and Sheikh (2011), individuals in organisations are pleased with performance related payment packages; thus employees on the other hand, shows positive personal attitudes in return by increasing levels of performance and personal commitment. In agreement with Newman and Sheikh, researchers Misra, Jain and Sood (2013) revealed that by paying satisfactory rewards to employees, individuals in the organisation demonstrates greater level of personal commitment to increase performance in the organisation.

2.9 FACTORS INFLUENCING EMPLOYEE PERFORMANCES

There are two distinct factors that are known in literature to influence performance of employees in organisations. These factors are known as self-acting and the factors that operates outside the organisations. Some of these factors are surveillance, communication, and training and performance evaluation of the organisation as well as the office bearers within the organisation's environment. Another major role player in determining organisational success is the level of human productivity. Human productivity according to scientific evidence

is linked to the mental attitude of individuals that are reflection of the views that today is better than yesterday and tomorrow (Kalimullah, Yaghoubi and Maloudi, 2010).

According to Mobley et al (2001), managers of organisations influence employees through positive responses to others. The study further add that in order to for managers to largely influence others, their responses could either be through processes of corrective measurements or behavioural modelling of co-workers. Responses to employees' attitudes in positive manner enhances not only the level of employees' motivation but equally triggers positive solutions towards solving problems of employees.

Scientific evidence by Smith and Cronje (2003) argue that for managers to display positive responses, they must be positioned well enough to show polite attitudes, patience and deeper sense of pleasure. For instance, managers who are concern with their job status are expected to meet requirements and proposed deadline, adhere to strict policy, be open and honest at all times (Crow and Hartman, 2007).

Further evidence have shown that employee satisfaction and performance is affected by system of rewards instituted in the organisation (Kalimullah, Yaghoubi and Maloudi, 2010). Every organisation applies various reward systems to assigned tasks and activities including pay, promotion, bonuses or other types of rewards as an incremental motivational tool that increases the level of performance (Ali and Ahmed, 2009). Simply stated, Tella, Ayeni and Popoola (2007) suggest that in order for salary packages to be applied as motivational tool, it is proper for managers to take into account specific salary structures that are in line with the objectives of the organisation. Other areas of concern include payments which are linked to employee performances, special or personal allowances, pensions and fringe benefits.

2.10 HUMAN CAPITAL AND LEVEL OF PERFORMANCE

From human capital perspectives, individual's ability and knowledge attracts higher rewards in the labour market climate (Myers *et al.*, 2004; Singer and Bruhns, 1991). Hence, recently published evidence showed that one's level of education impact significantly on task performance (Kaufman, 1978; Maglen, 1990). Further studies confirmed that employees are significant to the survival of organisation (Danish and Usman, 2010). That is one of the reasons why employers need to invest and to quickly to shift knowledge capital of individual's productivity (Malik, Nawab and Naeem, 2010). As a result, most organisation utilizes

education as primary factor in determining personal abilities to become productive and to increase opportunities (Trusty and Niles, 2004; Benson, Finegold and Mohrman, 2004).

There is growing scientific evidence of positive association between human capital development and performance (Stiles and Kulvisaechana, 2011). Recent study revealed that expenses on education creates positive relationship on productivity (Olayemi, 2012). Additional empirical study in India further confirmed that investment in human capital influences employee performance (Bapna *et al.* 2011).

2.10.1 Connection between incentives and performance

No one works for nothing, nor should he/she. Employees want to earn a reasonable salaries and wages, and employees desire their workers to feel that they are properly paid for their services. Money is a major reward; no other inducement or motivational scheme comes close to it in respect to its persuasive value (Parkin *et al.* 2004). It has the power to influence, sustain and inspire individuals towards higher performance. Frederick Taylor and his systematic management associate described money as the greatest fundamental aspect in encouraging workers to achieve better productivity (Tella, Ayeni, and Popoola, 2007).

Researchers suggest that offering incentives lead to satisfaction among employees, which directly influences the performance of employees (Kalimullah, Yaghoubi and Maloudi, 2010). Rewards definitely contribute to an organisation's efficiency and success by swaying individual or group performance. All companies use salaries, raises, additional benefits or other kinds of rewards to influence and encourage the high-level performances of their employees (Ali and Ahmed, 2009).

Incentives refer to anything that pushes or encourages employees to work better and harder in order to reach certain goals. It is also understood that greatly inspired employees would work actively, efficiently and positively toward the accomplishment of organisational goals. The use of incentives, as well as the association among incentives and the quality of work performance in an organisation has been fully addressed in various studies and theoretical research (Boyle *et al.* 2007).

The presentation of a stable incentive programme in an organisation is likely to encourage employees and, as an outcome, lead to improve performance (Petrescu and Simon, 2008). In this case, both financial and non-financial incentives have a great effect. However, it has been

revealed that non-monetary incentives providing to be more effective in the workplace than monetary incentives (Nolan, 2012; Pryce, Kakabadse and Lloyd, 2011). There is need to link individual employee incentives to organisational purposes in order to provide them with a feeling of ownership of their allocated jobs (Gong, Chen and Lee, 2011). Unlike individual incentives, group incentives inspire a group spirit. For instance, when each employee in the group identifies that they all have equal accountability in achieving a certain performance target, they lift one another to work harder by virtue of the fact that one's gain depends on the other contribution to performance (Chiu, Wai-Mei and Li-Ping, 2002).

2.10.2 Connection between promotion and performance

A positive connection exists between job improbability and purposes to turnover; and there is a slight negative link between job uncertainty and employees assurance (Filipkowski and Johnson, 2008). In addition, there is a direct relationship between job satisfaction basics like wages, promotion, colleagues, and the work situation itself and the performance of the employees. Promotion is an essential feature of employees' lifestyle and employment, affecting other job experience stages (Kosteas, 2009; Cobb-Clark, 2001; Blau and DeVaro, 2007; Francesconi, 2001), and could have a clear effect on other job aspects like job attachment and accountabilities. In this case, the organisations can offer promotions to a reward feature for top-performance employees, emerging as an encouragement for them to achieve even more. Furthermore, promotion can influence the tool of exercising superior efforts, if employees situate a significant value on it. If not, companies would concentrate on pay increases to recompense high determination and efficiency.

2.10.3 Connection between appreciation, recognition and performance

Appreciation is an important human need. Employees respond to appreciation, identified through the recognition of their excellent work because it confirms that their work is valued. Emotional rewards, such as recognition and appreciation, plays a significant role in motivating employees to raise the level of their performance. Reciprocally, the employee's feels obliged to the manager who has expressed such appreciation of offered such rewards (Andrew, 2004). Employees also understand that managers have their interest at heart. Employees who perform well will also assume that their important contributions are acknowledged and respected by the top managements (Ostroff and Bowen, 2000).

Inner or intangible rewards (intrinsic rewards), such as recognition and appreciation, play a significant part in encouraging employees and increasing their performance. Relatedly, the

employee's obligation is focused on appreciation and rewards (Andrew, 2004). The connection has to be recognised as individuals realise that their leaders have their best interests at heart (Ostroff and Bowen, 2000). Hence, appreciation has an important and positive influence on employee performance.

2.11 REASONS FOR USING THE PAY- FOR-PERFORMANCE APPROACH

Performance-related incentive schemes include numerous approaches of linking incentives to some degree of performance at individual, group or organisational level. The basic tenet of a pay-for-performance scheme is the notion that if an employee can influence the performance outcome, based on his/her performance, it will bring about enhanced performance (Bussin, 2004).

In a modern business, a successful remuneration strategy seeks to not only counter the inadequacy of talent attraction or unnecessary talent separation, but that it should also drive corporate performance by acknowledging and recognising the importance of individual and team contributions towards achievement of the company's targets. Hence, the proliferation of performance-based remuneration and incentive rewards, which have become overriding factors that are central to any organisation's reward strategy (Perkins and White, 2008:161-164).

The relationship between pay and performance is thus a very important principle in managing and determining compensation. No matter what kind of incentive plan, long-term or short-term, the most important thing should speak to the relation between pay and performance. The organisation should figure out what kind of compensation method should be adopted, reasons for its adoption, how to evaluate performance with this plan, and the rules for the evaluation. The measurement for the relation between pay and performance should closely tie up with an organisation's real situation and goal (Perkins and White, 2008:161-164).

2.11.1 Problems with pay-for-performance

Rost and Osterloh (2009) find that pay-for-performance does not provide the solutions to its intended goals, especially in the case of executives, where pay-for-performance has counterproductive effects. Rost and Osterloh (2009) argue that apart from the empirical findings that support their view, Agency Theory is applied incorrectly in many instances. The incorrect application relates to the crowding-out effect of intrinsic motivation, and the

counterproductive effects of pay-for-performance, which is reinforced by self-selection, the influence of remuneration consultants, and budget gaming.

Furthermore, Armstrong and Murlis (1998) have suggested that undue focus on tasks that will reward performance, result in the neglect of others, and too much emphasis on individual performance, results in teamwork suffering. There is ample literature that suggests that the use of incentives and attempts to persuade employees is interpreted as controlling or pressuring, and those attempts may have significant negative consequences (Turner, 2006). As described by Park and Sturman (2009), another way to assess pay-for-performance remuneration is with the Expectancy Theory, in order to understand the potentially different effects that different forms of pay-for-performance incentives have on employee performance.

2.11.2 Benefits of pay-for-performance

The overall objectives of pay-for performance are to provide incentives and rewards that will improve the performance of individuals and subsequently improve the performance of the organisation. The provision of performance pay provides an incentive for employees to exert more effort, while also attracting employees that are more able (skilled). This is an achievement by paying a wage that better reflects their productivity and skills, thereby sorting employees across different organisations and/or jobs (Lemieux, Bentley and Parent, 2009).

Pay-for-performance incentives are designed to motivate employees, ensure retention of good employees, encourage innovation, and focus the attention of employees in aligning themselves to the organisation's objectives (Lawler, 1986). Rost and Osterloh (2009) argue that pay-for-performance incentives intend to compensate staff for their individual actions, meet specific performance objectives, and motivate them to continue doing so.

There would appear to be considerable disagreement regarding the existence and the effectiveness of pay-for-performance among employees, with studies indicating that pay-for-performance seems capable of producing spectacularly good results, as well as spectacularly poor results (Gerhart, Rynes and Fulmer, 2009; Glassman *et al.* 2010). While this may be the case. It is known that pay-for-performance incentives are considered to be an integral part of both private sector and public sector remuneration policies (Bussin, 2004), and the importance thereof has increased over the past few years.

Pay-for-performance incentives and remuneration research has traditionally been focused on reward (fixed reward in the form of salary and variable reward in the form of bonus and incentives), as opposed to the reward mix (Chapman and Kelliher, 2011). Executives and management are compensated through a combination of fixed pay and variable pay. Fixed pay can be described as base pay or salary, while variable pay can be described by short-term and long-term incentives (Bussin, 2011). Presently, the main components of executive pay are salary, merit pay (annual merit raise), bonus pay, and long-term incentives made up of various equity incentives based on the organisation's shares/stocks (Frydman and Jenter, 2010).

Variable remuneration was considered beneficial to employees through providing higher compensation if the desired behaviour is displayed and objectives are achieved by translating business strategy into tangible goals (De Swardt, Veldsman and Roodt, 2006). Increasing the ratio of variable remuneration to fixed remuneration was considered to add flexibility to the organisation by placing the organisation in a better position to pay higher remuneration when it performs better (De Swardt, 2006). Likewise, variable remuneration provides the organisation the opportunity of paying lower remuneration when it performs poorly.

2.12 DEFINING THE CONCEPT OF INCENTIVES

Incentive refers to something that intends to ignite one and/or calls for greater effort to act in a given manner (Atambo *et al.* 2013). Incentives are also defined as both methods used by institutions to encourage employees to work with high spirits, and as concrete and moral methods of satisfying the individuals' moral and material desires.

There are various forms of incentives. These include the likely environment under which the reward package was offered and received; the underlying motives of the person that offer the reward and the relationship that exists between persons as well as the final recipients of the reward packages. This empirical research is founded on the definition of incentive by researchers Broome and Perry (2002). In line with the definition, incentive is defined as key tool of motivation that enable workforce to attain the goals of organisation (Broome and Perry, 2002). Lahdenpera and Koppinen (2003) add that in offering incentives any form of confrontation between two parties can be eased through the means of favourable incentives packages in exchange for rewards.

Incentives are tangible or intangible payments used to encourage workers to perform or to outshine on their job (Collins, Tinkew and Burkhauser, 2008). Zurn, Dolea and Stilwell (2005:5) give a comparable definition; namely, incentive is “a clear or understood monetary or non-monetary payment for carrying out performance in a particular act”. Banjoko (2006) considers incentives as changeable payments, which are prepared for workers or a group of employees grounded on the amount of productivity or based on the accomplished result. Optionally, it can be the reward prepared with the purpose of pushing worker day-to-day determination performance in an effort to reach a mutual objective. Incentive is also defined as payment other than straightforward wages or remuneration that typically varies based on employees’ outstanding performance and their accomplishment of certain standard established by the organisation (Martocchio, 2006).

As from the above discussion, incentives vary according to different perspectives and situations. Condly, Clark and Stolovitch (2003) define incentives as something treasured by an individual or group that is offered in exchange for improved performance, and an incentives scheme as an planned programme of rewards/or acknowledgements offered for the purpose of inspiring individuals to perform in particular ways.

2.12.1 Types of incentives

In the past, numerous studies have addressed the linkage between incentives and work performance in establishments (Cadsby, Song and Tapon, 2007). Various types of incentives drive the quality of work performance in an organisation. Incentives can be either good or bad, tangible or intangible. They may be financial, or non-financial, and are usually for the individuals who perform at a specified level. Such rewards may be open to staff, superiors, or top managers. This research highlights two main types of incentives, namely financial and non-financial incentives.

2.12.2 Financial incentives

People value money and therefore money is an essential form of reward. A financial reward system can be categorised into three main categories: performance-based salary increases, short-term incentive plans, and long-term incentive plans.

According to Buchan, Thompson and O’May (2000) financial incentives consist of granting of financial reward, such as salaries and wages, bonuses, commission, pay increases or other

benefits. Financial incentives fulfil basic human requirements, inspiring and pushing individuals to do their greatest work, employ their capabilities, and improve their proficiency levels (Rose and Manley, 2010; Ajayi, 2007). Berger and Berger (2015) have argued that employees prefer to have financial incentives in return for their successful accomplishments. Sajuyigbe, Olaoye and Adeyemi (2013) state that rewards are basic conceptual elements in improving employee performances. Financial incentives are also intended as a means of payment to increase output and improve employees' work performance. Therefore, the more employees produce, the more they can earn. However, a decrease in the quality or quantity of work might prevent employees from receiving part or all of their incentives (Jadallah, 1997). Financial incentives provide employees with some control over their income as their wages are determined on their performance, generate a greater sense of accountability on the part of the employee, and encourage the employee to work harder than what he/she usually does (Yavuz, 2004)

The unique feature of financial incentives is that they are variable in nature. For instance, financial incentives are commonly known as variable pay, as they are not definite. It also refers to pay that is contingent, based on the actual performance of employees, in contrast to an entitlement. According to a study on compensation and incentives conducted by Baker, Jensen and Murphy (1988), one person might not be as responsive as another might be to the same reward. For instance, one person might appreciate a compliment or recognition from their organisation, while another person would prefer financial benefits like a salary increase. This finding was also supported by a survey that was conducted in a Malaysian organisation that found that most of the employees preferred a cash reward (Rafikul and Ahmad, 2004).

In addition, financial incentives do not always involve direct remuneration like pay or wages, bonuses, pensions or allowances. At times it could be developed as secondary financial remuneration, such as subsidised food, accommodation, transportation, educational fees and childcare (Buchan, Thompson and O'May, 2000). Based on the above reflection, it can be said that financial incentives can be strategic and be developed into different arrangements with regard to different people, organisations and situations. However, their important resolution remains to encourage and motivate people for superior achievements.

2.12.3 Semi-financial incentives

Semi-financial incentive have the qualities of both financial and non-financial incentives. They are categorised as those that have some financial benefits, but are not the same in terms of output and remuneration. The efficiency of these schemes relies on the company's goals,

existing employee attitudes, and managerial capabilities that are acceptable during the implementation stages. Examples of semi-financial incentives are health schemes, housing schemes, pension schemes, saving schemes, and site welfare provision (Saka and Ajayi, 2010:585).

2.12.4 Non-financial incentives

Assaf (1999) and Alwabel (2005) state that regardless whether financial or non-financial incentives, the primary drive of incentives is to influence the working behaviour of people in positive ways. In the workplace, incentives are usually developed for those who should be recognised and rewarded, and thus encourage them to work toward the common goal of an organisation, which can increase profitability, effectiveness and efficiency. Furthermore, incentives intend to encourage individuals or groups to exert more effort, work harder and perform better.

Incentives serve as critical tool for management across several dimensions of organisation settings that triggers motivational reactions and changes in human behaviour and mind sets. In addition, they play a potential role in pushing forward individual or team's capacities and moving their capabilities, motivating them to develop knowledge, skills and balance between the needs of an individual or group and organisational requirements. Both Assaf (1999) and Alwabel (2005) suggest the use of incentives not only as a defence approach applied by failing organisations, however various organisations use them as a positive action in recognition of the strategic role of compensation in further developing corporate goals.

The important opinion is that numerous organisations are beginning to encounter compensation choices, as the flexibility to try a new form of management is a crucial need. In brief, in all organisations, whether private or public, incentives are a key motivational tool, which allow them to operate efficiently and effectively. In addition, employees who are well motivated to work creatively and energetically toward the accomplishment of organisational goals are one of the most important tools for organisational success. According to Armstrong (2009:38), engagement will exist where employees understand the nature of their role, where it fits into the bigger picture, and where they feel they are intrinsically motivated through a sense of belonging and accomplishment. Moreover, this is in accordance with the expectancy theory, where a relationship exists between performance and outcomes.

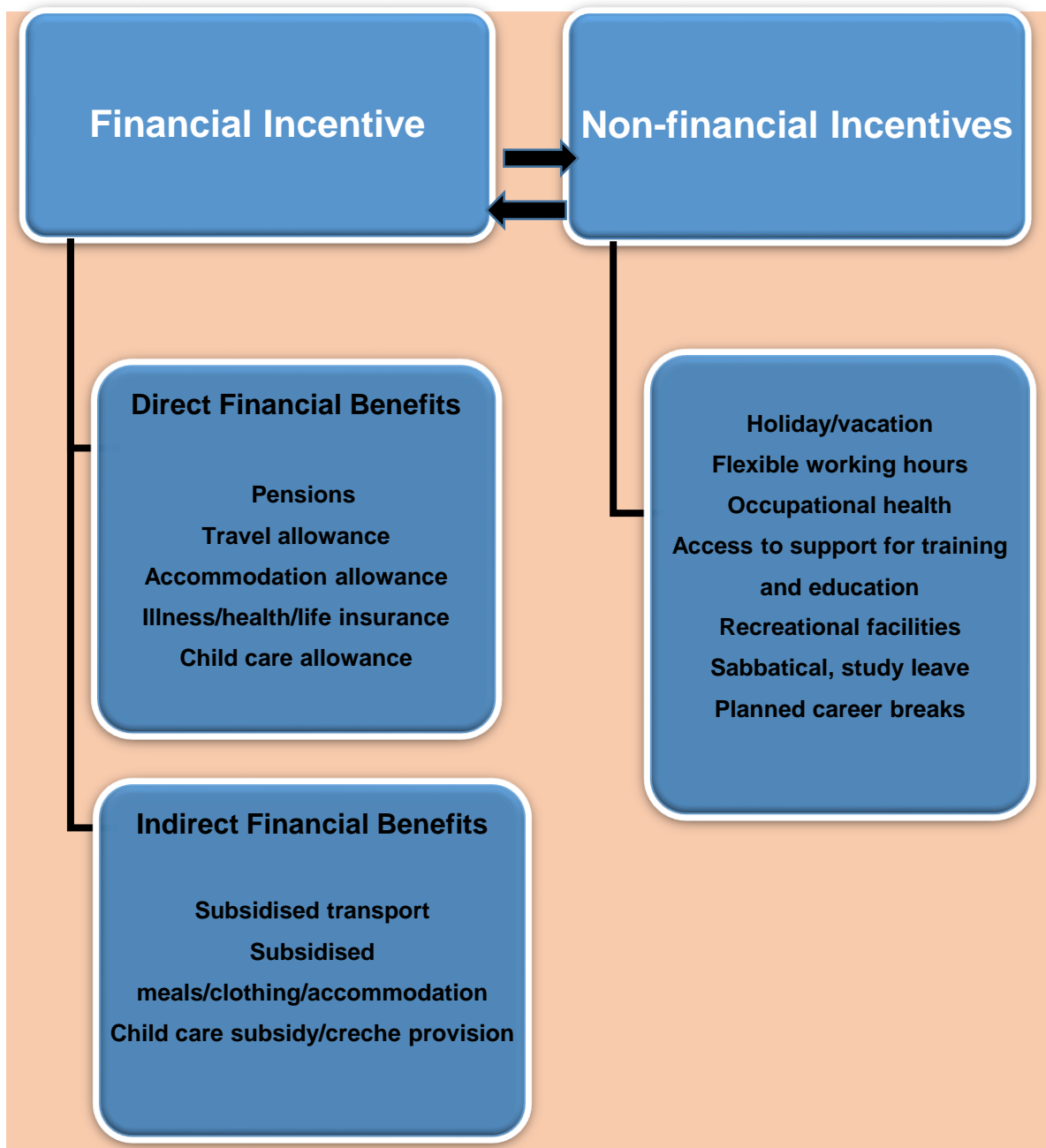
Silverman (2004:3) suggest non-financial incentives are indirect rewards, which focus on providing psychological benefits for employees. These are at the centre on conveying

appreciation to individual employees or teams in memorable ways, showing that the task performed is inherently meaningful. Non-financial incentives do not consist of any payment or remuneration and they mostly relate to mental and emotional achievement (Buchan, Thompson and O'May, 2000). The influence of non-monetary incentives on employees' job performance has been confirmed. Lewis (2013) hypothesises that compliments and admiration are effective means of encouraging employee performance in an organisation, as they are considered necessary rewards.

Aktar, Sachu and Ali (2012) found that non-financial incentives, which are represented by acknowledgement, learning opportunities, and work and career progress, are an operative tool in encouraging employees, and consequently increase their performance. This incentive is precious, due to the opportunity it offers in its associations with the skills development of employees, which in the end can develop into financial rewards. Erbasi and Arat (2012) examined the influence of financial and non-financial incentives on the food sectors in the Anatolian region of Turkey and found that together financial and non-financial rewards are essential components of job performance.

Figure 2.2 below describes the different aspects of both financial and non-financial incentives, and direct and indirect financial benefits.

Figure 2.2: Financial and Non-Financial Incentives



Source: Adapted from Buchan *et al.* (2000)

2.12.5 Short-term incentives

Short-term incentives (STIs) usually are designed to drive an organisation's short- to medium-term business strategies by rewarding the achievement of planned or targeted financial and strategic performance. Their implementation focuses employees' attention on fundamental results areas, aligns participants' interests with stakeholder interests, incentivises and motivates employees to work hard in order to receive higher bonuses, and inherently drives them to increase organisational performance and profits (P-E Corporate Services, 2009). The incentives are company specific, usually paid out within a period of 12 months in order to prevent the short-term performance of employees to drop, and are usually paid out in the form of performance bonuses, which are a common feature in many organisations (P-E Corporate Services, 2009).

The delay of bonuses involves stipulating a proportion of the short-term performance bonus will be paid out later, usually over three, four or five years, and will be forfeited in the event that corporate performance declines; alternatively, if the executive fail to meet the agreed performance targets over successive years or if the executive's employment is terminated in the meantime. The main objective for introducing deferred bonuses has been to give executives a longer-term focus, ensuring sustained performance by executives, and ensuring the retention of executive staff. This arrangement has been successful in discouraging inappropriate risk-taking or other actions simply to meet short-term performance hurdles, which otherwise would be considered detrimental to an organisation's long-term performance. The payment of short-term incentives has increased significantly, resulting in them coming under increasing scrutiny, and more so in light of the global financial crisis (Perkins and White, 2008).

Whilst incentive schemes could be considered beneficial in improving performance, creating a commitment to the organisation and its objectives, and creating a climate for facilitating change, this is only possible where clear objectives and performance procedures are communicated. In this regard, it is important to ensure that the scheme is continuously adapted, as dictated by changing circumstances and strategies, and that the targets are continuously increased in the spirit of fostering the need for continuous improvement. Regular performance measurement and communication are equally important to preserve transparency and the value of the scheme as an incentive mechanism.

2.12.6 Long-term incentives

Long-term incentives (LTIs) usually drive organisations' long-term business strategies and promote innovative skills. Their primary objectives are to align participants' interests with stakeholder interests, to incentivise and motivate participants, to attract and retain scarce human resources, and to reward the greater and continuous long-term performance of the organisation (P-E Corporate Services, 2009). A primary element that differentiates an LTI from an STI is that it is usually designed around the attainment of an organisation's long-term strategic objectives (i.e. stakeholder wealth growth) and is intended to only reward members when an organisation has reached long-term and sustained performance against long-term performance standards (P-E Corporate Services, 2009).

Long-term incentive systems, which exploit profits in the short term, do not necessarily maximise stakeholder wealth creation. Their intent is therefore to focus employees' performance on long-term rather than short-term goals and more closely align the interest of management with the long-term interests of the shareholders (Perkins and White, 2008). As a result, long-term incentive payments typically are made for meeting performance objectives achieved over a period longer than 12 months, normally a three- to five-year period. These awards are salaried in the form of performance shares (in the case of listed companies), performance units, or long-term cash incentives. As a result, a longer-term incentive will more closely align the interests of employees making those decisions with the interests of shareholders (P-E Corporate Services 2009).

The secondary objective of long-term incentive systems is the need to retain key people in longer-term employment and to build long-term relationships at the management team level in order to see long-term projects through to the end. Thus, the LTI scheme increases the retention mechanism for senior management and executives as generally these are the levels of management that are able to strategically influence and drive a company's long-term performance (Perkins and White, 2008).

The common generic forms of long-term incentives include a range of share options and share participation schemes, emulated share options, and non-recourse loan terms contracts. Although these schemes traditionally focussed on senior executives who have the greatest opportunities to influence corporate performance, recently many have extended to lower levels (P-E Corporate services, 2009).

2.13 THE EFFECT OF INCENTIVES IN AN ORGANISATION

Nilsson and Ovre (2013) state that all organisations have goals and visions. In order to reach them, they have to convince their employees to work towards the same goals and visions. As individuals, employees rely on different incentive factors, and it can be difficult to know how to motivate employees to perform at their best. An organisation can implement an incentive strategy to reach its intentions or goals. Incentive tactics might range from flexible compensation added to a base rate of wage, awards for achieving definite outcomes, or acknowledgement formalities to congratulate employees for showing required performances. Organisational activities, developed plans and service governments are all examples of businesses that utilise incentive plans to meet or exceed organisational goals.

Research has suggested that rewards satisfy employees, which directly influences the performance of employees (Kalimullah, Yaghoubi and Maloudi, 2010). Rewards are management tools that contribute to a firm's effectiveness by influencing individual or group behaviour. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage the high-level performances of employees (Reena and Shakil, 2009). To use salaries as an effective motivator, managers should consider salary structures, which could include the importance an organisation attaches to each job, payment according to performance, personal or special allowances, fringe benefits, and pensions (Tella, Ayeni, and Popoola, 2007).

Incentives schemes are commonly known to encourage employee motivation, satisfaction, and greater performance. The connection amongst the three variables has been discussed among researchers, scholars and practitioners (Latham, 2007). According to them, the effectiveness of incentives was built on the degree to which those incentives accomplished or satisfied employees' needs. For example, if an employee desires job independence and observes that money or benefits are likely to satisfy this need, then an incentive payment is likely to encourage them to perform. As employees' satisfaction could be both the cause and outcome of general performance, organisations should demonstrate the relationship between reward and performance in order to encourage employees (Latham, 2007).

Latham (2007) indicates that if there is no relationship between employee performance and satisfaction or if there is a negative one, then the organisation obviously has an unproductive system of incentives. Hence, it can be said that incentives have great potential for improving employee work performance and increasing production efficiency through encouraging individuals or groups to act in a desired and productive way.

2.14 JUSTIFICATION FOR USING INCENTIVES

Over the years, researchers and academics have agreed that incentives replace encouraging employees' performance. A study by Condly, Clark and Stolovitch (2003) showed that incentives increased individual employee performance by 44%, raising the levels of employees' performances. According to Condly *et al.* (2003), long-term incentives are characterised by a high rate of employees' performance, in contrast to short-term programmes.

In order to ensure the effectiveness of an organisation, it is required that workers are motivated; this could be facilitated with the help of a reward system, as workers want something to keep them at work. Rewards can convince individuals to perform better; it also promotes motivation and satisfaction. It could also be a good way to retain important workers in the organisation as the reward could make employees feel important and needed. If good performance is rewarded in an organisation, it will most likely happen again (Nilsson and Ovle, 2013).

Organisations that choose to reward their employees perform better than those that do not use any reward system. Reward systems could also get more people interested in working at a company and, above all, it means that the company has employees who want to stay there (Bau and Dowling, 2001)

An employee must be inspired to work for a company; if not then that employee's quality of work will depreciate. It is required in today's competitive environment to offer desired incentives to employees to keep their goal-directed performance on track.

Therefore, it can be said that incentives can work to achieve the goals of an organisation. Some of the purposes of incentives for an organisation are:

- To increase productivity,
- To drive or arouse a stimulus for work,
- To enhance commitment in work performance,
- To psychologically satisfy a person, which leads to job satisfaction,
- To shape the outlook of subordinates towards work,
- To encourage eagerness and enthusiasm towards work, and
- To maximise their competencies so that they are exploited and utilised to achieve their personal goals, as well as organisational goals.

Osibanjo, Salau and Falola (2014) analysed the impact of a compensation system on the job performance of employees in private institutes in South-West Nigeria by using a questionnaire. They found that institutes, which have appropriate compensation packages, encourage workers' performance; therefore, the turnover of staff reduces, as they want to stay in their job. The implications therefore is that compensation in the form of incentives and salaries play an important part in enhancing the motivation of employees.

Nazir *et al.* (2013) researched the level of organisational commitment and job satisfaction in the United Kingdom Higher Education sector and universities by using the correlation technique. They concluded that the sector's financial and non-financial rewards system is effective as it allows employers to see themselves as social agents.

The aforementioned section clarifies why incentives could be considered in a workplace and how their usage can affect the performance of workers. Incentives can be viewed as a way to inspire employees. According to research conducted by Condly, Clark and Stolovitch (2003), incentives appear to have excessive benefits and they have a great potential to encourage employees.

2.15 LIMITATIONS OF INCENTIVE PLANS

Performance pay cannot substitute good supervision. It may also lead to an unprincipled and illegal manner of job completion. The arrangement could increase the sense of jealousy and conflict among employees, if performance pay is not monitored strictly (Bhatia, 2010).

2.16 THE SELECTION OF A REWARD SYSTEM

Reward systems are often associated with money, but in reality, they have two parts, consisting of a financial as well as a non-financial part. It is well known that people have great gratitude for money. However, there are interesting aspects that needs analysis when reasoning about reward systems, according to Maslow. It is important that an organisation choose a reward system that works for their organisation or that can achieve organisational goals. The situation may not be the same from company to company; an example of this could be if a company needs to motivate, recruit and retain skilled staff within the company (Nilsson and Ovle, 2003).

Among other things, we are reminded of the importance of taking into account people's entire lives when try to increase employee motivation. Some employees have a rich social life outside of work, while others see work as their main social platform. This affects the impact rewards like parties and trips have on its employees. Something that is valued by one worker can feel like a punishment for others, who feel social pressure to take part in these rewards (Nilsson and Ovla, 2013).

Nilsson and Ovla (2013) write about another negative aspect regarding reward systems; a reward for one employee can be quite the opposite for another employee. If employees are rewarded with a weekend trip, some may find it exciting, while others, for instance a parent of young children, might find this reward a punishment. Employee reward preferences also change across time, as found in a study by Wine, Gilroy and Hantula (2012). They report that this observed temporal instability suggests that organisations that implement reward programmes through means of rewards preference analysis, based on employee's needs, should intermittently re-evaluate employee reward preferences and not assume consistency; thereby confirming that the temporal effect on employee reward preferences plays a significant role when determining reward strategies (Wine *et al.* 2012).

Having the right type of rewards programme will help workers to grow, mature and ultimately add value to their organisation. Pay, both 'variable and base', is key to ensuring employers get the most value from their employees, especially from high performers (Zingheim, 2010:9). Organisations that spread pay more evenly drive away high performers and encourage the same type of average performance throughout the organisation. Financial remuneration should be aligned with the value an employee adds to an organisation. However, how important is pay to the success of a company over a longer period? In their study on the role of a reward system in a high performance organisation, De Waal and Jansen (2011:9) found pay-related bonuses to be neither effective nor ineffective in regards to the organisation's performance.

As mentioned before, no reward system works in every organisation and in every situation. However, some factors should be considered before an organisation chooses its reward system (Nilsson and Ovla, 2013).

2.17 DEMOGRAPHIC CHARACTERISTICS AND REWARD SYSTEMS

Demographics can be defined as the statistical data of a population; workers' personal details, such as gender, education, ethnic group and age. Research shows that demographic characteristics play a major role in individual's reward preferences. Snelgar, Renard and Venter (2013) study on reward preferences amongst South African employees showed that the 'one size fits all' approach to rewards is no longer effective. A sample of 250 employees from 11 different organisations were surveyed and it was found that differences existed between reward preferences and demographic factors (age, gender, job level).

Snelgar *et al.* (2013) found that despite broad literature supporting intrinsically rewarded behaviour, the most preferred and encouraging reward for respondents was salary remuneration (base pay). In addition, financial reward such as base pay was the leading reward when it came to attracting and retaining employees.

Nienaber, Bussin and Henn (2011) achieved similar results in their study on employee preferences. Their study examined preferences for different reward types by different demographic groups. Demographic differentials looked at in their study included gender, race, age, job level, educational qualifications, marital status, years of service, as well as number of children. Nienaber *et al.* (2011) research showed that women have a stronger preference for remuneration and benefits, as well as for a work conducive working environment.

Research conducted by Chiang and Birtch (2006, 2007) revealed that even though employee characteristics, such as gender and position, do affect reward preferences, their influence appears to be limited. In the face of other competing forces (for example, organisational and environmental contextual forces), and understanding how reward preferences differ across race/ethnicity/nationality, is key to devising good reward systems to attract, motivate and retain employees (Chiang and Birtch 2006; 2007). Similarly reported in their study, Chiang and Birtch (2006, 2007) found that intrinsic motivation did not reduce in the presence of extrinsic rewards.

A study on age-related differences in the reward preferences of 628 Finnish nurses showed that both financial and non-financial reward elements were highly and similarly regarded among all the respondents. This supports the theoretical assumption that thoroughly designed total reward programmes consist of both financial and non-financial rewards (Von Bonsdorff 2011). Von Bonsdorff (2011) also found among the four age groups that the preference for financial rewards grew with the age of the nurses. The youngest group (20-29) had significantly weaker financial preferences than the other age groups, with the strongest

preference for financial rewards found in the oldest age group. Von Bonsdorff (2011) clarifies that age-linked alterations did not play a role in the first choice for non-financial incentives, but that gender did have an effect on employees' non-financial reward preferences. The study found that male employees preferred non-financial rewards less than female employees did.

According to Wine, Gilroy and Hantula's (2012), time changes everything and everyone. They found that the first choice for rewards altered over time for all employees, and sometimes even reversed for some. The study found that employee preferences changed over time. This finding has implications for organisational behavioural management paradigms, as it will be unwise to assume that preferences will remain constant over time in any organisation (Wine, Gilroy and Hantula 2012). Delivering rewards that are no longer preferred will have a discouraging effect on employees and decrease organisational retention and motivation efforts (Wine, Gilroy and Hantula 2012).

2.18 DESIGNING EFFECTIVE REWARD POLICIES

Reward is clearly central to the employment relationship. It can be said with confidence that a well-designed incentive scheme increases employees' drive and job satisfaction. The schemes reduce employee absenteeism, thereby increasing overall organisational effectiveness. How much we are paid and in what form is an issue that matters hugely to employees (Torrington *et al.* 2011:514).

Another factor worth mentioning is that individuals are motivated differently. The financial incentive in its various forms encourages employees to be more productive and self-motivating towards the welfare of the organisation they belong to. The literature confirms that factors such as incentives, promotions, recognition, and bonuses have an effect on job satisfaction or dissatisfaction. According to Armstrong (2009:38), engagement will exist where employees understand the nature of their role and where it fits into the bigger picture, and where they feel they are intrinsically inspired through a sense of belonging and accomplishment. In addition, and this is in accordance with the expectancy theory, a relationship should exist between performance and outcomes.

The task of developing a strategic rewards framework for an organisation is usually challenging, but necessary to survive in the competitive and changing market place. The process however cannot be the same for all organisations, but it needs to be implemented, developed and grown within the unique environment of an organisation (Wilson, 2003). A well-

designed incentive program rewards measurable changes in behaviour that contribute to clearly defined goals. The challenge in developing such a program lies in determining what rewards are effective agents of change, what behaviour should be changed, and the cost and benefits of eliciting change (Hartman, Kurtz and Moser 1994).

An effective reward program has three components: immediate, short term and long term; this means immediate recognition of a good performance, short-term rewards for performance offered monthly or quarterly; and long-term rewards given for showing loyalty over years (Schoeffler 2005). Employees receive immediate rewards repetitively so that they can be aware of their outstanding performance. Immediate rewards include admiration by an immediate supervisor or it could be a tangible reward. Short-term rewards are given either on a monthly or quarterly basis, depending on performance. Examples of such rewards include cash benefits or special gifts for exceptional performance.

Teams that perform excellently should also be rewarded, not only individual employees within an organisation. Incentives given for good behaviour usually improve the relationship between employees and management because employees' feels appreciated for their efforts and good work. This leads to increased employee morale, better customer care, as well as increased productivity.

Long-term rewards honour employees who have been performing well. Such an employee will become loyal to his/her organisation and it reduces employee turnover. Long-term rewards include cash benefits that mature after many years of service or at retirement. These rewards are strategic for retaining the best human resources (Yokoyama, 2010).

For rewards to be effective, they have to be as fair as possible. This means there has to be openness with respect to information about how the reward system operates and how employees receive rewards. Employees should also be involved in designing the reward system and its administration (Jenkins and Lawler, 1992)

2.19 CHAPTER SUMMARY

This chapter provided a detailed literature review with in-depth insights into incentives and employees performance. The review assessed various types of incentives, as well as reward systems. In addition, the literature was applied to aid the research instruments. It also confirmed that the research question was generated based on the different but related literature to find answers to the phenomenon under study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

According to Andreas (2012), research methodology explains how empirical data for a research project is conducted. Christensen (2008) further add that research methodology outlines the collection and measurement as well as the analysis of the research data aim to achieve objectives. This chapter plans how the target population, sampling technique and further elaborate the means of collecting primary data. Besides, identification of data analysis methods was provided, possible statistical tests in addition to other relevant information. Included in this chapter was the validation of specific method that is used. Furthermore, the chapter highlights the applicable instrument in gathering primary data and the methods used to organise the research data. In the end, the chapter detailed different statistical assessments conducted in analysing the primary data. The following are the research objectives, the research questions and the hypotheses that the research seeks to address.

3.2 RESEARCH OBJECTIVES

Given the research questions below, the following objectives are stated to provide guidance throughout this study:

- To determine the relationship between biographical factors such as gender, race, educational qualifications, marital status, income, job status and performance.
- To ascertain whether there is a statistically significant relationship between incentives, reward system, recognition, appreciation and performance.
- To determine the relationship between the demographic variables of race, gender, educational qualification, marital status, income, age and performance.

3.3 METHODOLOGY

3.3.1 Research design

Several authors have defined the concept of research design; for instance, Maggetti, Gilardi and Radaelli (2013) defined research design as a research tool that is applied in controlling

and minimising research bias. According to Creswell and Plano Clark (2011), through the research design, researchers are able to provide research information in a logical manner.

This research used a design format that was able to align various aspects of the research process, including the questions, objectives, the formulated hypotheses, as well as in gathering data to seek for solutions to the research problems (Dornyei, 2014). There are many types of research design; they include quantitative, qualitative and mixed methods. The present research used a quantitative design to find solutions to the research phenomenon.

3.3.2 Quantitative design

According to Struwing and Stead (2013), the quantitative research method is used to measure several constructs to be studied through questionnaires. Morgan (2014), in turn, argued that quantitative design is about testing several scientific theories by means of pre-determined designed formats. The researcher applied quantitative tools to analyse the research data in order to assess theories and key variables and to establish the casual research relations among constructs and variables (Struwing and Stead, 2013). Simply put, this study gathered empirical data, and the final information was made possible through the quantitative research design.

3.3.3 Justification for using the quantitative design

As indicated, there are three approaches of research design. Thus, it can be stated that the present research can be conducted either qualitatively, quantitatively, or by adopting the mixed method approach. However, the researcher made the decisions to undertake this study utilising the quantitative design method. The quantitative approach would allow measurements of constructs, finding the casual relationship between variables and test theories (Morgan, 2014, Struwing and Stead, 2013)

3.4 TARGET POPULATION

The target population is defined as the group of individuals who are earmarked for the research project (Rasinger, 2014). Population is defined as the representation of all possible items regarding data values, which are randomly selected under the study (Morewedge, Preston and Wegner, 2007). Wilson (2010) describes target population as the group cases of

interest for the study. The target population of this study includes all the permanent employees of ALM in the KwaZulu-Natal Province of South Africa. The criteria of using only permanent employees is justified as the researcher intends to relate the findings to only the permanent staff members of ALM. Another criteria is that only permanent staff members of ALM who had worked for more than five years could participate in this study.

The employees who formed the target population were selected from various departments, namely the corporate, community services, technical planning and development department, as well as the finance department. The employees in the office of the Municipal Manager were not included in the population. Both genders in the organisation formed part of the target population.

In this study, gathering the requisite data from male and female employees was vital because the researcher was determined to understand the effect of incentives on all employees in the organisation. The target population was composed of personnel from senior managers to lower ranks who met the set criteria of only permanent employees were allowed to participate in the providing data.

3.5 SAMPLE AND SAMPLING TECHNIQUES

3.5.1 Sample procedure

Research sampling refers to the different population of subset elements that are considered to be part of the scientific study. Sampling represents a subset of measurements drawn from a population that forms part of a study (Unrau, Gabor and Grinnell, 2009). According to Wilson (2010), it is the list of accessible population from which the researcher is able to draw his/her participants. It was difficult for the researcher to compile an adequate sample frame in this study due to the absence of a relevant database; many attempts to approach the Human Resource Department in this regard proved unsuccessful. As a result, the researcher compiled a sample frame relevant for this study. Initially, a total of 698 permanent employees from the different departments were identified through the assistance of the Human Resource Department of the ALM. Out of this number, a sample of 150 was selected. The participants were selected from different departments of the establishment as explained earlier in the study. The focus was to explore their level of understanding incentives and its impact on performance of the employees.

In drawing the sample for this study, the researcher took into account the allocated timeframe for the study and the research funding. Based on this criteria, the researcher decided that the total population of 698 permanent employees was too large for the study. Hence, the researcher considered a sample of 150 large enough to gather the research data. A stratified random sampling technique was applied in selecting the 150 permanent employees from the various departments into several and mutual strata (Blumberg, Cooper and Schinder, 2008). Justification for using the stratified sampling technique was that it allowed employees to be selected from each department; thus, ensuring representatively (Wilson, 2010).

3.6 TEST OF RELIABILITY

In order to determine reliability of the research instrument, the Cronbach's coefficient alpha used to evaluate the measurement technique. The Cronbach's alpha is a popular research instrument that applied to determine the internal reliability based on inter-item correlations (Sekaram and Bougie, 2009). Accordingly, items that are strongly connected are of higher consistency internally. As stated by Pierannunzi, Hu and Balluz (2013), the concept of reliability centres on any research outcome that serves its primary purpose and rated credible. To ensure that the measurement tool is reliable and valid the researcher performed the following during this empirical research:

- Every questions is directly based on the research objectives to fulfil specific research goal
 - Straightforward questions were posed to respondents to be easily understand
 - The measuring instrument was piloted for more valuable contributions and clarity
 - Large sample size was applied to ensure accuracy instead of small sample size
- The content of the research instrument were very brief and explained to respondents before administering.

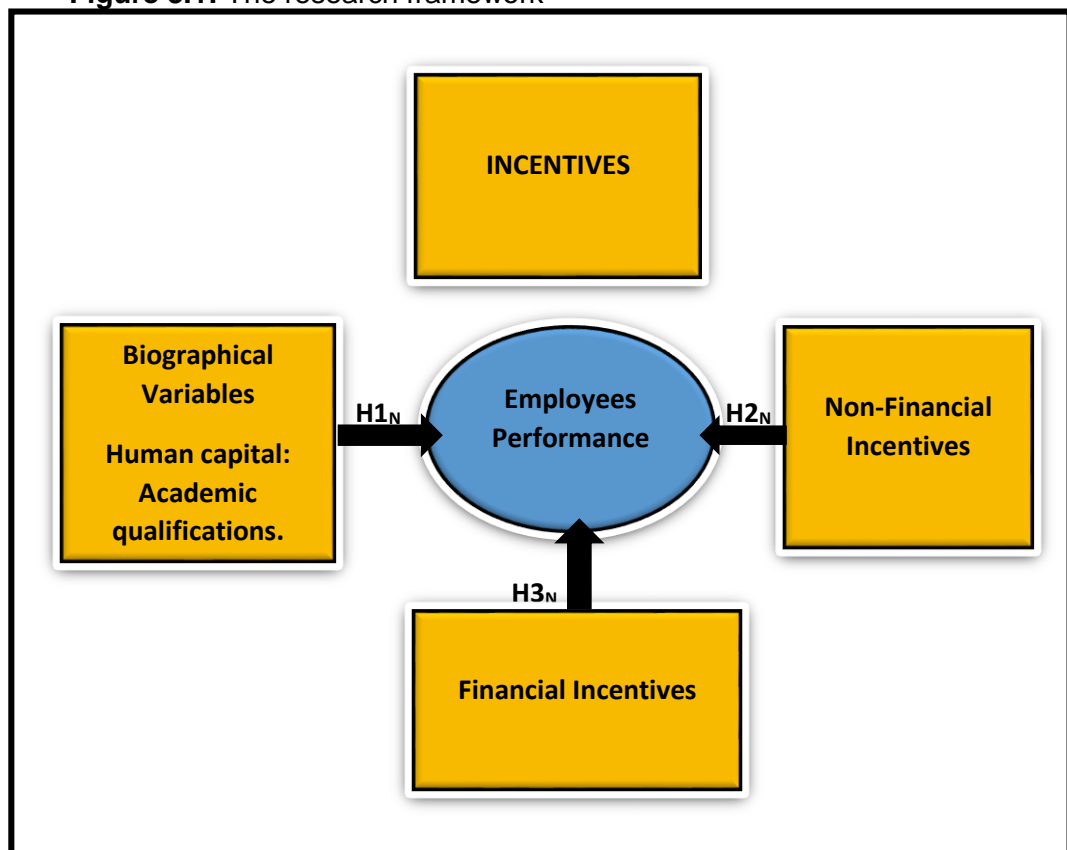
3.7 RESEARCH FRAMEWORK

This research follows key approaches, initially the research conducted extensive but related literature review on incentives and performance. The literature reviews were possible through national and international literature. The aim was to identify the theoretical models as applied in several and related studies. In addition, the researcher aimed to uncover all the underlying factors that proved the vital stimulants of organisational performance. The extensive volumes of theories applied in other studies emerged with several indicators including incentives that seem to influence employees' performance and increase growth in the organisation.

Instead of analysing every factor with the support of theories, the researcher adapted critical theories such as vroom's expectancy model and Abraham Maslow hierarchy of needs for successful implementation, the researcher established key lists of variables from the literature as well as through the consultations of individuals and other experts in the field of management. The views expressed by these experts were collected to determine which of the incentives and other indicators were important in stimulating employees' performance and creating growth.

The primary objectives of this framework is to reduce large amount of variables to a more convenient lists of variables and also establish whether other variables were not already listed. Drawn from individual responses, numerous variables were deleted as the review progressed. In this research, some changes were initiated to specific variables in search of the research objectives. These variables include non-financial incentives (Aktar *et al.* 2012, Von Bonsdorff, 2011, Gunawan and Febrianto, 2014). Financial incentives (De Waal and Jansen, 2011, Perkins and White, 2008, Agwu, 2013). Below is figure 3.1 that depicts the research variables with graphic explanations of the entire research process. Further explanations of the variables are discussed in chapter 2 of the literature study.

Figure 3.1: The research framework



Source: Researcher's own creation

3.8 SAMPLE CRITERIA: INCLUSION AND EXCLUSION

During the sampling selection process, certain criteria were followed. The inclusion requirement was every permanent employee who was present at the time of the data collection processes, and the data individuals had to be employed at ALM for longer than five years. The exclusion criteria were individuals who were not employed on a permanent basis, who were on leave at the time of the data collection processes, and who did not match the employment conditions.

3.9 DATA COLLECTION METHODS

The primary data for this research was collected utilising a seven-point Likert Scale questionnaire. This questionnaire included various statements with responses based on literature. Each statement ranged from “strongly disagree” to “strongly agree” (Blumberg, Cooper and Schindler, 2005).

According to Plowright (2011), data collection depends largely on the elaboration of various ways of mediation and determining data collection methods. Though there are many data collection techniques, including the postal survey, the telephone survey, the face-to-face study and group methods of administering questionnaire, this study used the personal data collection tool. This tool enables the questionnaire to gather complete data at a lesser cost, and with reliability (Struwing and Stead, 2013). Below is a description of the seven-point Likert Scale questionnaire, with a score of seven (7) being strongly disagree, to (1) strongly agree.

Table 3.1: Likert Scale

Rating	Value
Strongly disagree	7
Disagree	6
Slightly disagree	5
Neutral	4
Slightly agree	3
Agree	2
Strongly agree	1

Source: Researcher’s own creation

The researcher administered the questionnaires in person soon after the pilot study was completed. The primary reasons for personal delivery of the questionnaires were twofold; it allowed the researcher to personally correct mistakes with the participants and to ensure that the participants were able to complete the questionnaire, with faster facilitation of each question (De Vos *et al.* 2007).

3.10 TYPES OF DATA COLLECTION TECHNIQUES

The two main types of data collection tools used in scientific study are primary and secondary techniques.

3.10.1 Primary data collection technique

A structured questionnaire was used in this study to gather the primary data. Primary data is defined as research data collected from research participants during the research process (Struwing and Stead, 2013). The participants' responses were collected by means of a questionnaire. Driscoll (2011) states that primary data is mostly collected through a survey. Based on the above definitions, data can be collected by researchers through a questionnaire and an interview schedule.

3.10.2 Secondary data collection technique

Secondary data during a research process is collected through existing sources (Rabianski, 2003). Other authors are of the view that there are three groups of secondary data collection techniques. These include raw data that are in existence, such as summarised figures, as well as written theories in the form of articles, theses and scientific journals (Habermann, 2003). Scientific data gathered through secondary sources provides more speed and lesser retrieval costs, in contrast to primary tools (Walliman, 2011).

3.11 RESEARCH INSTRUMENT

The instrument the researcher used for the collection of data from the respondents for this research was a seven-point Likert Scale questionnaire. The questionnaire for the study was divided into sections A to E, with various statements and responses.

The researcher customised Section A of the questionnaire to include demographic information, including the educational background of the employees, their age and marital status. The focus of Section B was to access employees' information, their expectations and requirements towards their present job. These questions supported a series of related literature on incentives, employees' performance, and reward systems. Section C took into account non-financial and financial incentives to determine their impact on work performance. Section D of the questionnaire was designed in line with the type and characteristic of each incentive; the section included how the incentives are implemented based on the present work environment of the ALM as an organisation. Section E focused on employees' knowledge and work experience.

3.11.1 Pre-testing of the research instrument

A pilot study of the research tool is defined as a key initial stage of the research process (Gomm, 2009). The research tool used in collecting data in this study was assessed with a few samples from the participants and experts (Bless, Higson–Smith and Kagee, 2006). The primary objective was to ascertain probable errors and lack of efficient design of the questions in order to make adjustments before the research instruments were distributed (Lapan and Quartaroli, 2009). The researcher conducted cognitive testing to make further determinations regarding problems, as stated in the questionnaires during their development (Neuman, 2011).

The researcher involved 20 employees in the research setting, who were not part of the research sample. Identified ambiguities regarding the questions were amended prior to the administration stages.

3.12 VALIDITY AND RELIABILITY OF THE RESEARCH INSTRUMENT

The key fundamentals of an accurate research instrument are reliability and validity (Gaur and Gaur, 2009). As stated by Zikmund (2003), a study validates the research instrument through a pre-testing exercise. According to Zikmund (2003), validity is defined as the ability of each instrument scale or measuring to assess what it is designed to measure. Thus, the content validity throughout this research was made possible through pre-testing the research instrument among experts and a few employees of ALM. The process of pre-testing was performed on a small scale, referred to as exploratory, with samples of a less rigorous nature.

Reliability is referred to as a research exercise through which applicable measures are without mistakes, thus resulting in a high level of consistency (Zikmund, 2003).

Another criterion of a good research tool is the level of practicability. A research tool is practical provided it shows elements of economical interpretability and if it is convenient. In addition, a measuring tool is convenient if the tool can be easily administered to participants. Easy administration of a research tool entails the general layout and the nature of the design. For instance, the questionnaire must be set out in a detailed format, with clear questions and with examples of the instructions for the participants to provide guidance to them (Cooper and Schindler, 2008). One of the reasons why the questionnaire for this study was practical could be ascribed to its format. The researcher designed the questionnaire in a structured format; thus, its completion by employees of ALM was manageable and convenient. Due to the format, the researcher was able to capture the final research data with ease. A further indication that employees were able interpret all the items with ease was that the final data analysis and report on the research outcomes were also completed with ease.

3.13 ANALYSIS OF RESEARCH DATA

Babbie (2010) describes data analysis as the process of data interpretation to achieve specific study objectives for conclusions to be drawn from the research outcomes. This study was quantitative; thus, descriptive statistics, in addition to Cronbach's alpha coefficient, were applied to analyse the data (Welman, Kruger and Mitchell, 2005). Besides, the researcher applied frequencies and percentages to identify various characteristics of the study sample.

Out of the 150 seven-point Likert Scale questionnaires distributed by the researcher, all were collected and analysed. The processes of coding began early. The coded data were entered into the computer program by means of a Microsoft Excel spreadsheet (Microsoft Office, 2003). The software version 17.0 was employed during the process. Two main tools, namely, descriptive and inferential analytical tools, were utilised. A summary of the data was done by means of graphical presentations in order to interpret the research outcomes.

3.14 DATA ANALYSIS PROCEDURE

Data analysis is also known as “*breaking down*” the research data into various component with the view to answer questions design for research (Terre Blanche and Durrheim, 2002). Different steps were followed during the data analysis process in this study. These include data editing and coding reliability and validity of data through empirical works as well as analysis of statistical data. The entire process of data analysis involves decreasing empirical data to become very convenient, produce summaries and in search for various patterns employed during statistical processes. The main idea in analysing data is to convert data into a decision making format (Cant, Gerber-Nel and Kotze, 2005). Key issues such as the variables required statistical analysis plans and measurement scale.

Considering the empirical data, this research employed descriptive statistics the Pearson’s Chi-square test and cross tabulation. However, empirical data is expected to be edited and coded prior to the final analyses, the study utilised the most recent IBM program of statistical package for social sciences (SPSS) version 24.

3.15 DATA ANALYSIS STEPS

This research applied the following steps to analyse the empirical data.

- **Data editing**

Editing entails an in-depth and critical evaluation of the entire questionnaire in line with various rules applicable to gathering research data (Cooper and Schindler, 2006). The authors further add that the primary aim of analysing data is for the researcher to deal with uncompleted empirical data during the research processes. Through data editing errors such as including omissions; are found and rectified where appropriate for confirmation in order to meet the expectations as required (Cant Gerber, Nel and Kotze, 2005). Drawn from the above, it can be stated that without doubt that the main purpose of data editing was the potential to guarantee not only the accuracy but also the inconsistency with the research questions. Next, is the coding preceded the completed questionnaires.

- **Coding**

The primary goal of coding data was the ability of the researcher to convert respondents' answers in line with the survey questions into different codes of symbols which are fed into the SPSS. According to Cooper and Schindler (2006) data coding is a process where figures are assigned to various symbols to provide answers in search of responses grouped into categories. Two –types of coding approaches were applied in this study. These include pre-coding as well as the final coding. The pre-coding phase involves the process of assigning codes to participants' responses options prior to the start of empirical work. This is followed by printing of relevant codes on the questionnaires. This research pre-coding done at the time of data collection and entering the data into the Microsoft excel.

3.16 DESCRIPTIVE STATISTICS

Descriptive statistics aimed at data description through investigative means of distributing scores for every single variable (Terre Blanche and Durrheim, 2002). Besides, the descriptive statistics establish whether variable scores as stated on the research questions related to one another. By adopting descriptive statistics, the researcher is allowed to present data for easy interpretations. Hence, this study utilised frequency tables, graphs and pie charts for descriptive statistics.

3.16.1 Inferential statistics analysis

Inferential statistics according to Cooper and Schindler (2006) are employed where hypotheses are to be tested. Research hypotheses are developed and tested in this study. The researcher made use of cross-tabulation and chi-square test to determine the significant relationships between variables.

3.16.2 Pearson's chi-squared test

The chi-squared test is a statistical means used to investigate categorical data observe using expected data in line with a particular hypothesis (Mesquinta, 2010). One of the key aims of using the chi-square test was to test association between different variables by means of tabulating two variables. As a non-parametric test, chi-square tests are conducted using two related distribution yet distinct circumstances; namely:

- (i) By the estimate of relationship between an observed distribution as well as expected distribution of goodness of fit test and
- (ii) To estimate whether two research variables are independent in this study, the researcher applied comparisons using the chi-square distribution in addition with known degrees of freedom that leads to the p- value. Decision-making regarding the outcomes of the statistics in based on whether to reject or accept the hypotheses. In instances where the p-value is less in comparison to the “alpha” of 0.05 then the null hypothesis in rejected (Maholtra, 2010).

3.17 ETHICAL CONSIDERATIONS

An ethical certificate and a letter of approval were issued to the researcher by the DUT Ethics Committee in order for her to begin the research process. Moreover, ALM’s municipal manager provided the researcher with a letter that granted permission for her to conduct the study utilising employees of the organisation. A voluntary participation letter, as well as a letter of informed consent were also issued to and signed by each of the participants. In addition, prior to distributing the questionnaires, the aims and the objectives that underpin this study were clearly explained to the participants at a meeting arranged by the researcher. Thereafter, the employees were asked to sign a written informed consent form (Annexure D).

3.18 CHAPTER SUMMARY

This chapter outlined the various methods that were adopted as part of the study’s quantitative approach. The approaches included gathering primary data set using a seven-point Likert Scale questionnaire (Annexure A) hand delivered by the researcher to the employees of ALM. The chapter also explained the issues of validity and reliability of the research instruments. Furthermore, the chapter gave account of the ethical issues that underpinned the work considerations. The next chapter highlight the results from the analysed data.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 INTRODUCTION

The previous chapter detailed the research methods applied to collect the primary data. The primary focus of this chapter is to assess the effectiveness of incentives in relation to employee performance in ALM. The final presentation will explain the empirical data, based mainly on the fieldwork. Data from the seven-point Likert Scale questionnaire, entered into the Statistical Package for the Social Sciences (SPSS) program, aided descriptive and inferential statistics.

This chapter attempts to study, present and discuss the data collected by means of the appropriate statistical techniques, as stated in the previous chapter. It addresses the research questions raised in Chapter one and tests the assumptions based on the literature in Chapter two. The questionnaire entails five sections of varying context. All the questions in the questionnaire are drawn from the literature. The first part of Section A of this chapter reports on the demographics of the respondents. Section B, being the main part of the chapter, provides the analyses of the perceptions or the views regarding non-financial and financial incentives. In analysing this section, Pearson's Chi-Square tests and cross-tabulation are applied to determine the relationships between the variables, namely non-financial incentives, financial incentives, and employee performance.

SECTION A

4.2 DEMOGRAPHICS OF RESPONDENTS

4.2.1 RESEARCH RESPONDENTS AND RATE OF RESPONSE

This study included males and females of ALM in KZN Province of South Africa. One hundred and fifty questionnaires were administered to various departments that were earmarked for this research. This number represents a 100% response rate. This is an excellent rate as the rate is above the standard industry figure of between 40 and 60 percent (Mugenda and Mugenda, 2003).

4.3 RESPONDENTS' DEMOGRAPHICS

This section summarises the demographic characteristics of the respondents, such as age, marital status, and academic qualification, period of employment, marital status, population group, ethnic group, employment status and current position. Even though the study did not seek to determine whether assessing the impact of incentives towards employees' performance within ALM was affected by any of the demographics, there was, however, the likelihood that the incentive strategy was positively correlated to one or two of the demographics.

4.3.1: Respondents' age groups

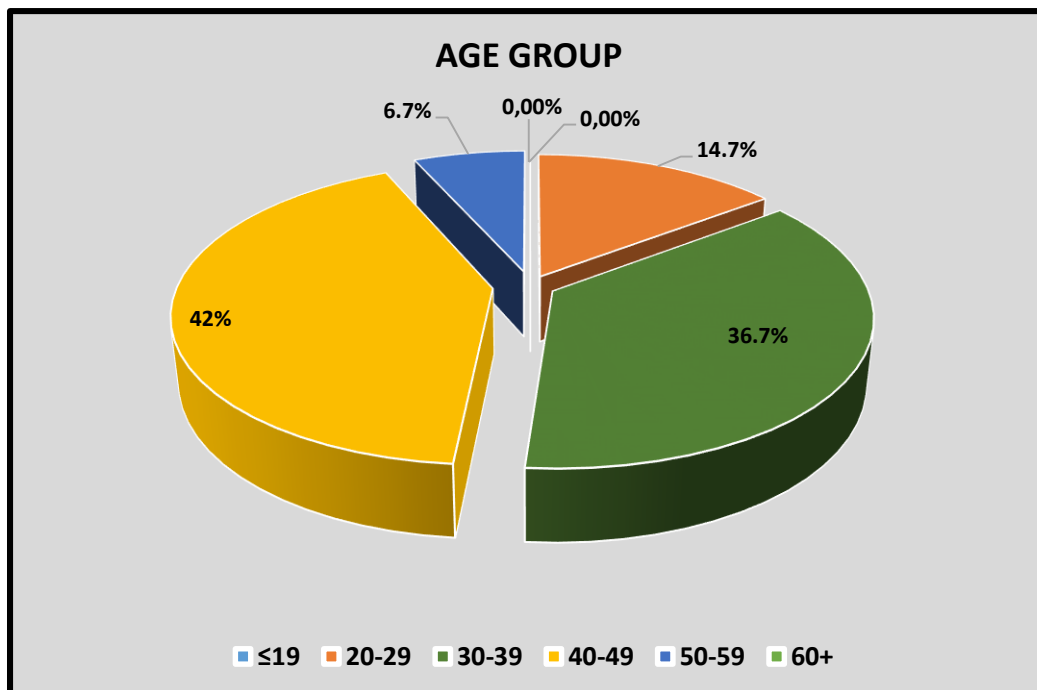
- **Purpose of question**

The purpose of Question A1 in Section A of the questionnaire was to examine the age groups of the sampled population to identify the respondents' age groups.

- **Results obtained**

Figure 4.1 illustrates the age groups of the respondents from ALM who participated in this study.

Figure 4.1: Respondents' age groups



- **Analysis of the results**

Figure 4.1 shows that the dominant age group of the respondents was 40-49 (42%), followed by 30-39 (36.7%), then 20-29 (14.7%), and the smallest group was aged between 50 and 59 (6.7%). This indicates that 48.7% of the respondents were older than 40.

4.3.2: Marital status of the respondents

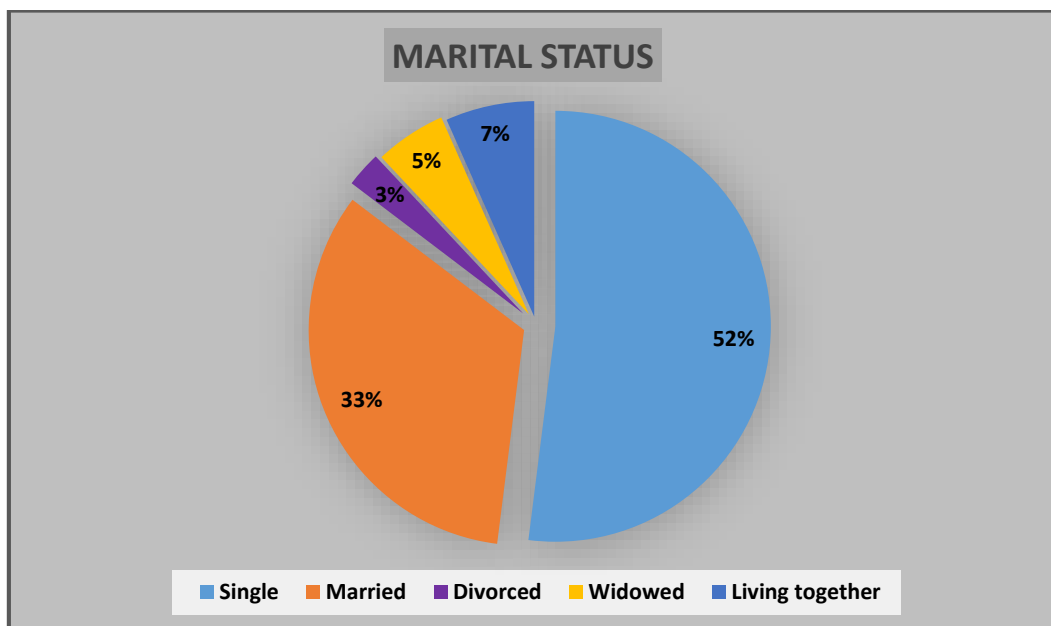
- **Purpose of the question**

The purpose of Question A2 in Section A of the questionnaire was to identify the marital status of the sample population.

- **Results obtained**

The marital status of the respondents are stated in Figure 4.2 below.

Figure 4.2: Marital status of the respondents



- **Analysis of the results**

Figure 4.2 above indicates that the majority of the respondents was single (52%), followed by married (33%), respondents living together (7%), widowed (5%), and the smallest group was divorced (3%). According to the figure above, the marital status of the respondents varied widely.

4.3.3: Academic qualifications of respondents

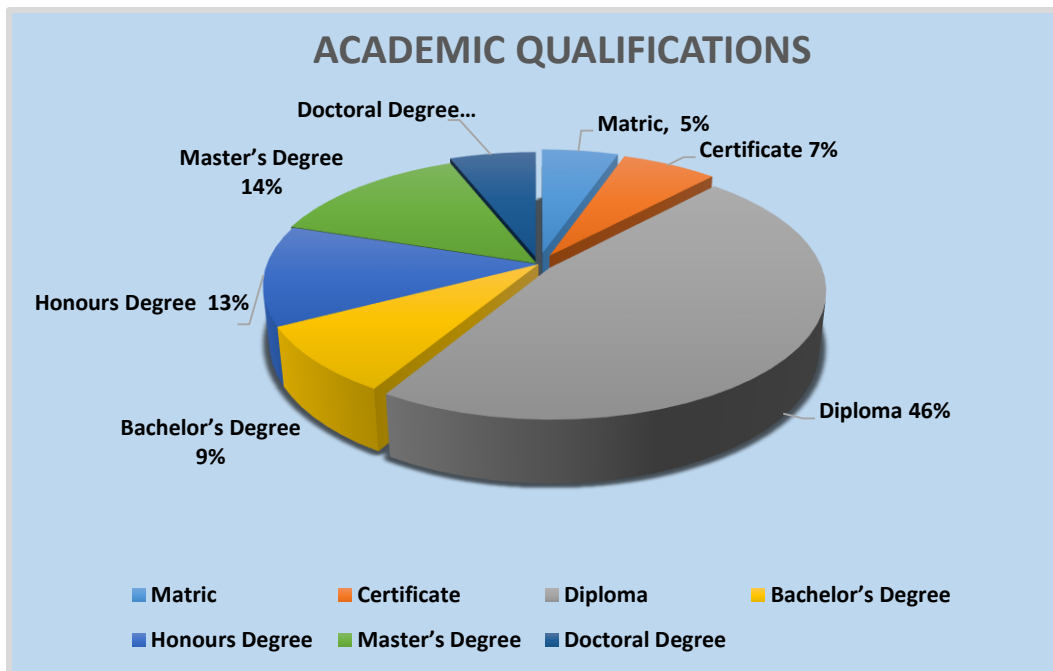
- **Purpose of the question**

The purpose of the question was to determine the respondents' level of qualification as it plays an important role in employee performance. The educational level of the employees determines, to a great extent, their responses and their understanding of the subject matter.

- **Results obtained**

The academic qualifications of respondents are stated in Table 4.3 below.

Figure 4.3: Academic qualifications of respondents



- **Analysis of the results**

The data shows that 46% of the respondents held diplomas. Next were the respondents who had master's degrees (14%) and honours degrees (13%). Those who had bachelor's degrees (9%) and certificates (7%) followed, while the remainder of the respondents (5%) had a matric certificate. This finding implies that most employees of ALM are qualified; meaning incentives are key to improve their performance and increase objectives of the organisation. This is consistent with recent study by Snelgar, Renard and Venter (2013) which revealed that

demographic factors play critical role impacting employees reward. According to Nienaber, Bussian and Henn (2011), demographic elements are known to play different roles in the organisation.

4.3.4: Number of years a respondent worked at the Municipality

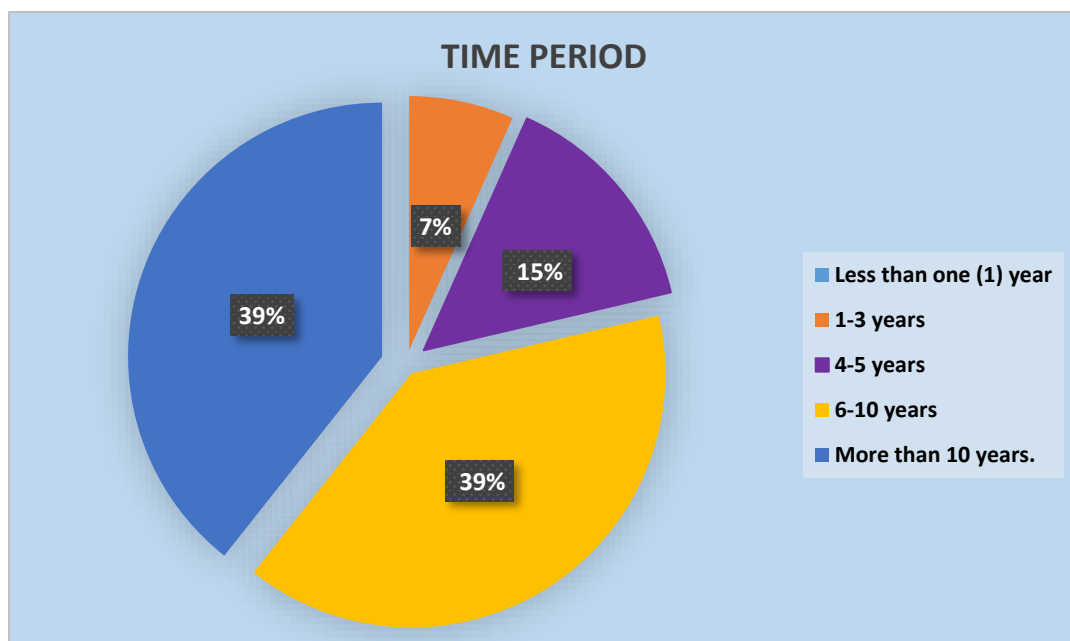
- **Purpose of the question**

The purpose of Question A4 in Section A of the questionnaire was to determine the respondents' length of service at the Municipality as this could indicate whether they fully understood or related to the subject in question.

- **Results obtained**

The number of years the respondents worked at ALM are indicated in Figure 4.4 below.

Figure 4.4: Number of years a respondent has worked at the Municipality



- **Analysis of the results**

With respect to work experience, the respondents were asked to indicate the number of years they had worked at ALM. From the data above, the majority of the respondents had worked for more than ten years (39%), followed by between six and ten years (39%), and four to five years (15%). The remainder of the employees worked between one and three years (7%).

This could imply that most employees continued to enjoy the incentives offered by ALM. This finding shows that the bulk of employees worked for longer periods; for over ten years. The implications are that more employees acquired enough experience in the organisation. The finding was in line with a study which revealed that demographic elements impact on employees' performance (Chiang and Birtch, 2006).

4.3.5: Percentage of respondents by gender

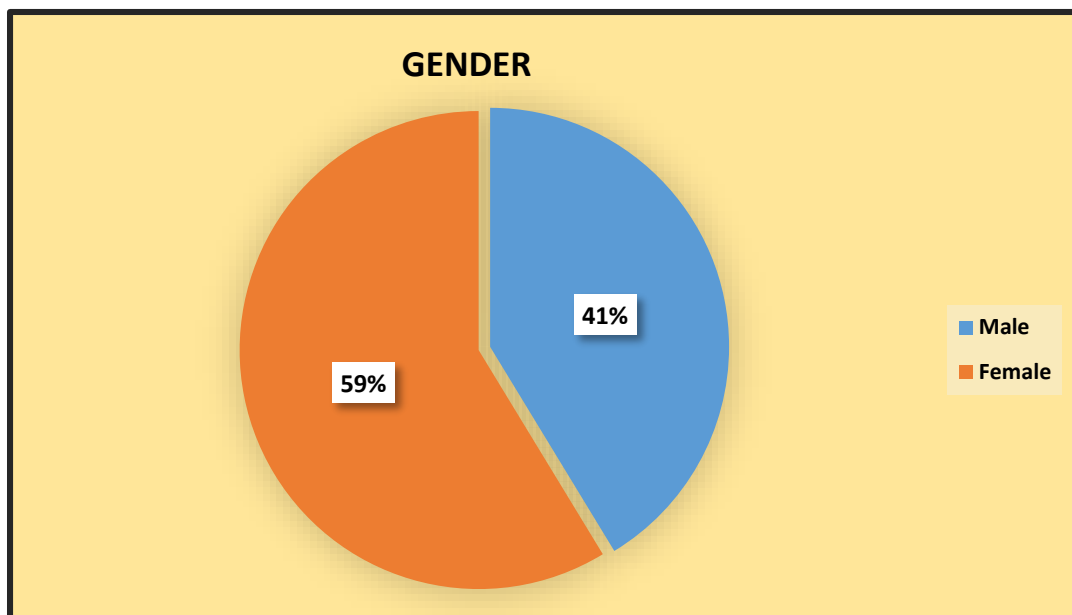
- **Purpose of the question**

The purpose of the Question A5 in Section A of the questionnaire was to determine the gender of the respondents who participated in the study.

- **Results obtained**

Figure 4.5 below displays the gender of the respondents who took part in the study.

Figure 4.5: Respondents by gender



- **Analysis of the results**

Figure 4.5 depicts that female employees accounted for over half (59%) of the total respondents, while males accounted for 41%. This is a reflection of a fair gender composition in the Municipality. The result revealed that more female are employed in ALM in contrast to

men. According to a recent study by Nienaber *et al.* (2011), female in organisations strongly prefer better remuneration and favourable working climate than male. This implies that in order to improve performance among the female employees (who are in majority) in ALM, management is required to make provision for better working climate and offer competitive remuneration packages. Von Bonsdorff (2011) in another study argued that the male employees are known to prefer non-financial rewards as compared to female in organisation.

4.3.6: Population group

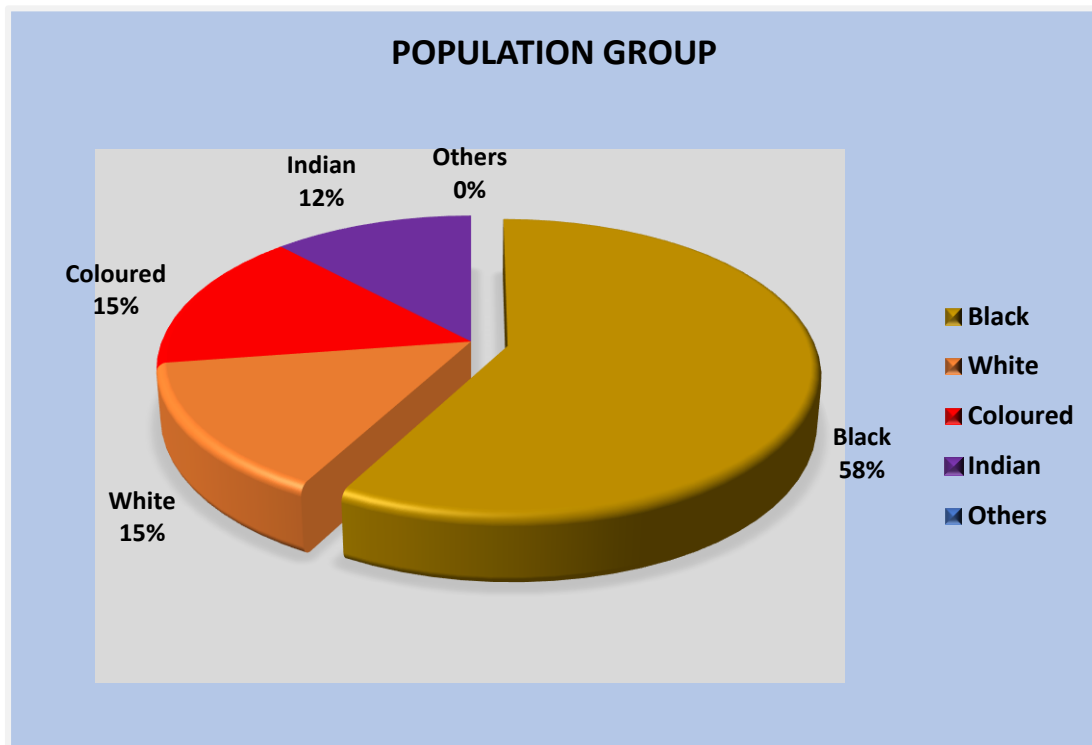
- **Purpose of the question**

The purpose was to include every racial group. The sample of the study was a fair representation of all the races in South Africa.

- **Results obtained**

Figure 4.6 displays the population groups of the respondents who participated in the study

Figure 4.6: Population group



- **Analysis of the results**

Figure 4.6 illustrates that the respondents represented all the population groups in South Africa. Black Africans constituted the majority (58%) of the respondents, followed by Coloureds (15%), whites (15%) and Indians (12%). The data indicates that most of the respondents were Africans.

4.3.7: Religious denomination

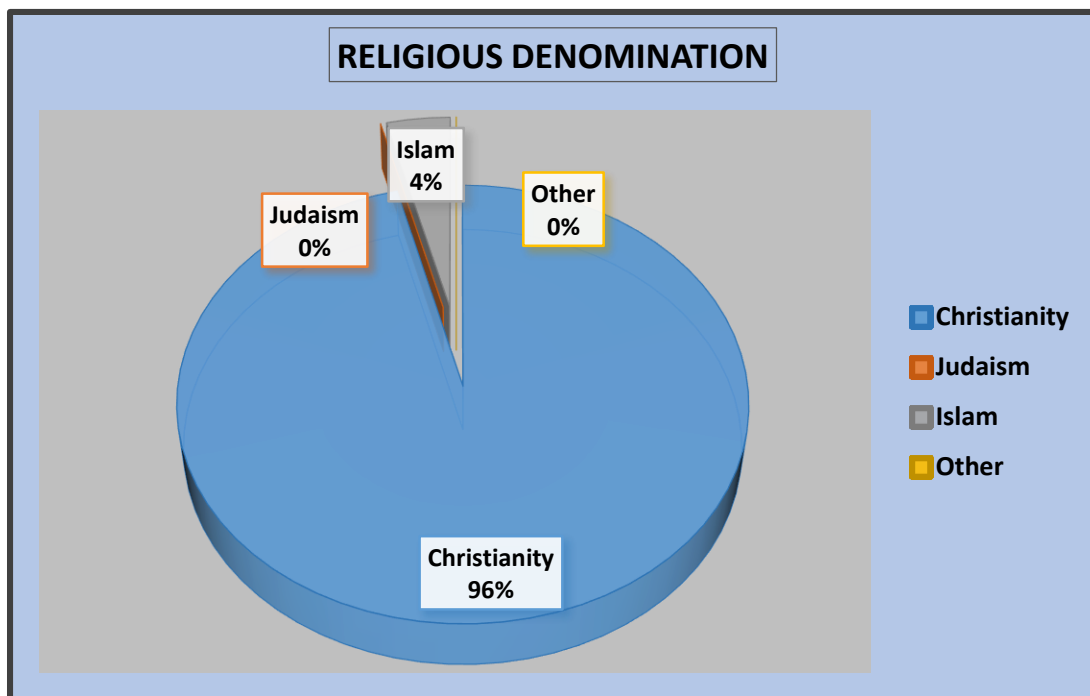
- **Purpose of the question**

The purpose of Question A7 in Section A of the questionnaire was to define the religious denomination of the respondents who participated in the study.

- **Results obtained**

Figure 4.7 displays the religious denomination of the respondents who participated in the study.

Figure 4.7: Religious denomination



- **Analysis of the results**

Figure 4.7 reveals that the vast majority (96%) identified with Christianity, compared to 4% with Islam.

4.3.8: Employment status

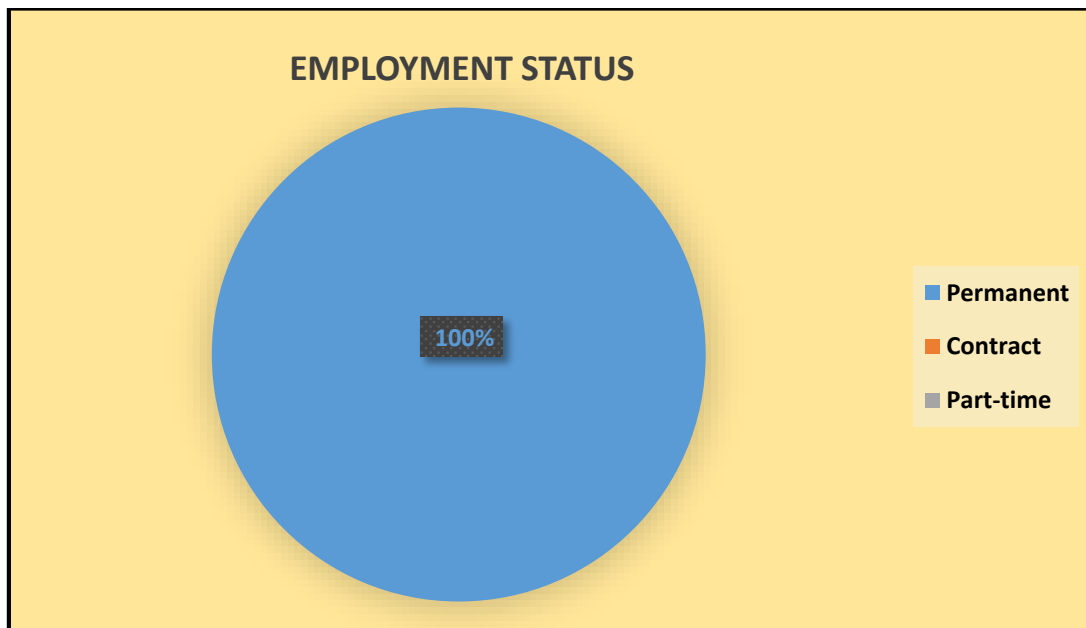
- **Purpose of the question**

The purpose of Question A8 in Section A of the questionnaire was to determine the employment status of the respondents.

- **Results obtained**

Figure 4.8 displays the employment status of the respondents who participated in the study.

Figure 4.8: Employment status



- **Analysis of the results**

As shown in Figure 4.8 above, 100% of the respondents were permanent employees of ALM.

4.3.9: Current position

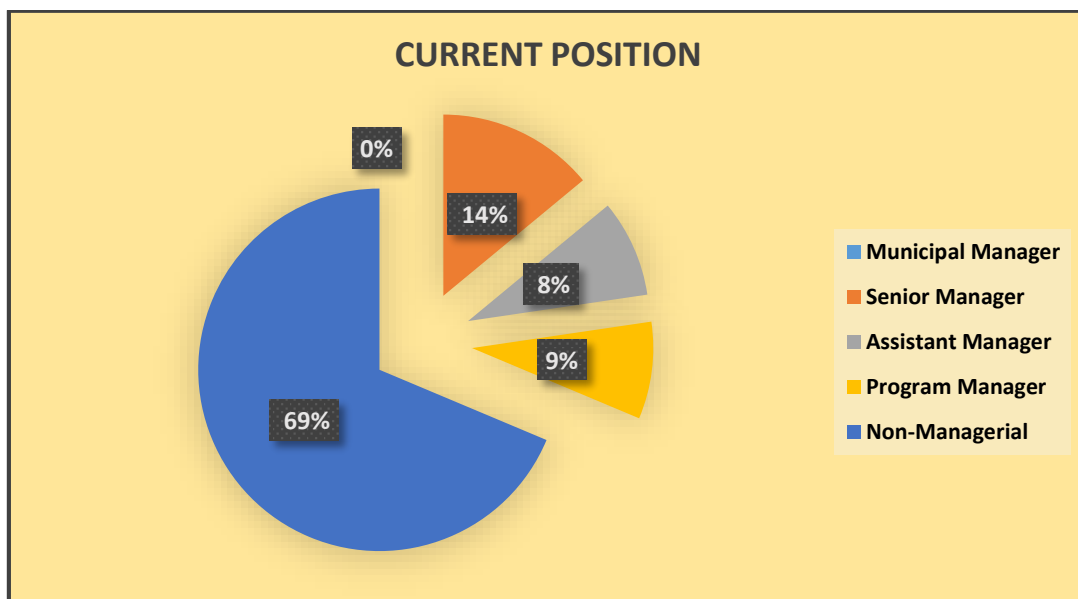
- **Purpose of the question**

The purpose of Question A9 in Section A of the questionnaire was to determine in the target population whether everyone was given an equal opportunity to participate in the study, from higher levels (senior staff) to lower levels (junior staff).

- **Results obtained**

Figure 4.9 displays the results of the respondents who participated in the study.

Figure 4.9: Current position



- **Analysis of the results**

Figure 4.9 indicates that the majority (69%) of the respondents were non-managerial staff. This was followed by senior managers (14%), program managers (9%), and assistant managers (8%). This implies that the majority of the employees were junior staff members; thus, the management of ALM needs to promote incentive packages in line with promotion opportunities.

4.4 PERCEPTIONS REGARDING NON-FINANCIAL INCENTIVES

This section is designed to evaluate to what extent the respondents agree or disagree with the fact that employment requirements are aligned with the non-financial incentives of the Municipality. This could imply that ALM employed qualified individuals. However, this result does not reflect a better level of performance.

4.4.1: Requirement not aligned to incentive

- **Purpose of the question**

The purpose of Question B1 (Section B) of the questionnaire was to identify whether employment requirements were aligned to incentives in the Municipality.

- **Results obtained**

Table 4.1 shows the responses from the respondents regarding non-financial incentives in the Municipality.

Table 4.1: Responses to “Requirement not aligned to incentives”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	45	30.0
Slightly agree	0	0.0
Agree	80	53.3
Strongly agree	25	16.7
Total	150	100.0

- **Analysis of the results**

From Table 4.1, it can be seen that the majority (53.3%) of the respondents agreed that the employment requirement was aligned to the incentives. Moreover, 30% were neutral and 16.7% strongly agreed. This result implies that most employees are happy with the existing employment requirements. The implication is that existing incentives are not in line with organisational requirements. This finding is inconsistent with recent study which revealed that

financial rewards are tied to employees understanding of the nature of individual roles (Armstrong, 2009).

4.4.2: Non-financial incentives push employees to work hard

- **Purpose of the question**

The purpose of Question B2 in Section B of the questionnaire was to determine whether non-financial incentives push employees to work hard.

- **Results obtained**

Table 4.2 below indicates the opinions of the respondents who participated in the study.

Table 4.2: Responses to “Non-financial incentives push employees to work hard”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	6	4.0
Slightly disagree	0	0.0
Neutral view	11	7.3
Slightly agree	30	20.0
Agree	103	68.7
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.2 above indicates that the majority (68.7%) of the respondents agreed that non-financial incentives pushed employees to work hard. However, 20% of the respondents slightly agreed, while 4% disagreed that non-financial incentives pushed employees to work hard. This implies that the management of ALM needs to provide employees with more non-financial incentives as it makes them work harder. This outcome indicates that majority agreed to the sentiment that non-financial enhance performance. This implies that providing more non-financial incentives to ALM employees could increase and improve the level of performance. The finding concurred with recent study by Lewis (2013) which revealed that non-financial incentives namely compliments and admiration encourages employees to perform better.

Similar study by Aktar *et al.* (2012) confirmed that non-financial incentives increase the performance of employees.

4.4.3: Non-financial incentives lack employee motivation

- **Purpose of the question**

The purpose of Question B3 in Section B of the questionnaire was to determine whether non-financial incentives lack employee motivation.

- **Results obtained**

Table 4.3 outlines the opinions of the respondents who participated in the study.

Table 4.3: Responses to “Non-financial incentives lack employee motivation”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	19	12.7
Slightly disagree	0	0.0
Neutral view	13	8.7
Slightly agree	22	14.7
Agree	55	36.7
Strongly agree	41	27.3
Total	150	100.0

- **Analysis of the results**

Table 4.3 above shows that 64% of the respondents agreed/strongly agreed with the statement that non-financial incentives lacked employee motivation. Furthermore, 14.7% of respondents slightly agreed, while 8.7% were neutral, and 12.7% disagreed with the statement. This finding does not agree with recent study by various authors. According to Erbasi and Arat (2012), a study conducted in Turkey revealed that any kind of incentives improves performance. This means employee improvement in performance does not only rely on non-financial incentives as an enhancement tool of performance.

4.4.4: Promotion opportunities not linked to non-financial incentives

- **Purpose of the question**

The purpose of Question B4 in Section B of the questionnaire was to analyse whether promotion opportunities were not linked to non-financial incentives as an incentive to promote effectiveness in performance.

- **Results obtained**

Table 4.4 outlines the opinions of the respondents who participated in the study.

Table 4.4: Responses to “Promotion opportunities not linked to non-financial incentives”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	13	8.7
Slightly agree	0	0.0
Agree	97	64.7
Strongly agree	40	26.7
Total	150	100.0

- **Analysis of the results**

Table 4.4 shows that 64.7% of the respondents agreed that promotion opportunities were not linked to non-financial incentives, while 26.7% strongly agreed. Only 8.7% of the respondents remained neutral. The implications of this finding is that promoting employees or making available several changes to promotion opportunities in the form of non-financial incentives in the organisation are not based on promotion. As revealed by Reena and Shakil (2009), promotion and bonus payments increase employees' motivation and to enhance the level of performance.

4.4.5: Non-financial incentives promote quality work

- **Purpose of the question**

The purpose of Question B5 in Section B of the questionnaire was to determine whether non-financial incentives promote quality work in the workplace.

- **Results obtained**

Table 4.5 summarise the responses by the respondents who participated in the study.

Table 4.5: Responses to “Non-financial incentives promote quality work”

Opinion	N	%
Strongly disagree	0	0.0
Disagree	32	21.3
Slightly disagree	22	14.7
Neutral view	18	12.0
Slightly agree	0	0.0
Agree	63	42.0
Strongly agree	15	10.0
Total	150	100.0

- **Analysis of the results**

Table 4.5 shows that 42% of the respondents agreed with the statement “Non-financial incentives promote quality work in the workplace”, while 10% strongly agreed. Moreover, 14.7% of the respondents slightly agreed with the statement, whilst 21.3% disagreed. Only 12% remained neutral. Majority agreed to the sentiment that promotion tied to non-financial incentives enable employees to perform quality work. This finding is in agreement with a study by Reena and Shakil (2009) which indicated that promotion and bonus payments motivate and enhance performance of employees. Again, this finding does not mean that only non-financial incentives are sources used to promote quality tasks in the organisation. There are other factors that need the attention of employers. Other non-financial incentives such as leave packages, bonus payments based on individual outputs and medical benefits are some of the elements that can be applied to enhance quality work in the organisation.

4.4.6: Non-financial incentives promote productivity

- **Purpose of the question**

The purpose of Question B6 (Section B) of the questionnaire was to determine whether non-financial incentives promote productivity in the workplace.

- **Results obtained**

Table 4.6 depicts the responses from the respondents regarding the statement that “Non-financial incentives promote productivity in the workplace”.

Table 4.6: Responses to “Non-financial incentives promote productivity”

Opinion	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	30	20.0
Agree	70	46.7
Strongly agree	50	33.3
Total	150	100.0

- **Analysis of the results**

Table 4.6 illustrates that 80% of the respondents agreed or strongly agreed that non-financial incentives promote productivity in the workplace. Only 20% of the respondents slightly agreed.

4.4.7: I am more satisfied with non-financial incentives than salaries/wages

- **Purpose of the question**

The purpose of Question B7 (Section B) of the questionnaire was to determine the respondents' views in respect to the statement, “I am more satisfied with non-financial incentives than salaries/wages”.

- **Results obtained**

Table 4.7 summarise the responses from the respondents regarding the statement, “I am more satisfied with non-financial incentives than salaries/wages”.

Table 4.7: Responses to “I am more satisfied with non-financial incentives than salaries/wages”

Opinion	N	%
Strongly disagree	0	0.0
Disagree	48	32.0
Slightly disagree	15	10.0
Neutral view	20	13.3
Slightly agree	15	10.0
Agree	52	34.7
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.7 shows that 34.7% of the respondents agreed with the statement, “I am more satisfied with non-financial incentives than salaries/wages”, while 10% strongly agreed, and 13.3% were neutral. In addition, 32% of the respondents disagreed and 10% slightly agreed.

4.4.8: Lack of non-financial incentives effect on employee satisfaction

- **Purpose of the question**

The purpose of Question B8 (Section B) of the questionnaire was to determine whether the lack of non-financial incentives affected employee satisfaction.

- **Results obtained**

Table 4.8 presents the answers of the respondents who participated in the study.

Table 4.8: Responses to “Lack of non-financial incentives effect on employee satisfaction”

Opinion	N	%
Strongly disagree	0	0.0
Disagree	20	13.3
Slightly disagree	0	0.0
Neutral view	3	2.0
Slightly agree	10	6.7
Agree	82	54.7
Strongly agree	35	23.3
Total	150	100.0

- **Analysis of the results**

Table 4.8 shows that 70% of the respondents agreed/strongly agreed with the statement, “Lack of non-financial incentives effect on employee satisfaction”. This was followed by 6.7% of the respondents who slightly agreed, while 2% remained neutral. Moreover, 13.3% disagreed with the statement. This data implies that the employees in the Municipality highly valued non-financial incentives as a motivational tool. Aktar *et al.* (2012) study supports the view that non-financial incentives, such as learning opportunities, progress and acknowledgement, increased employees’ performance.

4.5 EFFECTS OF INCENTIVES ON EMPLOYEE PERFORMANCE IN THE ORGANISATION

In this section, the respondents were asked to indicate to what extent they agreed or disagreed with the statement, as stated above.

4.5.1: Employees’ salaries affects performance

- **Purpose of the question**

The purpose of Question C8 (Section C) of the questionnaire was to determine whether employees’ salaries affect performance in the workplace.

- **Results obtained**

Table 4.9 shows the responses from the respondents to the statement “Employee salaries affect performance”.

Table 4.9: Responses to “Employee salaries affect performance”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	42	28.0
Strongly agree	108	72.0
Total	150	100.0

- **Analysis of the results**

Table 4.9 shows that 72% of the respondents strongly agreed with the statement, while 28% agreed. This implies that an employee’s salary is a strong motivational tool that can influence his/her performance in the Municipality.

4.5.2: I think non-financial incentives should be linked to performance

- **Purpose of the question**

The purpose of Question C9 (Section C) of the questionnaire was to assess the respondents’ answers to the statement above.

- **Results obtained**

Table 4.10 summarises the responses from the respondents regarding the statement, as stated in Section 4.4.2.

Table 4.10: Responses to “I think non-financial incentives should be linked to performance”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	21	14.0
Agree	40	26.7
Strongly agree	89	59.3
Total	150	100.0

- **Analysis of the results**

Table 4.10 shows that 86% of the respondents agreed or strongly agreed with the statement, “I think non-financial incentives should be linked to performance”, while 14% slightly agreed.

4.5.3: Do you agree that incentives are essentials?

- **Purpose of the question**

The purpose of Question C10 (Section C) of the questionnaire was to assess the respondents’ answers to the question, as stated in Section 4.5.3 above.

- **Results obtained**

Table 4.11 summarises the responses by the respondents to the question in Section 4.5.3.

Table 4.11: Responses to “Do you agree that incentives are essentials”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	58	38.7
Strongly agree	92	61.3
Total	150	100.0

- **Analysis of the results**

Table 4.11 shows that 100% of the respondents agreed or strongly agreed with the question in Section 4.5.3.

4.5.4: Are you satisfied with your present salary?

- **Purpose of the question**

The purpose of Question C10 (Section C) of the questionnaire was to assess respondents' responses to the question in Section 4.5.4.

- **Results obtained**

Table 4.12 indicates the respondents' responses to the question, as stated in Section 4.5.4.

Table 4.12: Responses to “Are you satisfied with your present salary?”

OPINION	N	%
Strongly disagree	21	14.0
Disagree	97	64.7
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	21	14.0
Agree	11	7.3
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.12 indicates that more than three-quarters (78.7%) of the respondents disagreed or strongly disagreed. However, 14% of the respondents slightly agreed, while 7.3% agreed.

4.5.5: Working environment affects employee performance

- **Purpose of the question**

The purpose of Question C11 (Section C) of the questionnaire was to assess the responses of the respondents to the statement in Section 4.5.5.

- **Results obtained**

Table 4.13 summarises the responses of the respondents to the statement, as stated in Section 4.5.5.

Table 4.13: Responses to “Working environment affects employee performance”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	19	12.7
Slightly agree	20	13.3
Agree	57	38.0
Strongly agree	54	36.0
Total	150	100.0

- **Analysis of the results**

Table 4.13 indicates that almost three-quarters (74%) of the respondents agreed or strongly agreed that the working environment affects employees’ performance. In addition, 13.3% of the respondents slightly agreed, while 12.7% were neutral.

4.5.6: Do you agree that changes in the present incentive system improves employee performance?

- **Purpose of the question**

The purpose of Question C12 (Section C) of the questionnaire was to assess the answers of the respondents to the question in Section 4.5.6.

- **Results obtained**

Table 4.14 indicates the respondents’ responses to the question, as stated in Section 4.5.6.

Table 4.14: Responses to “Do you agree that changes in the present incentive system improve employee performance?”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	8	5.3
Slightly agree	10	6.7
Agree	50	33.3
Strongly agree	82	54.7
Total	150	100.0

- **Analysis of the results**

Table 4.14, the majority (54.7%) of the respondents strongly agreed that changes to the present incentive system had improved employee performance, while 33.3% agreed. Moreover, 6.7% of the respondents slightly agreed, while 5.3% remained neutral.

4.5.7: Incentives in any firm improves work quality

- **Purpose of the question**

The purpose of Question C13 (Section C) of the questionnaire was to explore the respondents’ opinions on improvements in the quality of work in a workplace, linked to incentives.

- **Results obtained**

Table 4.15 shows the respondents’ opinions on the statement in Section 4.5.7.

Table 4.15: Response to “Incentives in any firm improve work quality”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	9	6.0
Agree	49	32.7
Strongly agree	92	61.3
Total	150	100.0

- **Analysis of the results**

Table 4.15 shows that an overwhelming majority (94%) of the respondents agreed or strongly agreed that incentives improved work quality. Furthermore, 6% slightly agreed with the statement. This finding confirms that adequate incentives can improve the quality of work in the Municipality.

4.6 EXTENT TO WHICH INCENTIVES IMPROVE PERFORMANCE

In this section, respondents were asked to indicate to what extent incentives improve performance.

4.6.1: Incentives increase employee performance

- **Purpose of the question**

The purpose of Question D1 (Section D) of the questionnaire was to determine the extent to which incentives improve performance.

- **Results obtained**

Table 4.16 shows the respondents' answers on the statement in Section 4.6.1.

Table 4.16: Responses to “Incentives increase employee performance”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	114	76.0
Strongly agree	36	24.0
Total	150	100.0

- **Analysis of the results**

Table 4.16 shows that more than three-quarters (76%) of the respondents agreed that incentives increased employee performance, while 24% strongly agreed with the statement.

4.6.2: Better improvement through non-monetary outcomes

- **Purpose of the question**

The purpose of Question D2 (Section D) of the questionnaire was to determine the extent to which incentives improve performance.

- **Results obtained**

Table 4.17 shows the respondents' responses to the statement, as stated in Section 4.6.2.

Table 4.17: Responses to “Better improvement through non-monetary outcomes”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	5	3.3
Neutral view	15	10.0
Slightly agree	13	8.7
Agree	86	57.3
Strongly agree	31	20.7
Total	150	100.0

- **Analysis of the results**

Table 4.17 reveals that three-quarters (78%) of the respondents agreed or strongly agreed with the statement. In addition, 8.7% of the respondents slightly agreed, while 10% remained neutral, and 3.3% slightly disagreed with the statement. This finding concurred with recent study that non-monetary incentives are viewed to be very effective in organisations in contrast to tasks which are based on monetary elements (Nolan, 2012). In organisations where each employees are aware of equal accountabilities, the level of performance improves (Chiu, Wai-Mei and Li-Ping, 2002).

4.6.3: Work in groups

- **Purpose of the question**

The purpose of Question D3 (Section D) of the questionnaire was to determine the extent to which “Work in groups” is used as an incentive to increase performance.

- **Results obtained**

Table 4.18 shows the respondents’ views on the statement, as stated in Section 4.6.3.

Table 4.18: Responses to “Work in groups”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	31	20.7
Slightly disagree	32	21.3
Neutral view	53	35.3
Slightly agree	30	20.0
Agree	4	2.7
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.18 shows that 42% of the respondents disagreed or slightly disagreed that working in groups increased performance, 35.3% remained neutral, while 22.7% agreed or slightly agreed.

4.6.4: Delegate tasks

- **Purpose of the question**

The purpose of Question D4 (Section D) of the questionnaire was to determine the extent to which the “delegation of tasks” increases performance.

- **Results obtained**

Table 4.19 shows the respondents’ opinions on the statement, as stated in Section 4.6.4,

Table 4.19: Responses to “Delegate tasks”

OPINION	N	%
Strongly disagree	3	2.0
Disagree	4	2.7
Slightly disagree	10	6.7
Neutral view	10	6.7
Slightly agree	31	20.8
Agree	54	36.2
Strongly agree	37	24.8
Total	149	100.0

- **Analysis of the results**

Table 4.19 shows that the majority (61%) of the respondents agreed or strongly agreed, while 20.8% slightly agreed and 6.7% remained neutral. However, 4.7% of the respondents disagreed or strongly disagreed, whilst 6.7% slightly disagreed with the statement.

4.6.5: Promotion of employees

- **Purpose of the question**

The purpose of Question D5 (Section D) of the questionnaire was to determine the extent to which promotion, as an incentive, improves performance.

- **Results obtained**

Table 4.20 shows the respondents’ opinions on the promotion of employees, as stated in Section 4.6.5.

Table 4.20: Responses to “Promotion of employees”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	9	6.0
Slightly agree	30	20.1
Agree	55	36.9
Strongly agree	55	36.9
Total	149	100.0

- **Analysis of the results**

Table 4.20 indicates that almost half (73.8%) of the respondents agreed or strongly agreed with the statement, while 20.1% slightly agreed. Only 6% of the respondents remained neutral regarding whether promotion improves performance. This finding is consistent with previous study which echoed the sentiment that offering promotions encourage performance and efficiency of employees (Kosteas, 2009).

4.6.6: Fringe benefits such as housing, a car, school fees and paid trips

- **Purpose of the question**

The purpose of Question D6 (Section D) of the questionnaire was to determine the extent to which fringe benefits such as housing, a car, school fees and paid trips improve performance.

- **Results obtained**

Table 4.21 shows the respondents’ opinions on whether fringe benefits such as housing, a car, school fees and paid trips improve performance.

Table 4.21: Responses to “Fringe benefits such as housing, car, school fees and paid trips”

OPINION	N	%
Strongly disagree	0	0.0
Disagree	0	0.0
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	114	76.0
Strongly agree	36	24.0
Total	150	100.0

- **Analysis of the results**

Table 4.21 shows that 100% of the respondents agreed and strongly agreed that fringe benefits, such as housing, a car, school fees and paid trips, improved performance. This finding is consistent with a study by Adeyinka *et al.* (2007) in which it was found that fringe benefits increased productivity. Further study revealed that making employees to work in a happy environment creates positive attitudes among employees; thus show commitment to increase performance at individual levels (Newman and Sheikh, 2011).

4.7 IMPACT OF NON-FINANCIAL INCENTIVES ON EMPLOYEE PERFORMANCE

4.7.1: My managers allow free expression on issues of incentives

- **Purpose of the question**

The purpose of Question E1 (Section E) in the questionnaire was to determine whether free expression on the issue of incentives improves employee performance.

- **Results obtained**

Table 4.22 shows the respondents’ opinions on whether free expression improves performance.

Table 4.22: Responses to “My managers allow free expression on issues of incentives”

OPINION	N	%
Strongly disagree	38	25.3
Disagree	80	53.3
Slightly disagree	32	21.3
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	0	0.0
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.22 indicates that 78.6% of the respondents disagreed or strongly disagreed with the above statement, while 21.3% slightly disagreed that their managers allowed free expression on the issue of incentives. The outcomes of this study reported dissatisfaction to the statement “*my manager allow free expressions on issues of incentives*”. Respondents in tables 4.22 and 4.23 showed respondents are not involved in decision making and there are no different promotion paths. It is not amazing in that this findings resonate with Herzberg theory that states accountability, recognition and developing opportunities encourage the employees. Regarding dissatisfaction, the result of this study were found to be consistent with hygiene factors that indicates quality of supervision, conditions at work and unsatisfactory salary levels.

4.7.2: Managers seek employees’ opinions on decision-making on non-financial concerns

- **Purpose of the question**

The purpose of Question E2 (Section E) in the questionnaire was to determine whether seeking employees’ opinions on decision-making on non-financial concerns improves performance.

- **Results obtained**

Table 4.23 shows the respondents' views on whether a decision by managers to allow employees' opinions improves employee performance.

Table 4.23: Responses to "Managers seek employees' opinions on decision-making on non-financial concerns"

OPINION	N	%
Strongly disagree	28	18.7
Disagree	122	81.3
Slightly disagree	0	0.0
Neutral view	0	0.0
Slightly agree	0	0.0
Agree	0	0.0
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.23 shows that 81.3% of the respondents disagreed, while 18.7% strongly disagreed that managers sought employees' opinions on decision-making on non-financial concerns.

4.7.3: Awards given to employees by different institutions

- **Purpose of the question**

The purpose of Question E3 (Section E) of the questionnaire was to determine whether giving awards to employees by institutions improve performance.

- **Results obtained**

Table 4.24 shows the respondents' views on the statement in Section 4.7.3.

Table 4.24: Responses to “Awards given to employees by different institutions”

OPINION	N	%
Strongly disagree	32	21.3
Disagree	91	60.7
Slightly disagree	0	0.0
Neutral view	27	18.0
Slightly agree	0	0.0
Agree	0	0.0
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.24 indicates that 60.7% of the respondents disagreed, 21.3% strongly disagreed, while 18% of the respondents were neutral on the fact that awards given to employees by different institutions improved performance.

4.7.4: Through different promotional paths in the organisation

- **Purpose of the question**

The purpose of Question E4 (Section E) in the questionnaire was to determine whether different promotional paths in the organisation improve performance.

- **Results obtained**

Table 4.25 shows the responses of the respondents on whether different promotional paths improve employee performance.

Table 4.25: Responses to “Through different promotional paths in the organisation”

OPINION	N	%
Strongly disagree	32	21.3
Disagree	81	54.0
Slightly disagree	13	8.7
Neutral view	17	11.3
Slightly agree	7	4.7
Agree	0	0.0
Strongly agree	0	0.0
Total	150	100.0

- **Analysis of the results**

Table 4.25 shows that the majority 54% of the respondents disagreed, while 21.3% strongly disagreed with the statement. Moreover, 8.7% slightly disagreed and 11.3% remained neutral. Only 4.7% of the respondents slightly agreed that different promotional paths improved performance.

SECTION B

4.8 INFERENCE STATISTICS

This section highlights the researcher’s probability to generalise the empirical research to include a larger population. According to McNabb (2013), there are three aims of inferential statistics. These include the ability to generalise, provide estimates and make future predictions. Rubin (2010) mentioned two kinds of inferential statistics: parametric and non-parametric evaluation. While parametric tests entail assumptions of population estimates through interval data, non-parametric tests do not exclude population, as well as homogeneity and normality (Jackson, 2014).

This empirical research applied non-parametric tests to examine the significant relationship between variables. In order to determine the relationships between variables, this empirical research applied the Pearson’s Chi-Square test and cross-tabulations.

4.9 HYPOTHESES TESTING

Fink (2008) describes a research hypothesis as a theory that is not proven; yet it can be tested through empirical research. According to Jackson (2011), if you correctly test a hypothesis, predictions are clearly stated. The primary aim of a hypothesis centres on theory testing as part of an organised system, which entails assumptions as well as principles to provide explanations to research phenomena (Fink, 2008). This research aim, which assesses the data analysis for this research, is organised as follows. First, the descriptive data analysis was conducted and followed the testing of the formulated research by hypotheses. Each hypothesis was tested through inferential statistics of non-parametric tests to ascertain the degree of significance. This statistical evaluation was based on a 95% confidence interval level.

4.10 TESTING FORMULATED HYPOTHESES

An assessment of formulated hypotheses entails applications of inferential techniques to determine the credible hypothesis of the target population of the research. According to Cant (2011), through statistics, the probability that a specific hypothesis is true or otherwise is ascertained. The primary method used to report an outcome of statistical means require statements of statistical importance. A p-value is performed based on a statistical test. In the process, a significant statistical outcome is showed as " $p < 0.05$ " throughout the results. The following hypotheses were formulated for this study:

H1N: There is no significant relationship between academic qualifications and performance level.

H1A: There is a significant relationship between academic qualification and performance level.

H2N: There is no significant relationship between the impact of non-financial incentives and performance level.

H2A: There is a significant relationship between the impact of non-financial incentives and performance level.

H3N: There is no significant relationship between the impact of financial incentives and performance level.

H3A: There is a significant relationship between the impact of financial incentives and performance level.

4.11 Cross-tabulation and Pearson's Chi-Square Test

In other to test for association, this research employed the Pearson's Chi-square test. The primary aim of utilising Pearson's Chi-square was to determine the possible relationship between variables (dependent and independent). In addition, cross-tabulation was employed to conduct the views and responses of the respondents to ascertain the association between the respondents' perceptions in terms of the importance of the factors that affected performance level. Different variables included non-financial incentives and academic qualifications. The p-value was the applicable tool that was employed to make a decision to reject or not to reject the null hypothesis. For instance, where the p-value is less than an "alpha" of 0.05, the null hypothesis is not accepted (Malhotra, 2007).

Table 26: Cross tabulation of academic qualifications versus performance level

		Academic qualifications															
		Matric		Certificate		Diploma		Bachelor's Degree		Honors Degree / Post Graduate Diploma		Master's Degree		Doctoral Degree		Total	
Competency performance level	Unacceptable performance	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
	Performance not fully effective		0	0,0	2	9,1	9	40,9	1	4,5	7	31,8	2	9,1	1	4,5	22
		6	6,1	4	4,0	52	52,5	7	7,1	9	9,1	17	17,2	4	4,0	99	100

From the table above we observe that majority (40.9%) of respondents who rated unacceptable performance obtained diploma qualifications. Respondents whose performance were not fully effective 52.5%.

- **Testing the hypotheses**

H1_N: There is no significant relationship between academic qualification and performance level.

H1_A: There is a significant relationship between academic qualification and performance level.

Table 27: Level of performance and academic qualifications

Pearson Chi-Square Tests		
		Academic qualifications
Competency performance level	Chi-square	10,706
	df	6
	p-value	0.098

A non-parametric Pearson's Chi-square test was conducted to test for the significant relationship between academic qualifications and competency performance level at 5% level of significance. The result reveals that there is no statistically significant relationship between academic qualifications and competency performance level at a p-value greater than 0.05, Pearson's Chi-square (6) =10.706, p-value=0.098. Thus, academic qualifications do not differ significantly in the likelihood of competency performance level. This implies that the two variables are not dependent on each other. No matter the educational qualifications, performance could increase. Improvement in performance depends among others on skills, training and resources. As researchers Snelgar, Renard and Venter (2013) stated demographic factors including education as critical factor that impact employees' rewards. Ben and Camilus, (2012) argued that employees' level of performance decreases as the level of education increases.

Table 28: Level of impact of non-financial incentives versus performance level

		Level of impact of non-financial incentives on performance							
		Low		Moderate		High		Total	
		N	%	N	%	N	%	N	%
Competency performance level	Unacceptable performance	0	0,0%	20	90,9%	2	9,1%	22	100,0%
	Performance not fully effective	0	0,0%	84	84,8%	15	15,2%	99	100,0%

From Table 3 above, the majority of the respondents with unacceptable performance (90.9%) had a moderate perception of the impact of non-financial incentives on performance. Additionally, the majority of the employees whose performance was not fully effective (84.8%) had a moderate perception of the impact of non-financial incentives on performance.

- **Testing the hypotheses**

H2_N: There is no significant relationship between competency performance level and of level of impact of non-financial incentives.

H2_A: There is a significant relationship between competency performance level and of level of impact of non-financial incentives.

Table 29: Level of impact of non-financial incentives versus performance level

		Level of impact of non-financial incentives on performance
Competency performance level	Chi-square	0,548
	Df	1
	p-value	0.459

A non-parametric Chi-square test was conducted to test for the significant relationship between the level of impact of non-financial incentives and competency performance level at 5% level of significance. In Table 4 above, there is no significant relationship between the level of impact of non-financial incentives and the competency performance level at a p-value greater than 0.05, Chi-square (1) =0.548 p-value=0.459. Thus, this level of impact of non-financial incentives does not differ significantly in the likelihood on the competency performance level.

This outcome could be further explained that employees of ALM are able to perform their duties without relying on payment of non-financial incentive. Employees are not expected to perform towards the achievement of set goals unless non-incentives are paid. Depending on the core tasks of each employees need other resources to deliver. In order for employees to deliver and improve levels of performance, other resources are required aside non-financial incentives. This finding differs from the research findings by Buchan *et al.* (2000) the study revealed that non-financial incentives relate to personal mental and emotional achievements. Other scientists including Lewis (2013) agreed that non-financial incentives impact positively on employee performance.

It can be stated that on personal level, non-financial is likely to enhance performance through the mental and emotional satisfaction of employees. Without the payment of non-financial incentives employees could increase performance and reach set goals of the organisation provided other incentives are provided. Employees must be allowed to receive other forms of incentives during the course of their duties. A study by Ayers (2005) add that the organisational climate serves as critical motivational tool which enable employees to do their utmost in order to achieve the goals of the organisation through the enhancement of employees level of performance. Regarding effectiveness, the environment where employees work such as the level of comfort and enough safety measures impact on employees' level of performance in the organisation.

Table 30: Level of impact of financial incentives versus performance level

		Perceived impact of financial incentives on performance							
		Low		Moderate		High		Total	
		N	%	N	%	N	%	N	%
Competency performance level	Unacceptable performance	0	0,0%	3	13,6%	19	86,4%	22	100,0%
	Performance not fully effective	0	0,0%	22	22,2%	77	77,8%	99	100,0%

From Table 30 above, we observe that the majority of the respondents with unacceptable performance (86.4%) have a high perception of the impact of financial incentives on performance. Additionally, the majority of the employees whose performance is not fully effective (77.8%) have a high perception of the impact of financial incentives on performance.

- **Testing the hypotheses**

H3_N: There is no significant relationship between the level of impact of financial incentives and competency performance level.

H3_A: There is a significant relationship between the level of impact of financial incentives and competency performance level.

Table 31: Level of impact of financial incentives versus performance level

Pearson Chi-square Tests		
		Perceived Impact of financial incentives on performance
Competency performance level	Chi-square	0,809
	df	1
	Sig.	0.368

A non-parametric Chi-square test was conducted to test for the significant relationship between the level of impact of financial incentives and a competency performance level at 5% level of significance. From Table 6 above, there is no significant relationship between the level of impact of non-financial incentives and competency performance levels at a p-value greater than 0.05, Chi-square (1) =0.809; p-value=0.368. Thus, in this sample the level of impact of financial incentives does not differ significantly in the likelihood of level of performance. This implies that financial incentives are not the only means of improving employees' level of performance. Aside financial incentives, there are other elements that contributes to growing performance in the organisation. This finding is in disagreement of a study by Yavuz (2004) which revealed that financial incentives push and control improvement in employees'

performance. Sajuyigbe, Olaoye and Adeyemi (2013) confirmed that rewards paid to employees increase output and enhance performance.

4.12 SUMMARY

This chapter presented the results of the data analysis. The analysis was based on the objectives that were set out in Chapter one. The demographic analysis showed a skewed employee demographic. The majority of the respondents were black Africans, at 58%; then, a small percentage of other ethnic groups. The majority of employees appeared to understand that the purpose of incentives on performance management was that of identifying employees' job performance, and helping them to improve their skills. It also helps to keep employees and organisational objectives aligned. Regardless of financial or non-financial incentives, incentives are designed to encourage individuals or groups to exert more effort, work harder and perform better. It is recommended to use multiple incentive packages (financial/non-financial) and to reduce the dissatisfaction of employees regarding incentives. The study suggests that the organisation use effective reward programmes to better achieve its organisational objectives and influence employee behaviour.

CHAPTER FIVE

CONCLUSION, RECOMMENDATIONS AND MANAGEMENT IMPLICATIONS

5.1 INTRODUCTION

Throughout the preceding chapters, the researcher discussed the study area, research background, problem statement, and methodology, including data analysis. This was followed by detailed theoretical framework to discuss and provide explanations for the variables used to formulate the research hypotheses. This chapter presents a conclusive report on the empirical work. Hence, the chapter starts by highlighting the review of the purpose of the research. Thereafter, the researcher provides summaries in line with the research outcomes. The next section of this chapter makes recommendations and finally outlines future empirical research.

5.2 AIM OF THE RESEARCH

The primary purpose of this empirical research was to assess the effectiveness of incentives towards employees' performance in ALM. Employees from different department of the organisation formed part of the target population. Data for this research was collected through a seven7-point Likert Scale questionnaire. The questionnaire was detailed, with structured questions, and it was based on literature. The data collected from the respondents (N=120) was analysed by using the SPSS statistical tool for descriptive data.

5.3 PRIMARY OUTCOMES OF THE EMPIRICAL RESEARCH

Incentives, either financial or non-financial, serve the primary purpose of increasing employees' level of performance (Promberger *et al.* 2012; Kosolapov, 2012). Through sufficient evidence, the present empirical research is in support of this statement. This study (Table 4.16) revealed that 100% of the respondents agreed that incentives stimulated the performance of employees.

Several theories were applied in this research to understand the impact of incentives on performance. For instance, theories indicate that certain factors, namely remuneration, job satisfaction and an improved working environment, are required to ensure a sustained organisation. Based on the responses, it was found that the level of employment is linked to

employee incentives. Another finding that emerged from the research was that the majority of the respondents were of the opinion that non-financial incentives enhanced employees' performance. Besides, most of the respondents strongly agreed that non-financial incentives were unable to provide motivation to employees; thus, a great cause for concern was the lack of performance. In terms of promotion opportunities (non-financial incentives), the findings revealed that non-financial incentives were not linked to performance.

Drawn from the empirical research outcomes, the conclusion reached was that the research constructs, namely financial and non-financial incentives, showed mixed outcomes regarding the effect on employee performance. Otherwise, the independent variables had a positive and negative effect on employee performance.

Regarding the formulated hypotheses, the study showed that academic qualifications and non-financial and financial incentives did not differ significantly in regards to the competency level of performance. However, according to the literature, not all incentives differ from the competency level of performance. According to Wine *et al.*, Gilroy and Hantula (2012), employees' reward preferences change due to the definite time of payment; this implies that payments to employees depend on their specific needs. Zingheim (2010) states that employees seek value from the payment received; hence, rewards must drive them to perform well in the organisation. De Waal and Jansen (2011) add that bonuses as an incentive are at times effective or ineffective on the performance of the organisation.

In summary, empirical outcomes confirmed that depending on the time and needs of individual employees, incentives could affect the effectiveness of individuals' performance within the organisation. In the same light, incentives (either financial or non-financial) could easily have a negative effect on performance.

The next section outlines recommendations that can improve the effectiveness of incentives in an organisation; thus, increasing the existing levels of performance in the organisation.

5.4 CONCLUSION

The research outcomes fulfilled the basic objective by demonstrating mixed results. Financial incentives affect employee performance and increase productivity (Kosolapov, 2012). Despite previous research, which indicated that incentives increased productivity and enabled organisations to reach set objectives, the empirical findings of this research showed varying findings, such as:

- Academic qualification does not differ significantly on the competency performance level.
- Non-financial incentives do not differ significantly on the competency performance level.
- There is no significant relationship between the level of impact of financial incentives and competency performance levels.

Adeyinka, Ayeni and Popoola (2007) argued that attempts to use salaries as a motivator, and payment systems in line with performance, pensions, fringe benefits and special allowances, need to be altered to suit the assigned tasks of employees. However, this research has shown that non-financial incentives do not differ significantly from the level of performance.

The research outcomes also revealed that financial incentives motivate employees to perform better (Ali and Ahmed, 2009). This theoretical outcome is backed by a study by Locke and Latham (2004). Aside from all the positive outcomes, most of the respondents indicated that non-financial incentives are unable to motivate them. Furthermore, this research points to the fact that non-financial incentives are likely to promote quality of work within the organisation. Newman and Sheikh (2011) state that happiness create a positive attitude among employees to become more committed and to increase their level of performance.

Drawing from the empirical findings, promotion opportunities are not linked to non-financial incentives in the organisation. Recent studies have warned that non-financial incentives are negatively linked to employees' performance and productive growth. The empirical outcomes of this research further showed that other non-financial incentives promote productivity. Regarding salaries and wages, the respondents in this study showed disagreement regarding the fact that salaries and wages are more significant to productivity and personal performance. The employees in the research also indicated that without non-financial incentives, individuals in the organisation were dissatisfied.

In conclusion, through various theoretical frameworks and empirical research, this study laid the foundation (with adequate information) to prove the effectiveness of incentives in ALM. As stated before, these research outcomes cannot be generalised to include public establishments or the private sector as this research's target population of 120 employees was small. Thus, empirical research on a larger scale is required to endorse its reliability. Yet, the outcomes can be applied as a guide in different countries that share the same social working environment as ALM. Finally, future research could be conclusive in determining the

present state of performance in order to fine-tune the various incentive packages to suit employees.

In summary, the outcomes of this research put in perspective the various forms of incentives, which according to the respondents, affected them in positive and negative ways in terms of performance. According to the respondents, incentives in general increased their performance and their quality of work, while their salaries as well as the working environment affected their performance. Non-financial incentives in the form of fringe benefits, such as a car, housing and paid trips also impacted employees' performance.

The scientific evidence on incentives and performance packages as well as the ability of incentives to increase the level of performance have significant positive impact on the objectives of organisation. Though no incentive frameworks were found by the researcher, other scientific theories such as Maslow's hierarchy of needs and Porter-Lawler theory are linked to employee performance. For instance, employees' needs could be the main motivation factor that increases employee performance. Vroom's theory is unable to make enough suggestions regarding employee satisfaction. Maslow's theory on the other hand, was found to be the most relevant for this research. However, as indicated by Odendaal and Roodt (2006), the Vroom's theory recommend three key elements namely expectancy instrumentality and valence which according to research are motivational factors that establish acceptable level of performance.

Within the working climate, the theory of expectancy is perceived as valuable source of employee motivation (Lunenburg, 2011). Recent empirical outcomes by Mager and Sibilis (2010) emphasises that to attain longer sustainability elements of motivation based on hierarchy need of Maslow must be implemented. The model further revealed that employees' need and the organisation's objective are not properly aligned, the final outcomes could be low motivation.

Regarding the effectiveness of incentives, literature indicate that providing appropriate packages in accordance to employee needs there could be significant improvement in performance (Panggabean, 2004). The outcomes of the literature further highlights that given proper non-financial incentives could enhance performance of employees.

5.5 RECOMMENDATIONS

To ensure that adequate incentives packages are drawn, management must do the following as prescribed by Lowenberg Jr, 2007; Gunawan and Febrianto, 2011).

- Structure a long-term employee retention program
- Reduce employee stress levels in the organisation
- Improvement to the live quality of employees
- Understand the main elements that enhance productivity and establish ongoing level of employee performance
- Management must endeavour to balance incentives in the organisation in line with individual assigned tasks as a fundamental measurement tool of motivation to instil improvement in the organisation (Petrescu and Simon, 2008).

Drawing from empirical statistics, as revealed through the analysis, the ensuing recommendations are proposed:

5.5.1 Non-financial incentives

The research has shown that the majority of employees agreed that fringe benefits increased performance and productivity. Based on a similar context, Aktar *et al* (2012) found that non-financial incentives, such as career advancement, opportunities, and a challenging work environment, increased performance. Therefore, creating excellent non-incentive package systems for the employees in ALM is critical in increasing their performance and raising productivity in the Municipality.

5.5.2 Financial incentives

The management of ALM should endeavour to maintain a balanced system of motivating employees. According to Agwu (2013), the implementation of adequate systems of reward that influence employees' job performance is crucial. The management of ALM needs to structure financial incentives to suit all the employees and they should be in line with the type of tasks that are assigned to individuals. Financial incentives such as salaries, wages and bonuses need the urgent attention of management. This is in line with the literature that states that financial incentives provide accountability and encouragement to employees in order to increase performance (Yavuz, 2004).

5.5.3 Work environment

Given the research outcomes, which indicated that the majority of respondents agreed that the working climate increased performance, the study recommends that the management of ALM provide a favourable working climate. According to Bau and Dowling (2001), in an organisation where better reward systems are applied, employees are able to demonstrate high levels of performance.

In light of these research outcomes, a further recommendation is that the management of ALM develop a suitable customizable incentive package system, according to each employee's needs, based on assigned tasks. Another recommendation includes the improvement of personal relationships among employees across departments. Other recommendations include providing monthly meal packages (non-financial) for all employees; organising team-building initiatives on a quarterly basis (non-financial); setting aside specific dates every month to enable employees to take a day off for personal leisure time; and providing tasks that are more interesting through job rotation (without adding tasks).

5.5.4 Packages of merit payments

To ensure that the organisation attain set objectives through the effectiveness of incentives, top management need to institute a merit payment system for the purpose of motivating and to retain existing workforce. One benefits of adopting the packages of merit payment schemes, is twofold; contribute to employees' performance once motivated. Furthermore, offering merit payments, reinforce individuals levels of motivation, positive work ethics and attitudes to tasks assigned to individuals and impact directly on the effectiveness of the organisation. In adopting this systems, it is vital that management work in partnership with employees. The inputs of employees are significant; thus, bonding relationships between management and the workforce.

5.5.5 Application of Flexible packages

Drawing from the research outcomes, the researcher proposed the use of flexible packages plans (FPP). Adopting the FPP enable the working class the chance to be able to select from multitude of sources on offer that are suitable to their immediate needs. The FPP if properly apply has the utmost advantages to stimulate and significantly impact the level of employee performance. Through the FPP approach, employees are well allowed to choose from multitude alternatives. Thus, eliminating other incentives within the organisation that does not

benefit and improve employees' performance. In developing the FPP packages, top management must include employees' inputs. By doing so, management does not only allow employees to own the FPP but to allow them to add value to the existing incentive packages. Finally, the FPP allows the entire workforce of the organisation to satisfy their personal needs. In order to make sure that incentives are effective the researcher provide additional recommendation in section 5.5.6 below.

5.5.6 Effectiveness of incentives

The management of ALM should establish a broader and inclusive definition of incentive policy framework in the organisation with the primary intention of getting clarity of purpose, endorse by the entire employees. Management should further make available detailed, comprehensive incentive policy shared with every employees as well as the objectives of the organisation, roles and tasks of employees and specific incentive packages tied to the individual roles and tasks in the organisation. It is key to adopt the incentive policy framework that work best for the organisation. In establishing the broader and inclusive definition, it is significant to understand the culture and immediate environment of ALM, create specific purpose with shared vision. Creating the broader incentive definition for understanding shared responsibilities to demonstrate individual levels of commitment which leads to effective packages that enhances employees' performance.

5.6 MANAGEMENT IMPLICATIONS

In putting together incentive packages to be implemented, the management of organisations should be focused on various incentive packages, including the financial aspects of incentives. Apart from this, the non-financial aspects (such as the working environment) should be considered. These forms of incentives are perceived to enhance performance and employee productivity.

These research outcomes have serious scientific implications for public establishments, such as ALM. These establishments and their human resource departments, as well as the existing political, economic and social climate, should steer towards restructuring their incentive packages. Effectively, some incentives are designed for the recognition of employees' performance and the psychological achievements of employees. Thus, it is important for management to institute certain criteria that enable the specific performance in public organisations.

In practical terms, the research outcomes illustrate that improving the various factors of rewarding employees should be encouraged and motivated to increase individual's efforts to stimulate performance and increase productivity. The implication for managers is that more and better incentive systems of job-related packages are required. However, in order to attain set objectives, these packages must be aligned to the performance targets of the organisation.

5.7 RESEARCH CONTRIBUTION

The outcomes of this empirical research provide several but related contributions to understand employee incentives. Through this research, the management of public institutions and private sector organisations can see the effects of incentives on employee performance. In particular, in local municipalities in South Africa where service delivery protest is on the increase, both non-financial and financial incentives could be seen as key determinants of employee job satisfaction. The research provides concrete empirical evidence that better remuneration packages, with additional incentives, motivate employees to stimulate performance in the organisation. Furthermore, the outcomes that emerged from this research provide the necessary platform that could offer assistance to other academics and scholars in search of scientific studies to improve employee performance.

Human resource management could apply these research outcomes during employees' evaluation processes, which are aimed at improving employee performance. Besides, these outcomes could be used as an enhancement tool to existing recruitment and selection procedures in an organisation.

Lastly, the outcomes showed various management challenges relating to the job dimensions for various managers in ALM. Applying some of the recommendations could enable the management to see the employees' potential to enhance performance and realise set organisational objectives.

5.8 SUMMARY

This chapter draws on the research conclusions, recommendations and implications for management based on the key constructs of incentives and performance. These two constructs contribute significantly to chapter 2 of the literature section of this empirical research. The researcher designed a structured questionnaire which was hand delivered to 120 employees of ALM. These employees formed the active participants of this research that provided data for over two weeks. Some of the empirical data collected were used for biographical information such as age, gender, racial group, educational qualifications, marital status, number of years employed, population group, employment and religious status and current position (refer to section 4.2).

The final conclusions that emerged were based on various types of incentives and level of employee performance (refer to paragraph 5.4) as well as the final relationship between variables of demographic elements and the level of employee performance (refer to paragraph 4.8.4). The researcher made practical recommendations in line with different issues identified from literature (refer to chapter 2) which are confirmed during the empirical research. Final recommendations were based on different types of incentives. Other recommendations took into account the work environment, payment packages and flexible packages plan (FPP). The researcher provided specific recommendation on effectiveness of incentives for considerations (refer to paragraph 5.5.6).

Finally, the researcher gave account of the management implications of this empirical research (refer to paragraph 5.6). These implications include the focus on incentive packages namely the financial incentives. In addition, different forms of non-financial incentives especially the working environment of employees. Furthermore, the human resource department was featured as the key player in restructuring employees' packages of incentives towards the realization of the improved employees' performance in the organisation.

BIBLIOGRAPHY

Abdullah, A. A. and Wan, H. L. 2013. Relationships of Non-Monetary Incentives, Job Satisfaction and Employee Job Performance. *International Review of Management and Business Research*, 2(4): 1085-1091.

Afshan, S., Sobia, I., Kamran, A. and Nasir, M. 2012. Impact of training on employee performance: a study of telecommunication sector in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(6). Available: <https://journal-archieves24.webs.com/646-661.pdf> (Accessed 11 November 2017).

Aguinis, H. 2009. *Performance management*. 2nd ed. Upper Saddle River, NJ: Pearson Prentice Hall.

Agwu, M. 2013. Impact of Fair Reward System on Employees Job Performance in Nigerian Agip Oil Company Limited Port-Harcourt. *British Journal of Education, Society & Behavioural Science*, 3(1): 47-6.

Ajayi, P. O. 2007. Evaluation of the implementation of senior secondary school physics curriculum in south west Nigeria. Ph. D., University of Ado-Ekiti Nigeria.

Aktar, S., Sachu, M. M. and Ali, M. E. 2012. The impact of rewards on employee performance in commercial banks in Bangladesh: An empirical study. *IOSR Journal of Business and Management*, 6(2): 9-15.

Aldag, R. J. and Kuzuhara, L. W. 2002. *Organisational Behaviour and Management: An Integrated Skills Approach*. South-Western: Thomson Learning.

Ali, R. and Ahmed, M. S. 2009. The impact of reward and recognition programs on employee's motivation and satisfaction: An empirical study. *International Review of Business Research Papers*, 5(4): 270-279.

Alonso, P. and Lewis, G. B. 2001. Public service motivation and job performance: Evidence from the federal sector. *American Review of Public Administration*, 31(4): 363-380.

Alwabel, A. 2005. The role of financial and moral incentives on raising performance level of employee from the viewpoint of the security officer involved in the pilgrimage season. Master Thesis. Naif Arab University for Security Sciences. Riyadh, Saudi Arabia.

Andreas M. 2012. If you love something, let it go mobile: Mobile marketing and mobile social media 4x4. *Business Horizons*, 55(2): 129–139.

Andrew, D. P. S. 2004. Effect of Congruence of Leadership Behaviors on Motivation, Commitment, and Satisfaction of College Tennis Players. Doctor of Philosophy, Florida State University.

Armstrong, M. 2006. *A Handbook of Human resource management practice*. 10th ed. London and Philadelphia: Kogan Page Limited.

Armstrong, M. 2009. *Armstrong's Handbook of Human Resource Management Practice*. 11th ed. London and Philadelphia: Kogan Page.

Armstrong, M. and Murlis, H. 1998. *Reward Management*, 4th ed. Kogan Page, London.

Assaf, A. 1999. *Managerial Behaviour in Contemporary Organisations*. Amman: Dar Zahran.

Atambo, W. N., Kabare, K., Munene, C. and Mayogi, E. N. 2013. The role of employee incentives on performance: a survey of public hospitals in Kenya. *Global Business and Economics Research Journal*, 2(12): 29-44.

Babbie, E. 2010. *The practice of social research*. 12th ed. California, USA: Wardsworth, Cengage Learning.

Baker, G. P., Jensen, M. C. and Murphy, K. J. 1988. Compensation and incentives: Practice vs. theory. *The Journal of Finance*, 43(3): 593-616.

Banjoko, S. A. 2006. *Managing Corporate Reward Systems*. Ibadan: Pumark Nigeria.

Bapna, R., Langer, N., Mehra, A., Gopal, Ram. And Gupta, Alok. 2013. Human Capital Investments and Employee Performance: An Analysis of IT Services Industry. *Management Science*, 59(3): 641-658.

Bassettjones, N. and Lloyd, G.C. 2005. Does Herzberg's Motivation Theory Have Staying Power?. *Journal of Management Development*, 24: 929-943.
<http://dx.doi.org/10.1108/02621710510627064>

Bateman, T. S. and Snell, S. A. 2013. *Management: Leading and collaborating in a competitive world*. 11th ed. Irwin: McGraw-Hill.

Bau F. and Dowling, M. 2001. Reward and Incentive Systems in Start-ups – A Comparison of Approaches. Human Resource Management and Organisational Psychology. Babson College.

Benson, G. S., Finegold, D. and Mohrman, S. 2004. You paid for the skills, now keep them: Tuition reimbursement and voluntary turnover. *Academy of Management Journal*, 47(3): 315–331.

Berger, A. L. and Berger, D. R. 2015. *The Compensation Handbook, A State-of-the-Art Guide to Compensation Strategy and Design*,” 6th ed. New York: McGraw-Hill.

Bhatia, V. K. 2010. Interdiscursivity in professional communication. *Discourse and Communication*. 4(1): 32-50.

Blau, F. D. and DeVaro, J. 2007. “New Evidence on Gender Differences in Promotion Rates: An Empirical Analysis of a Sample of New Hires.” *Industrial Relations*, 46(3):

511-550.

Bless, C., Higson-Smith, C. and Kagee, A. 2006. *Fundamentals of social research methods. An African perspective*. 3rd ed. Lusaka: Juta.

Blumberg, B., Cooper, D. R. and Schindler, P. S. 2005. *Business Research Methods*. Mc Graw Hill: Berkshire.

Blumberg, B., Cooper, D.R. and Schindler, P. 2008. *Business research methods*. 2nd ed. Berkshire: McGraw-Hill.

Boyle, M., Wong, C., Rocha, M. and Jones, D. L. 2007. Decline in self-renewal factors contributes to aging of the stem cell niche in the *Drosophila* testis. *Cell Stem Cell*, 1(4): 470-478.

Broome, J and Perry, J. 2002. How practitioners set share fractions in target cost contracts. *International Journal of Project Management*, 20:59-66.

Brumback, G. B. 1988. Some ideas, issues and predictions about performance management. *Public Personnel Management*, 17(4): 387-402.

Bryman, A. and Cramer, D. 2009. *Quantitative data analysis with SPSS 14, 15 and 16. A guide for social scientists*. Routledge: New York.

Buchan, J., Thompson, M. and O'May, F. 2000. *Health Workforce Incentive and Remuneration Strategies. A Research Review*. World Health Organisation: Geneva.

Burt, J. E., Barber, G. M. and Rigby, D. L. 2009. *Elementary Statistics for Geographers*. 3rd ed. London: New York.

Bussin, M. 2004. Factors driving changes to remuneration policy and outcomes. *SA Journal of Human Resource Management*, 2(2): 45-54.

Bussin, M. 2011. *The remuneration handbook for Africa*. Randburg, South Africa: Knowres Publishing.

Cadsby, C. B., Song, F. and Tapon, F. 2007. Sorting and incentive effects of pay-for performance: Summary of an experimental study. *Academy of Management Journal*, 50(6): 387-405.

Cant, M., Gerber-Nel, C. and Kotze, T. 2005. *Marketing research*. 2nd ed. South Africa: Van Schaik Publishers.

Carlos. H. and Lowenberg Jr. 2011. Five Characteristics of a Well-Designed Employee Incentive Plan. Available:

<https://www.constructionbusinessowner.com/management/workforce-management/five-characteristics-well-designed-employee-incentive-plan> (Accessed 7 November 2016).

Chapman, J. and Kelliher, C. 2011. Influences on reward mix determination: Reward consultants' perspectives. *Employee Relations*, 33(2): 121-139.

Chiang, F. F. T. and Birtch, T. A. 2005. A taxonomy of reward preference: examining country differences. *Journal of International Management*, 11(3): 357– 375.

Chiang, F.F.T. and Birtch, T. A. 2006. An empirical examination of reward preferences within and across national settings. *Management International Review*, 46(5): 573– 596.

Chiang, F.F.T., and Birtch, T. A. 2007. The transferability of management practices: Examining cross-national differences in reward preferences. *Human Relations*, 60(9): 1293–1330.

Chiu, R.K., Wai-Mei Luk, V. and Li-Ping Tang, T. 2002. Retaining and motivating employees: Compensation preferences in Hong Kong and China. *Personnel Review*, 31(4): 402-431.

Christensen, C. 2008. 'The rules of innovation,' *Technology review*, June: 33-38.

Cobb-Clark, D. A. 2001. *"Getting ahead: The determinants of and payoffs to internal promotion for young U.S. men and women"*. New York: JAI Press.

Coens, T. and Jenkins, M. 2000. *Abolishing performance appraisals: Why they backfire and what to do instead*. San Francisco: Berrett-Koehler.

Collins, A., Bronte-Tinkew, J. and Burkhauser, M. 2008. *Using incentives to increase participation in out-of-school time programs*. Washington, DC: Child Trends.

Condly, S. J., Clark, R. E. and Stolovitch, H. D. 2003. The Effects of Incentives on Workplace Performance: A Meta-analytic Review of Research Studies 1. *Performance Improvement Quarterly*, 16(3): 46-63.

Cook, J. and Crossman, A. 2004. Satisfaction with performance appraisal systems: a study of role perceptions. *Journal of managerial psychology*, 19(5): 526-541.

Cooper, D. R. and Schindler, P. S. 2008. *Business Research Methods*. Singapore: McGraw-Hill.

Creswell, J. W. 2013. *Qualitative Inquiry & Research Design: Choosing among Five Approaches*. 3rd ed. Thousand Oaks: SAGE.

Creswell, J.W. and Plano Clark, V.L. 2011. *Designing and conducting mixed methods research*. 2nd ed. California: SAGE Publications.

Crewsen, P. E. 2010. "Public service motivation: Building empirical evidence of incidence and effect." *Journal of Public Administration Research and Society*, 42(6): 720-748.

Crow, S.M. and Hartman, S.J. 2007. Can't get no satisfaction. *Leadership and Organisation Development Journal*, 16(4): 30-38.

Danish, R. Q. and Usman, A. 2010. "Impact of reward and recognition on job satisfaction and practices on productivity: A study on Steel Finishing Line", *The American Economic Review*, 87(3): 291-313.

De Swardt, L., Veldsman, T. and Roodt, G. 2006. *Toward an empirical validated pay methodology. Variable pay. A collection of articles from WorldatWork*. Scottsdale: WorldatWork Press.

De Vos, A. S., Strydom, H., Fouche, C. B. and Delpont, C. 2007. *Research at grass roots*. 3rd ed. Pretoria: Van Schaik Publishers.

De Waal, A. and Jansen, P. 2011. The bonus as hygiene factor: role of reward systems in high performance organisation, *Presented during the 3rd European Reward Management*, 1(16). Available: <http://www.hpocenter.com/articles.asp?url=The-bonus-as-hygiene-factor-the-role-of-reward-systems-in-the-high-performance-organisation> (Accessed 16 February 2017).

Diab, S. and Ajlouni, M.T. 2015. The Influence of Training on Employee's Performance, Organisational Commitment, and Quality of Medical Services at Jordanian Private Hospitals. 10(2). Available: <http://www.ccsenet.org/journal/index.php/ijbm/article/view/41473> (Accessed 22 June 2018).

Dornyei, Z. 2014. *Research methods in applied linguistics*. New York: Oxford University Press.

Driscoll, L.D. 2011. *Introduction to primary research, observations, surveys and interviews*. New York: Sage Publications.

Educ, M. 2007. *Macmillan English Dictionary for Advanced Learners*, UK: University of Liverpool.

Edwards, J. R. and Cable, D. M. 2009. The value of value congruence. *Journal of Applied Psychology*, 94(3): 654.

Ellis, L. and Pennington, S. 2004. Should leaders have tusks or fangs. *Management Today*, 20(9): 32-33.

Erbasi, A. and Arat, T. 2012. The effect of financial and non-financial incentives on job satisfaction. An examination of food chain premises in Turkey. *International Business Research*, 5(10): 136-145.

Filipkowski, M. and Johnson, C. M. 2008. Comparisons of performance and job insecurity in union and non-union sites of a manufacturing company. *Journal of Organisational Behavior Management*, 28(4): 218-237.

Fletcher, C. 2008. Appraisal, feedback and development: Making performance review at work. 4th ed. Oxford: Routledge.

Francesconi, M. 2001. "Determinants and consequences of promotions in Britain". *Oxford Bulletin of Economics and Statistics*, 63(3): 279-310.

Frydman, C. and Jenter, D. 2010. CEO Compensation. *Annual Review of Financial economics*, 2(1): 75-102.

Gaur, A. S. and Gaur, S. S. 2009. *Statistical Methods for Practice and Research: A guide to data Analysis using SPSS*. 2nd ed. SAGE Publications.

Gerhart, B., Rynes, S. L. and Fulmer, I. S. 2009. 6 Pay and performance: *Individuals, groups, and executives*. *The Academy of Management Annals*, 3(1): 251-315.

Glassman, M., Glassman, A., Champagne, P. J. and Zugelder, M. T. 2010. Evaluating pay-for-performance systems: *Critical issues for implementation*. *Remuneration & Benefits Review*, 42(4): 231.

Gliem, J. A. and Gliem, R. R. 2003. Calculating, interpreting and reporting Cronbach's alpha reliability coefficient for likert-type scales. *Midwest Research to Practice Conference in Adult, Continuing and Community Education* Columbus, October: 82-

Gomm, R. 2009. *Key concept in social research methods*. London: Palgrave Macmillan.

Gong, R., Chen, S. and Lee, S. 2011. Does mentoring work? The mediating effect of mentoring in China. *Social Behavior and Personality: An international journal*, 39(Suppl.): 807-824.

Grove, S. K., Burns, N. and Gray, J. R. 2013. *The practice of nursing research: Appraisal, synthesis, and generation of evidence*. 7th ed. St. Louis, MO: Elsevier Sanders.

Gunawan, R. G. and Febrianto, H. 2014. The impact of monetary and non-monetary incentives on employees' motivation in PT XYZ's finance function in Surabaya. *iBuss Management*, 2(2): 60-69.

Habermann, B. 2003. Maximizing research opportunities: Secondary data analysis. *Journal of Neuroscience Nursing*, 35(5): 287-290.

Hartman, J. E., Kurtz, M. E. and Moser, K. E. 1994. *Incentive Programs to Improve Transit Employee Performance*. Washington D.C: National Academy Press.

Harunavamwe, M. and Kanengoni, H. 2013. The Impact of Monetary and Non-Monetary Rewards on Motivation among Lower Level Employees in Selected Retail Shops. *African Journal of Business Management*, 7(38): 3929-2935.

Harvey, S. J. 2005. Why did you do that? An economic examination of the effect of extrinsic compensation on intrinsic motivation and performance. *Journal of Economic Psychology*, 26(4): 549-566.

Heizer, J. and Render, B. 2006. *Operations management*. 8th ed. New Jersey: Pearson Prentice Hall.

Hellriegel, D., Slocum, J.W. and Woodman, R.W. 2001. *Organisational behavior*. Cincinnati, Ohio: South Western.

Hicks, V. and Adams, O. 2003. *Pay and Non-Pay Incentives, performance and Motivation*. Anwerp: ITG Press.

Jadallah, M. 1997. The impact of incentives in raising the efficiency of workers *Management Development*, 56(51): 34-46.

Jenkins, D. and Lawler III, E. E. 1992. *Strategic Reward Systems*. California. Available: <http://ceo.usc.edu/pdf/T922205.pdf>

Kalimullah, A. R., Yaghoubi, N. M. and Maloudi, J. 2010. Survey of Relationship between Organisational Justice and Empowerment. *European Journal of Economics, Finance and Administrative Sciences*, 24(Suppl.): 165-171.

Kaufman, H. G. 1978. Continuing education and job performance: A longitudinal study. *Journal of Applied Psychology*, 63(2): 248–251.

Khan, A. 2007. Performance Appraisal's Relation with Productivity and Job Satisfaction. *Journal of Managerial Sciences*, 1(2): 100-114.

Kiruja, E. K. and Mukuru, E. 2013. Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya, *International Journal of Advances in Management and Economics*, 2(4): 73-82.

Kosolapov, S. 2012. The evolution of the individual financial rewards system in the knowledge based company. Master Thesis., University of Nordland.

Kosteas, V.D. 2009. "Job level changes and wage growth." *International Journal of Manpower*, 30(3): 269-284.

Lahdenpera, P and Koppinen, T. 2003. Charting of incentive payment bases for multi objective construction projects. Proceedings of the Joint International Symposium of CIB Working commissions, Singapore, 481-493.

Lapan, S.D. and Quartaroli, M.T. 2009. *Research essentials. An introduction to designs and practices*. San Francisco: Jossey-Bass.

Latham, G.P. 2007. *Foundations for organisational science. Work motivation: History, theory, research, and practice*. 2nd ed. Thousand Oaks, CA, US: Sage Publications, Inc.

Latham, G.P. and Ernst, C.T. 2006. Keys to motivating tomorrow's workforce. *Human Resource Management Review*, 16(2): 181-198.

Lawler, E. 1996. *The Design of Effective Reward Systems. In Motivation and Leadership at Work*. 6th ed. New York: McGraw Hill International Press.

Lawler, E. E. 1986. *High-Involvement Management: Participative Strategies for Improving Organisational Performance*. San Francisco: Jossey-Bass.

Lemieux. T., Bentley, W. M. and Parent. D, 2009. Performance Pay and Wage Inequality-super. *The Quarterly Journal of Economics*, 124(1): 1-49.

Lewis, J. 2013. *Differences between monetary and non-monetary incentives*. Available: <https://smallbusiness.chron.com/differences-between-monetary-nonmonetary-incentives-26139.html> (Accessed 15 February 2018)

Locke, E. A. and Latham, G. P. 2004. What Should We Do about Motivation Theory? Six Recommendations for the Twenty-First Century. *Academy of Management Review*, 29(Suppl.): 388-403.

Locke, H. S. and Braver, T. S. 2008. Motivational influences on cognitive control: *Behavior, brain activation, and individual differences. Cognitive, Affective, & Behavioral Neuroscience*, 8(1): 99-112.

Lowenberg Jr., C. H. 2007. Five Characteristics of a Well-Designed Employee Incentive Plan. Available. <http://www.constructionbusinessowner.com/topics/management/constructionworkfor>

[ce-management/five-characteristics-well-designed-employee](#) (Accessed 7 November 2017).

Lunenburg, F. C. 2011. Expectancy Theory of Motivation: Motivating by Altering Expectations. *International Journal of Management, Business and Administration*, 15(1): 1-6.

Mager, D. and Sibilila, J. 2009. *Street Smart Sustainability: The Entrepreneur's Guide to Profitably Greening Your Organisation's DNA*. United States: Berrett-Koehler Publishers.

Maggetti, M., Gilardi, F. and Radaelli, C.M. 2013. *Designing research in the social sciences*. London: Sage Publications.

Maglen, L. R. 1990. Challenging the human capital orthodoxy: The education-productivity link re-examined. *The Economic Record*, 66(40): 281–294.

Malhotra, N.K. 2010. *Marketing research: an applied orientation*. 6th ed. New Jersey: Prentice Hall Inc.

Malik, A. R., Butt, A. N. and Choi, J. 2014. Rewards and employee creative performance: Moderating effects of creative self-efficacy, reward importance, and locus of control. *Journal of organisational behaviour*, 36(1): 68-86.

Malik, M. E., Nawab, S., Naeem, B. and Danish, R. Q. 2010. "Job satisfaction and organisational commitment of University teachers in Public sectors of Pakistan", *International Journal of Business and Management*, 5(6): 17-26.

Manjunath, V. S. and Rajesh, C. N. 2012. Competency Based Compensation System- As a Strategic Human Resource Technique. *International Journal of Manpower*, 38(7): 780-810.

Markle, G.L. 2000. *Catalytic Coaching: The end of the performance review*. Qorum Book. West Port: Conn.

- Martocchio, J. 2006. *Strategic Compensation: A Human Resource Management*
- Mathis, R. B. and Jackson, J. H. 2007. *Human Resource Management*. 10th ed. Singapore: Thomson Asia Pty Ltd.
- McClelland, D. C., Koestner, R. and Weinberger, J. 1989. How do self-attributed and implicit motives differ? *Psychological Review*, 96(4): 690-702.
- McNabb, D.E. 2013. *Research Methods in Public Administration and Nonprofit Management: Quantitative and Qualitative Approaches*. 3rd ed. London, England: M.E. Sharpe.
- Mehta, S. 2011. The problem with financial incentives. <http://www.rdmanagement.blogspot.com> (Accessed 5 April 2018).
- Mesquita, B. 2010. Emoting: *A contextualized process*, Summer: 83-104.
- Misra, P. Jain, S. and Sood, A. 2013. Compensation: impact of rewards and organisational justice on turnover intentions and the role of motivation and job satisfaction: a study of retail store operations in NCR, *International Journal of Human Resources Development and Management*, 13(2/3): 136-152
- Mobley, W.H., Griffeth, R.W., Hand, H.H. and Meglino, B.M. 2001. Review and conceptual analysis of the employee turnover process. *Psychological Bulletin*. 86(3): 493-522.
- Moorhead, G. and Griffin, R.W. 2010. *Organisational Behavior: Managing people and organisations*. South-Western: Cengage Learning.
- Morewedge, C. K., Preston, J. and Wegner, D. M. 2007. Timescale bias in the attribution of mind. *Journal of Personality and Social Psychology*, 93(1): 1-11.
- Morgan, D.L. 2014. *Integrating qualitative and quantitative methods. A pragmatic approach*. London: Sage Publications.

Mugenda, O. M. and Mugenda, A. G. 2003. *Research methods: Quantitative and qualitative Approaches*. Nairobi: African Centre for Technology Studies.

Mullins, L.J. 2007. *Management and Organisational Behaviour*. 8th ed. Essex: Prentice-Hall.

Municipal IQ, 2012. A slower year than 2009 and 2010, but rising. Available: www.municipaliq.co.za/ (Accessed 20 October 2017).

Myers, M. B., Griffeth, D. A., Daugherty, P. J. and Lusch, R. F. 2004. Maximizing the human capital equation in logistics: Education, experience, and skills. *Journal of Business Logistics*, 259(1): 211–232.

Nawab, S. and Bhatti, K. K. 2011. Influence of Employee Compensation on Organisation Commitment and Job Satisfaction: A Case Study of Educational Sector of Pakistan. *International Journal of Business and Social Science*, 2(8): 25-32.

Nazir, T., Khan, S.R., Shah, S.F.H. and Zaman, K. 2013. Impact of Rewards and Compensation on Job Satisfaction: *Public and Private Universities of UK*. *Middle-East Journal of Scientific Research*, 14(3): 394-403.

Nel, P.S., Haasbroek, G.D., Schultz, H.B., Sono, T. and Werner, A. 2004. *Human Resources Management*. 6th ed. Cape Town: Oxford University Press.

Neuman, W.L. 2011. *Social research methods. Qualitative and quantitative approaches*. 7th ed. Boston: Pearson.

Newman, A. and Sheikh, A. Z. 2012. “Organisational rewards and employee commitment: a Chinese study”, *Journal of Managerial Psychology*, 27(1): 71-89.

Nienaber, R., Bussin, M. and Henn, C. 2011. The relationship between personality types and reward preferences. *SA Journal of Human Resource Management*. 11(2): 153.

Nilsson, F., and Olve, N.G. 2013. *Controllerhandboken*. (Tioende upplagan) Stockholm: Forfattarna och Liber AB.

Nolan, P. 2012. Understanding the employment relationship: markets, hierarchies and power. *Industrial Relations Journal*, 43(4). Available: <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1468-2338.2012.00688.x> (Accessed 02 February 2018).

Olayemi, A.O. 2012. Effects of family size on household food security in Osun State Nigeria. *Asian Journal of Agriculture and Rural Development*, 2(2): 136-141

Osibanjo, A. O., Salau, O. P. and Falola, H. O. 2014. Modeling the Relationship between Motivating Factors. Employee retention and job satisfaction in the Nigerian Banking Industry. *Journal of Management Policies and Practices*, 2(2): 63-83.

Ostroff, C. and Bowen, D. E. 2000. *Moving HR to a higher level: HR practices and organisational effectiveness*. In K.K. Klein / S.W.J. Kozlowski (eds.): *Multilevel theory, research, and methods in organisations: Foundations, extensions and new directions*. San Francisco, CA: Jossey-Bass.

Palmer, W. 2012. Incentive and Disincentive: Will They Affect Performance. *Journal of Business and Management*, 14(3): 32-52.

Park, S. and Sturman, M. C. 2009. The relative effects of merit pay, bonuses, and long-term incentives on future job performance. Available: <https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1008&context=crl> (Accessed 14 November 2017).

Parkin, S., Johnson, A., Buckland, H. and White, E. 2004. Learning and skills for sustainable development: Developing a sustainability literate society. *Higher Education Partnership for Sustainability (HEPS)*, London.

Pay Review, 2013. *Performance Related Incentive Scheme*. Port Louis: Pay Review.

P-E Corporate Services. 2009. *Human Resources Practitioners Handbook*. Johannesburg: P-E Corporate Services.

Perkins, S. J. and White, G. 2008. Employee Reward. *Alternatives, Consequences and Contexts*. London: Chartered Institute of Personnel and Development.

Petrescu, A. and Simon, R. 2008. Human Resources Management Practices and Worker's Job Satisfaction. *International Journal of Manpower*, 29(7): 651-667.

Pierannanzi, C., Hu, S. S. and Balluz, L. 2013. A systematic review of publications assessing reliability and validity of the Behavioral Risk Factor Surveillance System (BRFSS), 2004–2011. *BMC Medical research methodology*, Summer:13-49.

Pierre, E. A. and Jackson, A. Y. 2014. Qualitative data analysis after coding. *Qualitative Inquiry*, 20(6): 715-719.

Plowright, D. 2011. *Using mixed methods. Framework for an integrated methodology*. London: Sage Publications.

Polit, D.F. and Beck, C.T. 2012. Nursing Research: *Generating and Assessing Evidence for Nursing Practice*. 5(10). Available: <http://file.zums.ac.ir/ebook/384-Resource%20Manual%20for%20Nursing%20Research,%20Ninth%20Edition%20-%20Generating%20and%20Assessing%20Evidence%20for%20N.pdf> (Accessed 10 November 2017)

Promberger, M., Dolan, P. and Marteau, T. M. 2012. "Pay them if it works": Discrete choice experiments on the acceptability of financial incentives to change health related behaviour. *Social Science & Medicine*, 75(12): 2509–2514.

Pryce, A. Kakabadse, N. K. Lloyd, T. 2011 "Income differentials and corporate performance", *Corporate Governance: The international journal of business in society*, 11(5): 587-600.

Quick, J.C. and Nelson, D.L. 2009. *Principals of Organisational Behaviour: Realities and Challenges*. 6th ed. Cengage Learning: South-Western.

Rabianski, J.S. 2003. Primary and secondary: Concepts, concerns, errors and issues. *The Appraisal Journal*, 71(1): 43-55.

Rafikul I. and Ahmad Zaki Hj. 2004. Ranking of employee's reward and recognition approaches: A Malaysian Perspective. *Journal of International Business and Entrepreneurship Development*, 2(2): 24-49.

Rasinger, M.S. 2014. *Quantitative research in linguistic*. 2nd ed. London: Bloomsbury Publishing.

Reena, A. and Shakil. A. 2009. The Impact of Reward and Recognition Programs on Employee's Motivation and Satisfaction. *International Review of Business Research Papers*, 5(4): 270-279.

Robbins, S.P. and Coulter, M. 2002. *Management*. 7th edition Upper Saddle River, NJ: Prentice Hall.

Robbins, S.P., Odendaal, A. and Roodt, G. 2006. *Organisational Behaviour – Global and Southern African Perspectives*. Pinelands Cape Town: Pearson Education South Africa.

Rose, T. M. and Manley, K. 2010. Financial incentives and advanced construction procurement systems. *Project Management Journal*, 41(1): 40-50.

Rost, K. and Osterloh, M. 2009. Management fashion pay-for-performance for CEOs. *Schmalenbach Business Review*, 61(2): 119-149.

Rubin, D.B. 2010. On the limitations of comparative effectiveness research. *Statistics in Medicine*, 29(19). Available: <https://onlinelibrary.wiley.com/doi/abs/10.1002/sim.3960> (Accessed 19 July 2018)

Sajuyigbe, A. S., Olaoye, B.O. and Adeyemi, M.A. 2013. Impact of Reward on Employees Performance in a Selected Manufacturing Companies in Ibadan. *International Journal of Arts and Commerce*, 2(2). Available. <https://www.ijac.org.uk/images/frontImages/gallery/Vol. 2 No. 2/4.pdf> (Accessed 07 August 2017).

Saka, N. and Ajayi, O.M. 2010. A comparative assessment of incentive scheme between indigenous and multinational construction contractors in Nigeria. Proceedings of 26th Annual ARCOM Conference, 6th-8th September, UK: Leeds

Samodien, N. 2004. Recognizing the role of reward practitioners. *People Dynamics*, 22(6): 18–19.

Schoeffler, B. 2005. Employee Incentive Plans. Make them Worthwhile. *Insurance Journal*. Available: <http://www.insurancejournal.com/magazines/west/2005/04/18/features/54614.html> (Accessed 18 November 2017).

Scholl, D. R.W. 2009. Work motivation overview Available: <http://www.uri.edu/research/lrc/scholl/webnotes/motivatio.htm> (Accessed 20 February 2017).

Sekaram, U. and Bougie, R. 2009. *Research Methods for Business: A Skill-Building Approach*. 5th ed. John Wiley and Sons Inc.: Hoboken.

Shan, S. Shan, H. 2007: Current State of SHRM, Research: Emerging Research Issues, challenges and directions for future Research. In Gupta, P and Jain, R. and Dhar, U. (Eds). *Enhancing Enterprise Competitiveness (marketing people IT and Enterprise)* (PP. 401-411). New Delhi: Excel Publication.

Sherrat, J., 2000. Attracting and retaining the right staff. *Management today*, 6(5): 38-39.

Shives, G. K. and Scott, K. D., 2003. Gainsharing and EVA The US Postal Service Experience. *World at Work Journal*, 12(1): 21-30.

Silverman, D. 2004. *Qualitative research: Theory, method and practice*. Thousand Oaks, CA: Sage.

Singer, M. S. and Bruhns, C. 1991. Relative effect of applicant work experience and academic qualification on selection interview decisions: A study of between-sample generalizability. *Journal of Applied Psychology*, 76(4): 550–559.

Smit, P. J. and Cronje, G.J. De. 2003. *Management Principles: A Contemporary South African Edition*. Johannesburg: Juta and Co. Ltd.

Snelgar, R.J., Renard, M., and Venter, D. 2013. An empirical study of the reward preferences of South African employees. *SA Journal of Human Resource Management*, 11(1). Available: <https://sajhrm.co.za/index.php/sajhrm/article/view/351/606> (Accessed 2 March 2018).

Spector, P.E. 2003. *Industrial and Organisational Psychology, Research and Practice* 3rd ed. New York: John Wiley and Sons. Inc.

Stiles, P. and Kulvisaechana, S. 2011. Human capital and performance: A literature Review. *Judge Institute of Management, Cambridge's Business School*, Summer: 9-12.

Stone, R. 2002. *Human Resources Management*. 4th ed. Brisbane: Wiley.

Stone, R. J. 2005. *Human Resource Management*. 5th ed. Australia: John Wiley & Sons Ltd.

Struwing, F.W. and Stead, G.B. 2013. *Research planning, designing and reporting*. 2nd ed. Cape Town: Pearson.

Tella, A., Ayeni, C. O. and Popoola, S. O. 2007. Work Motivation, Job Satisfaction, and Organisational Commitment of Library Personnel in Academic and Research Libraries in Oyo State, Nigeria”, *Library Philosophy and Practice*, April: 9-2.

Terre Blanche, M. S. and Durrheim, K. 2002. *Research in practice: Applied methods for the social sciences*. Cape Town: University of Cape Town Press.

Torrington, D., Hall, L., Taylor, S. and Atkinson, C. 2011. *Human Resource Management*. 8th ed. Edinburgh: Pearson Education.

Trusty, J. and Niles, S. G. 2004. Realized potential or lost talent: High school variables and bachelor's degree completion. *Career Development Quarterly*, 53(1): 2–15.

Turner, J. H. 2006. Pay for performance: Contrary evidence and a predictive model. *Editorial Board Members*, 10(2): 23.

Tyson, S. and York, A. 2000. *Essentials of Human Resources Management*. 4th ed. Oxford: Jordan Hill.

Unrau, Y. A., Gabor, P. and Grinnell, R. M. 2009. *Evaluation in social work: The art and science of practice*. 4th ed. University of Michigan: Oxford University Press.

Van Zyl, J., 2000. Uncertainty chases people away. *Finance Week*, 15(Suppl.):37.

Von Bonsdorff, M. E. 2011. Age-related differences in reward preferences. *The International Journal of Human Resource Management*, 22(6): 1262-1276.

Walliman, N. 2011. *Your research project. Designing and planning your work*. 3rd ed. London: Sage Publications.

Welman, J. C, Kruger, F. and Mitchell, B. 2005. *Research methodology*. 5th ed. Cape Town: Oxford University Press.

Wilson, B. T. 2003. *Innovative Reward Systems for the Changing Work Place*. New York: McGraw Hill.

Wilson, J. 2010. *Essentials of business research. A guide to doing your research project*. London: Sage Publications LTD.

Wine, B., Gilroy, S. and Hantula, D. A. 2012. Temporal in stability of employee preference for rewards. *Journal of Organisational Behavior Management*, 32(Suppl.): 58-64.

World at Work Press. 2007. *Incentive pay: Creating a competitive advantage*. Scottsdale, AZ: World at Work Press.

Yap, J., Bove, L. and Beverland, M. 2009. Exploring the Effects of Different Reward Programs on In-role and Extra-role Performance of Retail Sales Associates. *Qualitative Market Research*, 12(3): 279-294.

Yavuz, N. 2004. The use of non-monetary incentives as a motivational tool: A survey study in a public organisation in Turkey. M.Tech., Middle East Technical University.

Yokoyama, M. 2007. *When to use Employee Incentive Gifts*. Available: <http://ezinearticles.com/?when-to-use.employee-incentive-gifts&id=647448> (Accessed 19 June 2017).

Ziel, C.B. and Antoinette, C.T. 2003. *Psychology in the Work Context*. 2nd ed. South Africa: Oxford University Press.

Zikmund, W. 2003. *Business Research Methods*. 7th ed. South-Western Cengage Learning: Ohio.

Zingheim, P. 2010. 'Employers need to identify and reward high performers' Report on Salary Surveys, 10(11): 9-10.

Zululand and Coordination LED Framework, 2003

Zululand and Regional Development Plan, 1998

Zurn, P., Dolea, C. and Stilwell, B. 2005. *Nurse Retention and Recruitment: Developing Motivated Workforce*, WHO, Department of Human Resources for Health. Geneva: Switzerland.



A-Block, ML Sultan Campus

Durban

4000

Student Number: 21031789

Annexure A

QUESTIONNAIRE:

Assessing the effectiveness of incentives towards employees' performance in Abaqulusi Local Municipality.

CONTACT DETAILS:

Nokulunga Ngwenya

Cell: 082 229 3316 or 078 157 8246

Email: Phiwahcroco@gmail.com

QUESTIONNAIRE ON ASSESSING THE EFFECTIVENESS OF INCENTIVES TOWARDS EMPLOYEES' PERFORMANCE IN ABAQULUSI LOCAL MUNICIPALITY.

PLEASE NOTE

This questionnaire must only be completed by employees of selected Abaqulusi Local Municipality

All information in this questionnaire will be treated with utmost confidence. Information will only be used for academic purposes.

Instructions for completion:

1. Please answer the questions as objectively and honestly as possible.
2. Place a cross (x) in the space provided **using a pen**, at each question which reflects your answer the most accurately.

Use the following key: **1** = Strongly disagree; **2** = Disagree; **3**= Slightly disagree; **4** = Neutral view; **5** = Slightly Agree; **6** = Agree **7** = Strongly agree.

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
E1		1	2	3	4	5	6	7

3. Please answer all the questions, as this will provide more information to the researcher so that an accurate analysis and interpretation of data can be made.

It is hoped that you will find this questionnaire interesting.

Thanks for your willingness to participate.

SECTION A

Demographic information

The personal information is needed for statistical analysis of data. All responses will be treated in confidence.

Mark the applicable block with a cross (X). Complete the applicable information.

A1	Please provide your age group?	≤19	20-29	30-39	40-49	50-59	60+
		(01)	(02)	(03)	(04)	(05)	(06)

A2	Please state your marital status.	Single	Married	Divorced	Widowed	Living together
		(01)	(02)	(03)	(04)	(05)

A3	Which of the following represents your highest academic qualification?	
	Matric	(01)
	Certificate	(02)
	Diploma	(03)
	Bachelor's Degree	(04)
	Honors Degree / Post Graduate Diploma	(05)
	Master's Degree	(06)
	Doctoral Degree	(07)

A5	For how long have you been working with the KZN Provincial Treasury	
	Less than one (1) year	(01)
	1-3 years	(02)
	4-5 years	(03)
	6-10 years	(04)
	More than 10 years. Please specify	(05)

A6	Indicate your gender	
	Male	(01)
	Female	(02)

A7	Indicate your population group	Black	White	Coloured	Indian	Others
		(01)	(02)	(03)	(04)	(05)

A8	Please kindly indicate your ethnic group:				
Christianity	Judaism	Islam	Other		
(01)	(02)	(03)	(04)		

A9	What is your present employment status	
	Permanent	(01)
	Contract	(02)
	Part-time	(03)

A10	Which of the following represent your current position	
	Municipal Manager	(01)
	Senior Manager	(02)
	Assistant Manager	(03)
	Program Manager	(04)
	Chief policy analyst	(05)
	Financial Controller	(06)
	Assistant Financial Controller	(07)
	Non-Managerial	(08)

SECTION B

Indicate your intention to change present employment

Please indicate your perception regarding non-financial incentive.

Please indicate to what extents do you agree or disagree with the statements. Mark the applicable block with a cross (x)

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly Agree	Agree	Strongly agree.
B1	Requirement not aligned to incentive.	1	2	3	4	5	6	7
B2	Non-financial incentive push employees to work hard.	1	2	3	4	5	6	7
B3	Non-financial incentive lack employee's motivation.	1	2	3	4	5	6	7

B4	Promotion opportunities are not linked to non-financial incentives.	1	2	3	4	5	6	7
B5	Non-financial incentives promote quality work.	1	2	3	4	5	6	7
B6	Non-financial incentives promote productivity.	1	2	3	4	5	6	7
B7	I am satisfied with non-financial incentives than salaries/wages.	1	2	3	4	5	6	7
B8	Do you agree that lack of incentives affect employee performance?	1	2	3	4	5	6	7

SECTION C

Please indicate the effects of incentives on employee performance in the organisation.

Please indicate to what extents do you agree or disagree with the statements. Mark the applicable block with a cross (x)

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
C1	Employee salary affect performance.	1	2	3	4	5	6	7
C2	I think non-financial incentives should be linked to performance.	1	2	3	4	5	6	7
C3	Do you agree that incentives are essentials?	1	2	3	4	5	6	7
C4	Are you satisfied with your present salary?	1	2	3	4	5	6	7
C5	Do you think the working environment affect employee performance?	1	2	3	4	5	6	7
C6	Do you agree that changes in present incentive system improves employee performance	1	2	3	4	5	6	7
C7	My opinion is that incentives in any firm improves work quality.	1	2	3	4	5	6	7

SECTION D

Indicate the extent to which incentives improve performance

From the statements below indicate the level of improvement in performance as a result of incentives

Please indicate to what extent do you agree or disagree with the statements. Mark the applicable block with a cross (x)

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree.
D1	Do you agree that incentives increase employee performance?	1	2	3	4	5	6	7
D2	Better improvement through non-monetary outcomes	1	2	3	4	5	6	7
D3	Work in groups	1	2	3	4	5	6	7
D4	Delegate tasks	1	2	3	4	5	6	7
D5	Promotion of employees	1	2	3	4	5	6	7
D6	Fringe benefits such as housing, car, school fees and paid trips.	1	2	3	4	5	6	7

SECTION E

Describe the impact of non-financial incentives on employee performance

The statements below are about your views on effectiveness of non-financial incentives in your organisation. Select the exact impact of the non-financial incentives

Please indicate to what extent do you agree or disagree with the statements. Mark the applicable block with a cross (x)

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly Agree	Agree	Strongly agree.
E1	My managers allow free expressions on issues of incentives.	1	2	3	4	5	6	7
E2	Managers seek employees opinion on decision making on non-financial concern	1	2	3	4	5	6	7
E3	Awards given to employees by different institutions	1	2	3	4	5	6	7
E4	Through different promotional paths in the organisation	1	2	3	4	5	6	7

THANKS FOR YOUR CO - OPERATION

LETTER OF PERMISSION TO CONDUCT RESEARCH

Our Ref.: 10/1/R
Your Ref. N.Ngwenya

Enquiries: Municipal Manager
Dept.: Municipal Manager



✉ 57, VRYHEID 3100
c/o, Mark & High Street
☎ (034) 982-2133
📠 Fax: (034) 9809 637

24 April 2017

Dear Miss Ngwenya

RE: PERMISSION TO CONDUCT RESEARCH

Gatekeeper's permission is hereby granted for to conduct research at AbaQulusi Local Municipality towards your postgraduate studies, provided Ethical Clearance has been obtained. We note the title of your research "Assessing the impact of incentives towards employees' performance in AbaQulusi local Municipality."

It is noted that you will be constituting your sample with a request for responses from the employees of AbaQulusi local Municipality. Please note that the data collected must be treated with due confidentiality and anonymity.

Yours sincerely

Mr. D.H.Zulu
Acting Municipal Manager

"LEADERSHIP AND SERVICE EXCELLENCE"

EXECUTIVE COMMITTEE

Cllr SME Mtshali (Mayor), Cllr BL Zwane (Deputy Mayor) Cllr. MB Khumalo (SPEAKER Ex Officio)
Cllr MC Maphisa, Cllr I de Kock, Cllr PN Mazibuko, Cllr TZ Nkosi, Cllr NN Mdlalose; Cllr. PP Selepe

COVERING LETTER OF INFORMATION

Dear Sir, Madam, I am conducting research to assess the impact of incentives towards employees' performance in Abaqulusi Local Municipality. I will appreciate it if you will help me do this.

Title of the Research Study: Assessing the effectiveness of incentives towards employees' performance in Abaqulusi Local Municipality.

Principal Investigator/s/researcher: Nokulunga Ngwenya (MTech:Business Administration)

Co-Investigator/s/supervisor/s: Albert Tchey Agbenyegah (PhD)

Brief Introduction and Purpose of the Study: In spite of growing attempts by employers to develop and implement a good system of incentives as the tool for employee motivation, it is not certain that incentives being financial or non-financial alone are the necessary motivators in the public sector organisation such as Abaqulusi Local Municipality. Given the existing context of South African municipalities, financial incentives in general for instance salaries and fixed wages is of huge problems to employees. Aside, being the creator of job opportunities and stability, financial incentives allows employees to enjoy lasting job security; employees are offered fixed financial benefits to equate the level of job performance. Within the public sector, there are no form of incentives which directly impact on performance based payment system in contrast to private organisations.

Outline of the Procedures: A total of 150 participants will be recruited for this study. After signing an informed consent form, you will be asked to complete a questionnaire on exercise. This should take approximately 10 minutes of your time. Please answer all the questions. The researcher/assistants will be present if assistance is required. All questionnaires will be anonymous and no personal identifying information will be collected.

Risks or Discomforts to the Participant: There is no risk or discomfort associated with participating in this research.

Benefits: The researcher will benefit by obtaining a Master's degree. Abaqulusi employees will benefit from recommended strategies to improve the effectiveness of employees' incentives towards performance.

Reason/s why the Participant May Be Withdrawn from the Study: Participants are free to withdraw from the study at any time should you wish to do so without any consequence.

Remuneration: Participant is voluntary and there are no payments associated with participation.

Costs of the Study: There are no costs associated with participation in this study.

Confidentiality: Privacy, anonymity and confidentiality will be ensured. The signed, informed consent forms will be collected separately from the survey questionnaire. No names or personal identifying information will be on the survey questionnaire. No reference will be made to specific individuals throughout the study.

Research-related Injury: There will be no research related injury.

Persons to Contact in the Event of Any Problems or Queries:

Miss N. Ngwenya (082-2293316), Dr Albert Tchev Agbenyegah (033-8458876) or the Institutional Research Ethics administrator on 031 373 2900. Complaints can be reported to the DVC: TIP, Prof F. Otieno on 031 373 2382 or dvctip@dut.ac.za.



CONSENT

Statement of Agreement to Participate in the Research Study:

- I -----hereby confirm that I have been informed by the researcher, _____ (name of researcher), about the nature, conduct, benefits and risks of this study - Research Ethics Clearance Number: _____,
- I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerised system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

Full Name of Participant	Date	Time	Signature / Right thumbprint
---------------------------------	-------------	-------------	-------------------------------------

I, _____ (name of researcher) herewith confirm that the above participant has been fully informed about the nature, conduct and risks of the above study.

Full Name of Researcher	Date	Signature
--------------------------------	-------------	------------------

Full Name of Witness (If applicable)	Date	Signature
---	-------------	------------------

Full Name of Legal Guardian (If applicable)	Date	Signature
--	-------------	------------------

CERTIFICATE OF EDITING

MARGARET LINSTRÖM

LANGUAGE PRACTITIONER

Honours degree (Language Practice), Master's degree (Communication Science) (UFS)

Member of the Professional Editors' Guild

082 777 3224

26 October 2018

DECLARATION OF EDITING

I, Margaret Linström, hereby confirm that I edited the master's dissertation of Nokulunga C. Ngwenya. Student number 21031789.

The editing was done electronically, using Track Changes, to enable the candidate to accept or reject the suggested changes, thus retaining his authorial discretion and right to assert authorship. The editing did not include checking the list of references.