



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES**

**NON-MONETARY REWARDS AND EMPLOYEES MOTIVATION:
THE CASE OF WORLD LEARNING INC., ETHIOPIA**

BY
Hirut Tesfaye Amare

January, 2016
Addis Ababa, Ethiopia

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LETTER OF DECLARATION

I, Hirut Tesfaye Amare declare that this is my original work and that no other works than the indicated aids have been used for its completion.

I also assure that I have carried out the research independently under the supervision of the research advisor, Shoa Jemal (Asst. Professor, at St. Mary's University).

Hirut Tesfaye Amare

January, 2016

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CERTIFICATION

I, Shoa Jemal (Asst. Professor), certify that the research entitled “Non-Monetary Rewards and Employees Motivation: The Case Of World Learning Inc., Ethiopia” is conducted by Hirut Tesfaye Amare, under my supervision.

The work is original in nature and is appropriate for submission for the award of the Master’s Degree in Business Administration (MBA).

Shoa Jemal (Asst. Professor)

January, 2016

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LIST OF ACRONYMS

- WL - World Learning
- WLI - World Learning Incorporation
- WLE - World Learning Ethiopia
- NMI - Non-Monetary Incentive
- NMR - Non-Monetary Rewards

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ABSTRACT

The objective of this paper is to identify the non-monetary rewards and employees motivation: the case of World Learning Inc., Ethiopia. The paper discusses the relationship between non-monetary rewards and motivation towards employees' job performance. The study concluded that factors such as recognition, interesting duties, achievement and respect have positive effect on employee motivation. The more these factors happen, the more employees in an organization are motivated towards their job. Also there exists a positive relationship between employee motivation and organizational effectiveness. The more employees are motivated, organizational performance and success will be higher which leads to organizational effectiveness. The targeted population of the study are all employees of the organization throughout the country. The methodology used is descriptive through primary data. Structured questionnaire with five point Likert scale was a main tool. In organizing and analyzing the collected data, the descriptive and analytical methods of data analysis, that use charts and tables, were used to explicitly show real effect of motivation on job performance of World Learning Ethiopia (WLE). The finding of the study reveals that non-monetary rewards have an immense contribution in employees' motivation and boosting job performance. This, in turn, leads to organizational growth. Furthermore, inclusion of a policy on non-monetary rewards were the major findings of the study. Thus, the study concludes that WLE should design policies, rules and procedures that give space and time to the employees to work well and appreciate them on their tasks fulfillment and achievements. Furthermore, a strategy should be developed on how the organization should invest on empowering employee and get the best job performance is the key recommendation.

Key Words : *Incentive, Job Satisfaction, Non-monetary Incentives, Job performance, Motivation*

CHAPTER ONE

INTRODUCTION

This study addresses the non-monetary incentives and employees motivation: the case of World Learning Inc., Ethiopia with due focus on the non-financial compensation on employees' performances. This first chapter, which starts with background of the study, briefly explains the general overview of the relationship between compensation and performance. It proceeds with operational definitions of terms in the study and elucidate the why of this study-under Statement of the problem. The chapter also presents the general and specific objectives of the study, its significance, scope and limitation of the study.

1.1. BACKGROUND OF THE STUDY

Hiring employees is a typical human activity in which personality, fit, and many intangible qualities play crucial roles. In businesses of any size, a new employee has a potential to change the company for the better or for worse. For this reason hiring of employees is one of the business's most important management tasks in any organization.

There are different organizations in any country which hire, motivate and/or rule over employees. Ethiopia is not an exception of this fact. These organizations inevitably engage in hiring employees and make them to work for the ultimate goal of the organization. This goal might be reachable or not based on the performance of each and every employee performance after or within a certain period of time.

It is widely accepted by the organizational theorists that human power is one of the most important assets of an organization because things are getting done through employees. In other words, the success of an organization in realizing its objectives heavily depends on the performance of its employees. Therefore, it is important to focus on the factors affecting the performance of the employees. Today we believe that an organization's success is achieved through people (Pfeffer, 1994).

Job performance is an outcome that can be measured in terms of quantity and quality of outcome. This study aimed to examine the influence of non-monetary rewards towards job performance. The purpose of non-monetary incentives is to reward employees for better job performance through opportunities. Non-monetary rewards include recognition, respect, achievement, responsibility, advancement, interesting duties, flexible work hours, training, conducive work environment, sabbaticals, pension plans, insurance, leave, child care, medical refunds, service awards, uniforms, meal allowances, discounts on goods and services, tuition fees, and the like.

To get one's best performance in his/her job requires lots of input that motivate the employee. Among these inputs, non-monitory might be one important area that motivates or demotivates workers. Any organization works to fulfil and reach where it wants to be after a certain period of time. Therefore, to set goals, the organization's culture on non-monitory policies plays an inevitable role. Human resources have played a significant role in the economic development in most developed countries such as United States of America, Britain and Japan among others (Hill and Stewart, 2000).

Employees may be compensated in cash or non-cash for the work they have done either directly or indirectly. Monetary benefits is where one receives benefit as money, however, non-monetary benefits are benefits that do not involve money. For example: if someone works as a cleaner in a hotel; their non-monetary benefit might be free uniform, lunch, and sanitary materials free of charge.

It is suggested in the literature of human resource management and organizational behavior that non-monetary rewards act effectively in motivating employees. Its essence is to establish linkage with desired behavior and the outcome that makes the employee feel appreciated (Whetten and Cameron, 2007). Non-monetary rewards play a significant role in the perception of employee regarding the reward climate in the workplace (Khan et al., 2013). When organizations pay attention to non-monetary tools such as opportunity of increasing holiday and family benefits, the employee may perceive the organization as a supportive and caring organization. Rewards are important factors that explain certain job aspects contribute

significantly to the organization such as job satisfaction. Rewards, therefore, involve all economic benefits that are being supplied by the organization - pay, promotion, verbal recognition and responsibilities (Deperi, Tortia and Capita, 2010).

Non-monetary rewards are the intangible rewards that are used in an organization to motivate employees without direct payment in cash.

1.2. STATEMENT OF THE PROBLEM

The success of an organization in realizing its objectives heavily depends on the performance of its employees. Therefore, it is paramount important to focus on the factors affecting the performance of the employees if organizations need to materialize their objectives.

Motivation is the desire to achieve a goal and willingness to exert effort for it. Motivation is something that can lead to better performance when other conditions are met. It has an advantage over others in the sense that while the opportunity and ability tend to be stable and difficult to change for the personnel, motivation has a flexibility, that is, it can be changed by some means. Moreover, it is apparent that in the absence of willingness to perform; ability and opportunity will not generate the desired results.

All organizations, whether public or private, need to motivate employees to be effective and efficient in their functioning, in addition to the other factors. Employees who are motivated to work energetically and creatively toward the accomplishment of organizational goals are one of the most important inputs to organizational success. Consequently, the challenge for organizations is to ensure that their employees are highly motivated.

When the issue is motivation, one of the first things that comes to mind is the concept of incentive, which refers to any means that makes an employee desire to do better, try harder and expend more energy. According to (Syptak, Marsland, & Ulmer, 1999), fulfilled and motivated employees incline to be more committed and productive to their organization. To

improve/enhance employee work performance, organizations must attempt to maintain their motivated employees.

Starting from Elton Mayo and Human Relations School, it is emphasized that the need for recognition, self-respect, growth, meaningful work, social activities are as important as monetary incentives in increasing the employees' morale and motivation (Armstrong, 1998). There are many contemporary research studies supporting the effectiveness of non-monetary incentives as a motivating tool in the private sector organizations. This study will try to shed light on this issue and explore the motivating potential of non-monetary incentives in the private sector specifically in World Learning Ethiopia.

Many organizations in Ethiopia including WLE, provides non-monetary incentives to their employees. However, the main reason that the researcher wanted to conduct this research is to investigate the influence of non-monetary rewards on employees' motivation. In line with this, the purpose of this study focuses on to describe the effect of the use of non-monetary rewards as a motivational tool and their effectiveness to motivate in the motivation of World Learning Ethiopia employees. It will further explore if the WLE staff has awareness of nonmonetary incentives, it also identifies which nonmonetary motivational tools really encourage the staff to better perform and it checks if the nonmonetary motivational practices are also valued by the employee of WLE.

- How does NMRs perceived by employees in WLE?
- To what extent the degree of utilization of NMRs determine in WLE?
- What are the types of NMRs that are most valued by employees of WLE?
- How NMRs does relate to employees motivation?

1.3. OBJECTIVES OF THE STUDY

This study has the following objectives.

1.3.1. General Objective

- To investigate the essence of non-monetary rewards and employees motivation: the case of World Learning Inc., Ethiopia.

1.3.2. Specific Objectives

- To assess employees' perception of non-monetary rewards in the organization under study;
- To determine the adequacy and degree of utilization of the non-monetary rewards in World Learning Incorporation (WLI)/Ethiopia;
- To assess types of non-monetary rewards valued most by employees of WLI/Ethiopia;
- To assess non-monetary rewards on employees' motivation.

1.4. SIGNIFICANCE OF THE STUDY

Motivated and committed employees with high levels of job involvement are considered as an important asset to an organization. Keeping employees motivation, commitment and job involvement up is always rewarding to a business as motivated and committed employees are more productive. In turn, higher productivity usually results in higher profits (Denton, 1987). Employees' motivation is obviously important to boost job performances and productivity. Incentives are one of the mechanisms used to achieve utmost employees' performances. Likewise, non-monetary rewards are cost effective mechanisms to enhance employees' performance. This study has a significant endeavor in promoting good work environment in the workplace and motivations. The outcome of the research could be used as a starting point to focus on the relevance of non-monitory rewards for a better performance at different workplaces. Consequently, organizations' shall be in a position to review their non-monetary policies.

Accordingly, the result of this study is significant in various respects.

- It helps WLE to understand the importance of non-monetary reward in relation with respect, interesting duties, achievement and recognition.
- The study could serve as the bench mark for further studies on non-monetary rewards.
- It can also be used as a source of information or document for later use by HR Department for any further action related to non-monetary rewards.

1.5. SCOPE OF THE STUDY

This study is concerned only with the essence of non-monetary rewards on employees' motivation at WLE workforces. For the purpose of representation, all the employees were addressed. The study focuses on assessing the effects of non-monetary motivation and job performances of all the 142 employees in World Learning Inc. /Ethiopia. As WLI/Ethiopia implements its program in all nine regions and two city administrations of Ethiopia, the scope of this study encompasses all WLI staff members in Ethiopia. The study covers the period of six months effective July 2015. In addition, in relation with related literature review, the researcher uses mainly Frederick Irving Herzberg's theory on motivation.

1.6. DEFINITION OF TERMS

The following key terms have been operationally defined as they are used in this study.

- **Non-Monetary:** benefits that are not, or cannot be, directly measured in terms of monetary units.
- **Conducive work environment:** to be a more certain way to enhance motivation and performance (Pfeffer, 1998)
- **Motivation :** A motive is a reason for doing something (Armstrong, 2006)
- **Incentive:** is something that motivates an individual to perform an action (Armstrong, 2006)
- **Job performance** - behaviors or actions that are relevant to the goals of the organization (McClay, Campbell and Cudeck; 1994)

1.7. LIMITATIONS OF THE STUDY

There were some challenges and limitations to the study. Physical inaccessibility was the first limitation of this study. It was difficult to collect data from senior managers and field staffs members who were frequently on field works. Lack of clarity of qualitative information from respondents was another limitation pertaining to information. Also, limitation of cooperation in

obtaining the right information from non-management employees emanating from lack of understanding was observed.

1.8. ETHICAL CONSIDERATIONS

(Babbie, 2008) voluntary participation and informed consent, no harm to participants, anonymity and confidentiality, deceiving subjects, analysis and reporting shall be considered. In this study too, all the questionnaire respondents and the information they provided would be treated confidentially. The respondents were treated in code and the findings will be communicated to the organization in a way that it does not show who exactly the respondents were.

1.9. ORGANIZATION OF THE STUDY

The research report consists of five chapters. The first chapter introduces the study area and details background of the study, statement of the problem, objective of the study, significance of the study, scope of the study and limitation of the study including operational definition. Second chapter is devoted to literature review. Third chapter is concerned with methodologies used to collect data and analyze data. The fourth chapter is concerned with result and interpretation including the detailed analysis of the collected data. The fifth, which is the closing chapter, focuses on summary, findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents the concepts of motivation, job performance, and related concepts. It provides a clear information that are related to the specific topic of the study. Herzberg's motivational theory was chosen to support the study as it has a direct relevance to the study.

Although it is clear that each theory could be proven to show some relevance and validity within the work environment and throughout different industries, mostly this study focused on Herzberg theory of motivation and its impact on job performances as Frederick Herzberg was a well-respected American who has contributed greatly to the way in which managers think about motivation at work. He first published his theory in 1959 in a book entitled 'The Motivation to Work' and put forward a two factor content theory which is often referred to as a two need system. It is a content theory which explains the factors of an individual's motivation by identifying their needs and desires, what satisfies their needs and desires and by establishing the aims that they pursue to satisfy these desires.

2.1. COMPENSATION

Motivating employees can be challenging for any organization. In some organizations, monetary rewards are enough to get the most out of employees, while in other industries, other types of rewards may be more effective. Compensation is a systematic approach to provide monetary or non-monetary value to employees in exchange for task performed. Employee compensation is the total amount an employee can expect to receive when working for an organization

Compensation can be used for many purposes. It can be used in recruitment, job performance, and job satisfaction (Armstrong, 1998). The purpose of monetary and non-monetary incentives are similar. Only slight differences may exist between the two in what they are designed to accomplish.

A monetary incentive is generally awarded for a job well done and is often something that the employee can strive for. These are usually offered in the form of some type of bonus. However, the purpose of a non-monetary reward is to generally reward the employee after the act of doing a good job. This may not always be the case for every type of non-monetary reward, but these rewards are not generally something the employee works toward.

2.2. NON-MONETARY INCENTIVES

The purpose of non-monetary incentives is to reward associates for excellent job performance through opportunities. Non-monetary incentives include flexible work hours, training, pleasant work environment, and sabbaticals.

Differences between monetary and non-monetary incentives are simple to distinguish, in some respects, but their impacts on an employee's performance can be somewhat more difficult to measure. Of all the different types of incentives, wages are the most common, and the reason why most people work. Non-monetary incentives can be just as effective in motivating employee behavior. Some of the non-monetary incentive are flexible working arrangements, provision of extensive training plans, recognition, day off, monthly office theme day to boost morale, rewards (gym), timeout (work on project out of normal working hours), regular awards event, volunteer work, etc.

Rewards are designed as a way to show staff appreciation for their hard work, and whilst extra money is often cited as motivator for employees, it's often the intangible, non-monetary rewards which have the most impact on staff morale. Regardless of the benefits you offer to staff, seek to make your workplace an atmosphere where hard work is recognized and rewarded on a regular basis.

2.3. MOTIVATION

Any organization or company need manager and/or employees to achieve its goals effectively and efficiently. Managers within companies or organizations are primarily responsible to ensure the tasks or job is done through employees in the right way. To achieve this, these managers must ensure that they have a competent personnel department for the recruitment of the best employees that are capable to do the job. For the company to optimize employee's performance there is a need for the employees to be sufficiently motivated (Akah, 2010).

At different times, many have attempted to develop detailed theories and studies of motivation, satisfaction, and self-awareness. For example, (John, 2003) explains that performance appraisal and motivation of employees are being introduced into organizations, industries and workplaces at an increasing rate. Understanding what motivates people in all walks of life is basic to all who aspire management. Several researchers and theorists addressed job performance appraisals and motivation of employees in numerous ways. John, 2003 also says *“one of the best known of all the writers on motivation is Herzberg. He is noted for – among other things – his ideas on job enrichment, enlargement and rotation. However, his ideas on motivation in the hygiene-motivation theory are particularly useful to our understanding of what motivates people.”*

Motivation has been an issue of concern in the past and has established it-self as an integral part in current organizational settings (William, 2010). Motivation is quite complex to comprehend thus placing awareness to the fact that several factors influence employees performance in a particular organization. Reason being that, what motivates one worker will not definitely motivate the other employee within the same company. *“Motivation can be defined as a driving force within a person which stimulates the individual to do something up to the target level in order to fulfill some need or expectation”* (Mullins, 2007). *“Motivation refers to an internally generated drive to achieve a goal or follow a particular course of action”* (Saylor, 2008). Russell, 1971 explains that three qualities are included in most definitions of motivation; it is a presumed internal force, energizes for action, and determines the direction of action. *“Thus far,*

the motivational process has been viewed as a decision-making process which takes place within the employee” Aldag, 1979.

All organizations are concerned with what should be done to achieve sustained high levels of performance through people. This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and, importantly, the work they do and the organization context within which they carry out that work. The aim is to develop motivation processes and a work environment that will help to ensure that individuals deliver results in accordance with the expectations of management.

Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. It describes what organizations can do to encourage people to apply their efforts and abilities in ways that will further the achievement of the organization’s goals as well as satisfying their own needs. It is also concerned with job satisfaction – the factors that create it and its impact on performance. In understanding and applying motivation theory, the aim is to obtain added value through people in the sense that the value of their output exceeds the cost of generating it. This can be achieved through discretionary effort. In most if not all roles there is scope for individuals to decide how much effort they want to exert. They can do just enough to get away with it, or they can throw themselves into their work and deliver added value. Discretionary effort can be a key component in organizational performance.

Unfortunately, approaches to motivation are too often underpinned by simplistic assumptions about how it works. The process of motivation is much more complex than many people believe. People have different needs. They establish different goals to satisfy those needs and take different actions to achieve those goals. It is wrong to assume that one approach to motivation fits all. That is why the assumptions underlying belief in the virtues of performance-related pay as a means of providing a motivational incentive are simplistic. Motivational practices are most likely to function effectively if they are based on proper understanding of what is involved.

The intention to give motivational incentives is to get the employees motivated and perform jobs more energetically. Motivation is derived from the Latin word “movere”, which means “to move”. It is an internal force, dependent on an individual’s needs which drive him/her to achieve (Vroom, 1964). In order to understand people’s behavior at work, managers or supervisors must be aware of the concept of needs or motives, which will help ‘move’ their staffs to act (Schulze and Steyn, 2003). Motivation is a need-satisfying process which means that when an individual’s needs are satisfied or motivated by certain factors, the individual will exert superior effort toward attaining organizational goals (Robbins, 2001). Different theories are used to explain ways of motivating employees.

Types of Motivation

Motivation at work can take place in two ways. First, people can motivate themselves by seeking, finding and carrying out work (or being given work) that satisfies their needs or at least leads them to expect that their goals will be achieved. Secondly, people can be motivated by management through such methods as pay, promotion, praise, etc.

There are two types of motivation as originally identified by Herzberg *et al* (1957):

- ***Intrinsic motivation*** – the self-generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility (feeling that the work is important and having control over one’s own resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement.
- ***Extrinsic motivation*** – what is done to or for people to motivate them. This includes rewards, such as increased pay, praise, or promotion, and punishments, such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the ‘quality of working life’ (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside.

Intrinsic motivation outcomes are more under the control of individuals, who can place greater reliance on their past experiences to indicate the extent to which positive and advantageous results are likely to be obtained by their behavior. This theory was developed by Porter and Lawler (1968) into a model, which follows Vroom's ideas by suggesting that there are two factors determining the effort people put into their jobs:

1. the value of the rewards to individuals in so far as they satisfy their needs for security, social esteem, autonomy, and self-actualization;
2. the probability that rewards depend on effort, as perceived by individuals – in other words, their expectations about the relationships between effort and reward.

Thus, the greater the value of a set of awards and the higher the probability that receiving each of these rewards depends upon effort, the greater the effort that will be put forth in a given situation. But, as Porter and Lawler emphasize, mere effort is not enough. It has to be an effective effort if it is to produce the desired performance. The two variables, additional to effort, which affect task achievement are:

- *ability* – individual characteristics such as intelligence, manual skills, know-how;
- *role perceptions* – what the individual wants to do or thinks he or she is required to do.

These are good from the viewpoint of the organization if they correspond with what it thinks the individual ought to be doing. They are poor if the views of the individual and the organization do not coincide.

2.4. THEORETICAL REVIEW OF INCENTIVES AND MOTIVATION FROM HERZBERG POINT OF VIEW

Motivational theory can help us to consider the different investments which can be made in people. Investment in workers through motivational measures are made today with the hope of future benefits for an organization (Opu, 2008). Motivational theories have been categorized into two main groups: content theories and process theories (Shannon, 2005).

The content theories tend to focus on the needs of the individual, trying to explain the different factors that contribute to either encouraging or halting a behavior within that individual. These theories are also appropriately known as “need-based theories.” Some of the more famous theories within this category include Maslows’ Hierarchy of Needs Theory (1954), McClelland’s Needs Theory (1961), and Herzberg’s Two-Factor Theory (1959), (Shannon, 2005).

Herzberg divided these factors into two major categories namely hygiene factors (dissatisfiers) and motivators (satisfiers). Under the hygiene factors he stated factors such as working conditions, company policies and administrative practices, salary and benefits, supervision, status, job security, co-workers and personal life while the motivators include factors such as recognition, achievement, advancement, growth, responsibility and job challenge. One set of needs is associated with what a person does while the other is concerned with the situation in which it is done (Opu, 2008).

Consequently, the basic premise of the Herzberg’s Two-Factor Theory is that if an employer or manager is trying to increase job satisfaction and ultimately job performance for an employee or coworker, they need to address those factors that affect one’s job satisfaction. The most direct approach is to work on the intrinsic, job content factors. Giving the employee encouragement and recognition helps them to feel more valued within the company, as well as giving a sense of achievement and responsibility. Herzberg says, that “the only way to motivate the employee is to give him [her] challenging work in which he [she] can assume responsibility” (Leach, 2000). If the employee does not feel some responsibility associated with a certain task or department, he/she will not feel like their work is worthwhile. Also “people must believe that they are capable of attaining a goal before they will commit serious energy [or motivation] to it” (Hunsaker, 2005) (Shannon, 2005). Therefore, it is important to include your employees in the decision making and at times the job assignment or delegation. This will help the employee to feel more responsibility and in turn a higher level of motivation.

On the other hand, employers need to consider the level of job dissatisfaction among their employees as well. To directly approach the issue of dissatisfaction in the work place and to try

and revitalize the environment a bit, employers need to focus on the hygiene or job context factors. For example if an employer brings in an ergonomic expert to alter the workstations in some way or change up some of the work teams, they might decide to turn the individual's desk to face a certain direction or change something as little as the height of the employees' chair, or position or style of the keyboard and computer monitor. In the two-factor theory, job satisfaction and job dissatisfaction are totally separate dimensions. Therefore, when trying to improve a factor that effects job dissatisfaction, an extrinsic factor, such as the working conditions, will not alter the employees perception of whether they are satisfied with their work; it will only prevent them from being dissatisfied (Schermerhorn, 2003), (Shannon, 2005).

Herzberg carried survey from a group of accountants and engineers. In his studies, he came up with the conclusion that employees are influenced by two factors. These are the motivators and hygiene factors. Motivators are those factors which provide feeling of job satisfaction at work. These factors influence the ways of work in a company; for example giving responsibility to carry an enlarged task within an organization and providing the person with the necessary conditions will lead to growth and advancement to higher level tasks. Motivators create job satisfactions which include achievement, recognition, autonomy and other intrinsic aspects when there are fulfilled. Motivators are those factors which come from within an individual that is intrinsic. These factors could be achievements, interest in the task, responsibility of enlarge task, growth and advancement to higher level (Shannon, 2005).

On the other hand he came up with the hygiene factors which will enhance dissatisfaction when they are not fulfilled. Herzberg hygiene factors create a suitable work environment though not increase in satisfaction. For instance low pay can cause job dissatisfaction which will affect employees' performance. Hygiene factors are essential to make sure that the work environment does not develop into a disgruntle situation. Typical hygiene factors are salary, working condition, status, company policies and administration (Saiyadain, 2009), (Akah, 2010).

The process theories seem to be much more complex and look deeply into the thinking process of the individual, trying to explain the "why" or "how" of motivation. These theories explain "why workers select behaviors and how they determine whether their choices were successful"

(Hunsaker, 2005). They also seem to have more interest in the personal factors within the individual and the psychology involved in their decisions and motivations. Some of the notable process theories include Vroom's Expectancy Theory (1964), Adam's Equity Theory (1965) (Ruthankoon, 2003) and (Shannon, 2005)

Herzberg's motivation theory is one of the content theories of motivation. This paper presents the impact of motivation on job performance based on the Herzberg's theory of motivation. Frederick Herzberg performed studies to determine which factors in an employee's work environment caused satisfaction or dissatisfaction. He published his findings in the 1959 book 'The Motivation to Work'. Herzberg found that the factors causing job satisfaction (and presumably motivation) were different from that causing job dissatisfaction. He developed the motivation-hygiene theory to explain these results. He called the satisfiers motivators and the dissatisfies hygiene factors, using the term "hygiene" in the sense that they are considered maintenance factors that are necessary to avoid dissatisfaction but that by themselves do not provide satisfaction.

This theory attempts to explain the factors that motivate individuals through identifying and satisfying their individual needs, desires and the aims pursued to satisfy these desires (John, 2003). Herzberg's Two-Factor Theory of motivation is known as a two factor content theory. It is based upon the deceptively simple idea that motivation can be dichotomized into hygiene factors and motivation factors and is often referred to as a 'two need system'.

According to Frederick Herzberg, "the motivating factors are the six 'job content' factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth work (Hall and Williams 1986). These factors will be discussed in detail in the following paragraph.

If an employee completes a task or project before the deadline and receives high reviews on the result, the satisfaction of the employee will increase. However, if that same individual is unable to finish the project in time, or feels rushed and is unable to do the job well, the satisfaction level may decrease. Recognition is when the employee receives the acknowledgement they deserve for

a job well done and this increases satisfaction. If the employee's work is overlooked or criticized, it will have the opposite effect. Work itself involves the employees' perception of whether the work is too difficult or challenging, too easy, boring or interesting. Responsibility involves the degree of freedom an employee has to make their own decisions and implement their own ideas. The more liberty to take on that responsibility, the more inclined the employee may be to work harder on the project, and be more satisfied with the result. Advancement refers to the expected or unexpected possibility of promotion. An example of negative advancement would be if an employee did not receive an expected promotion or demotion. Possibility of growth includes the chance one might have for advancement within the company. This could also include the opportunity to learn a new skill or trade. When the possibility/opportunity for growth is lacking or if the employee has reached the peak or glass ceiling, as it is sometimes referred to, this could have a negative effect on the satisfaction the employee feels with their job and position (Shannon, 2005).

Hygiene factors are the *“job context’ factors, which include company policy, supervision, relationship with supervisor, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security”* (Ruthankoon, 2003). The following are the hygiene factors, which work in the same way with positive or negative attributes. However, these factors can only have an effect on the dissatisfaction one feels.

An employee's perception of whether the company policies are good or bad or fair or not, changes the level of dissatisfaction that employee will feel. Personal or Working Relationships are those relationships in which one engages in with their supervisors, peers, and subordinates. How someone feels about the interaction and discussions that take place within the work environment can also affect dissatisfaction. Working conditions include the physical surroundings that one works within, such as the facilities or location. Salary factor is fairly simple, the increase or decrease of wage or salary affects the dissatisfaction within a company a great deal. Although people try to separate the two, work and personal life, it is inevitable that one will affect the other. Feeling a job security is a pretty significant factor. The sense of job security within a position or organization as a whole relates to the dissatisfaction as well (Ruthankoon, 2003), (Shannon, 2005).

Basically the theory differentiates the factors between intrinsic motivators and extrinsic motivators. The job context factors, on the other hand, are the extrinsic factors that someone as an employee does not have much control over. They relate more to the environment in which people work than to the nature of the work itself (Schermerhorn, 2003). Herzberg identifies these factors as the sources for job dissatisfaction. Herzberg reasoned that because the factors causing satisfaction are different from those causing dissatisfaction, the two feelings cannot simply be treated as opposites of one another. The opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. Similarly, the opposite of dissatisfaction is no dissatisfaction. While at first glance this distinction between the two opposites may sound like a play on words, Herzberg argued that there are two distinct human needs portrayed (Shannon, 2005). Herzberg states that satisfaction and dissatisfaction are not on the same continuum and are therefore not opposites.

According to Herzberg, managers do not motivate employees by awarding employees higher wages, more benefits or status symbols. Rather, employees are motivated by their own inherent need to accomplish something at a challenging task. The manager's job then is not to motivate employees to get their tasks achieved; rather, the manager should provide opportunities for people to achieve their task so that they will become motivated. (Marchington & Wilkinson 2005). Moving employees through a diversity of jobs, departments or functions is particularly an excellent approach to expose the employees to challenging task. This is very suitable to employees who have been on a job for a long time and are no longer challenged by the job but rather who have a strong need for activities or change. By open-handed the opportunity to change jobs, the manager has definitely exposed the employees to new challenges and it will enable the employees to put in their best in order to meet up to expectations. (Stone 2003, 40-41). This therefore creates an enabling environment for greater motivation and performance within the organization (Akah, 2010).

Herzberg's Two-Factor Model

The two-factor model of satisfiers and dissatisfiers was developed by Herzberg *et al* (1957) following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers. It was assumed that people have the capacity to report accurately the conditions that made them satisfied and dissatisfied with their jobs. Accordingly, the subjects were asked to tell their interviewers about the times during which they felt exceptionally good and exceptionally bad about their jobs and how long their feelings persisted. It was found that the accounts of 'good' periods most frequently concerned the content of the job, particularly achievement, recognition, advancement, autonomy, responsibility, and the work itself. On the other hand, accounts of 'bad' periods most frequently concerned the context of the job. Company policy and administration, supervision, salary and working conditions more frequently appeared in these accounts than in those told about 'good' periods. The main implications of this research, according to Herzberg, are that: The wants of employees divide into two groups. One group revolves around the need to develop in one's occupation as a source of personal growth. The second group operates as an essential base to the first and is associated with fair treatment in compensation, supervision, working conditions and administrative practices. The fulfilment of the needs of the second group does not motivate the individual to high levels of job satisfaction and to extra performance on the job. All we can expect from satisfying this second group of needs is the prevention of dissatisfaction and poor job performance.

These groups form the two factors in Herzberg's model: one consists of the satisfiers or motivators, because they are seen to be effective in motivating the individual to superior performance and effort. The other consists of the dissatisfiers which essentially describe the environment and serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. The latter were named the hygiene factors in the medical use of the term, meaning preventive and environmental.

Herzberg and his associates concluded from their interview findings that job satisfaction consisted of two separate independent dimensions: the first dimension was related to job satisfaction, and the second dimension to job dissatisfaction. These dimensions are not opposite

ends of the same continuum, but instead represent two distinct continua. High satisfaction is not in the main brought continuum about by the absence of factors that cause dissatisfaction. Those job characteristics that are important for, and lead to, job satisfaction but not to job dissatisfaction are classified as "satisfiers," while those that are important for, and lead to, job dissatisfaction but not to job satisfaction are classified as "dissatisfiers." A few job characteristics functioned in both directions (House and Wigdor, 1967: 370).

According to the theory, the satisfiers are related to the nature of the work itself and the rewards that flow directly from the performance of that work. The most potent of these are those characteristics that foster the individual's needs for self-actualization and self-realization in his work. These work related or intrinsic factors are achievement, recognition, work itself, responsibility, and advancement. A sense of performing interesting and important work (work itself), job responsibility, and advancement are the most important factors for a lasting attitude change. Achievement, more so than recognition, was frequently associated with the long-range factors of responsibility and the nature of the work itself. Recognition that produces good feelings about the job does not necessarily have to come from superiors; it might come from peers, customers, or subordinates. Where recognition is based on achievement, it provides more intense satisfaction (House and Wigdor, 1967: 370).

The dissatisfaction factors are associated with the individual's relationship to the context or environment in which he does his work. The most important of these is company policy and administration that promotes ineffectiveness or inefficiency within the organization. The second most important is incompetent technical supervision—supervision that lacks knowledge of the job or ability to delegate responsibility and teach. Working conditions, interpersonal relations with supervisors, salary, and lack of recognition and achievement can also cause dissatisfaction (House and Wigdor, 1967:370).

The second major hypothesis of the dual-factor theory of motivation is that the satisfiers are effective in motivating the individual to superior performance and effort, but the dissatisfiers are not.

2.5 EMPIRICAL REVIEW OF MOTIVATION

Practical aspects of Herzberg's theory demand the meticulous utilization of factors termed as satisfiers and dissatisfiers. The extrinsic and intrinsic incentives are interconnected to motivation. When extrinsic incentives are offered by the organization leadership and are in a job then the individual worker will be encouraged by these positive external motivators to develop a positive relation to his/her job. This in turn creates the intrinsic incentives that are derived from that relationship of the worker and his job. Both the presence of these external motivating factors and those internal to the job that are intrinsic will then drive a positive attitude towards work. Hence motivation and the resultant good performance will be observed. These factors are categorized into intrinsic and extrinsic factors. Leaders or managers should be aware of the distinct issues workers need in their work in order to boost performance (Opu, 2008). For instance some of the satisfiers and dissatisfiers are:

Satisfiers

- Workers need to feel that they are recognized by their superiors and the organization for which they work.
- Workers need to feel that their job helps them to achieve their aspirations. This in the end enables them to work and meet organizational objectives.
- Workers need to see prospects of advancement in their jobs.
- People need to grow in their jobs.
- People want to feel that sense of responsibility over their jobs.
- People want to do challenging jobs rather than those that have less challenge.

Dissatisfiers

- Working conditions require an organization to provide a work environment that is conducive for workers to perform well.
- Policies and administrative practices suggest that the organization policies and practices of administering people should encourage them to perform well.

- The provision of salaries and other financial benefits to the workers that will encourage them to be committed to the work in the organization.
- The presence of adequate supervision to workers by the supervisors is important to enhance good performance.
- The kind of jobs that people possess should enable them to feel that they have good status. This will help to encourage them to commit their time and efforts to work.
- People should feel secure in their jobs. This helps them to work harder because they are not worried about the loss of their jobs.
- Provision of team work dynamics among workers is important to encourage them to place their efforts together towards the same purpose.
- People need to be given ample space to have their own personal life.

In case the factors that dissatisfy workers are not achieved, then the workers cannot be motivated by those factors that make jobs satisfying (Boeree, 2006).

The Relationship between Motivation and Job Satisfaction

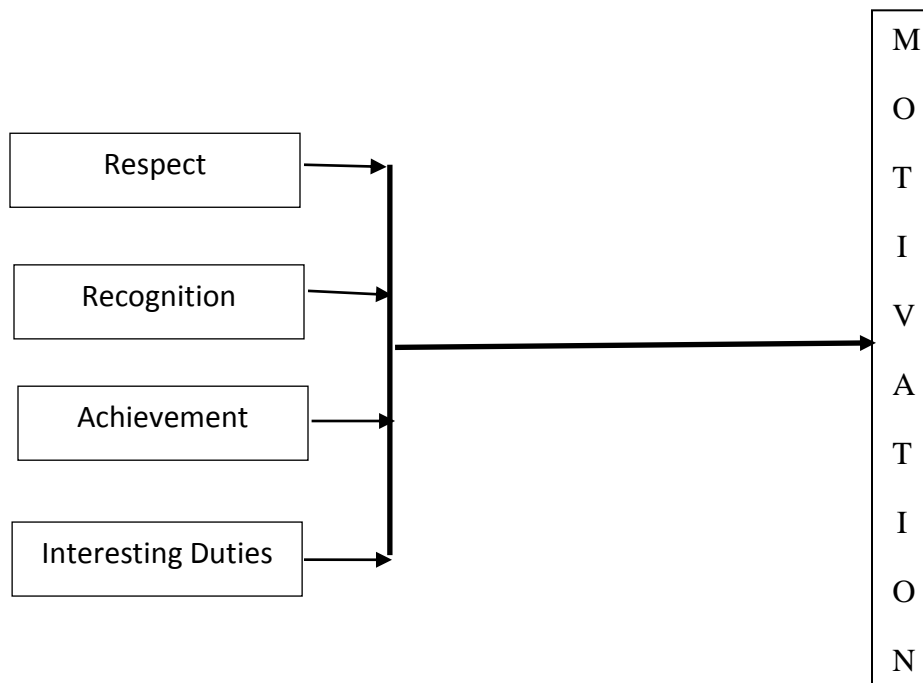
The basic requirements for job satisfaction may include comparatively higher pay, an equitable payment system, real opportunities for promotion, considerate and participative management, a reasonable degree of social interaction at work, interesting and varied tasks and a high degree of autonomy and control over work pace and work methods. The degree of satisfaction obtained by individuals, however, depends largely upon their own needs and expectations, and the working environment.

The term 'job satisfaction' refers to the attitudes and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction. Morale is often defined as being equivalent to job satisfaction. Guion (1958) defines morale as 'the extent to which an individual's needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his (*sic*) total work situation'. Other definitions stress the group aspects of

morale. Gilmer (1961) suggests that morale ‘is a feeling of being accepted by and belonging to a group of employees through adherence to common goals’. He distinguishes between morale as a group variable, related to the degree to which group members feel attracted to their group and desire to remain a member of it, and job attitude as an individual variable related to the feelings employees have about their job.

2.6. CONCEPTUAL FRAMEWORK

The study of the effect of non-monetary factors on employees’ motivation and performance have the following conceptual frame work. Non-Monetary Rewards (NMR) such as Respect, Recognition, Advancement and Interesting Duties help to motivate employees without incurring monetary cost. This creates motivation to work more which would increase job performances and goal achievement. Optimal job performances and goal achievements obviously result in higher productivity. Growth in productivity creates more demands for incentives



Employees would be motivated in terms of how well they are respected, recognized, made achievement and given interesting duties. Consequently, the more employees are motivated, the more their performance boosts.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This section describes the design and methodology used to undertake the study titled the non-monetary rewards and employees motivation: the case of World Learning Inc., Ethiopia. It presents the detail about research design, sources of data, instruments of data collection, population and sampling procedures, methods of data analysis as well as ethical considerations. It is the theoretical as well as empirical analysis of the methods used for the research done.

The study setting of this research describes also where and how the organization under study was selected.

World Learning Inc./Ethiopia is selected for the fact that adequate sample size of employees and access of the organization to the researcher and presence of organized policies and procedures in the organization. The study organization is a US based International NGO which has central office at Addis Ababa and regional offices.

3.1. RESEARCH DESIGN

Descriptive and analytical study designs were used to assess the non-monetary rewards and employees motivation: the case of World Learning Inc., Ethiopia.. The descriptive design presents both qualitative and quantitative tools to employee motivation adopted by WLE. The analytical tool was used for identifying the relationship between variables. The study is based on the use of structured questionnaires (see appendix I). The questionnaire reached to individuals in person as well as sending it via e-mail. This helped to minimize the effect of time related changes that may introduce biases on the response of the study subject. This approach is used as it is satisfactory tool for collecting data for the sample population to investigate the topic under study.

3.2. SOURCES OF DATA

Data for this study was obtained from primary sources. Data were collected from all employees of World Learning Inc./Ethiopia through structured questionnaire. Primary data was sourced from questionnaires distributed to the professional staff, middle, lower and top level managers. The purpose of the questionnaire is to investigate the influence of non-monetary rewards on employees' job performance in WLE. Questionnaire is attached in appendices (Appendix I). Besides, written instructions were provided for each of the survey questions and subjects were informed about the purpose of the study by a cover letter attached to the questionnaire. Respondents were asked to anonymously complete the survey.

3.3. INSTRUMENTS OF DATA COLLECTION

The instrument used to collect data was questionnaire. This tool was selected to get more in-depth quantitative and qualitative data from the study participants. The tool was used to assess knowledge and attitude of the participating employees about non-monetary rewards and its possible influence on job performances.

For this research, Likert scale with 5 grades is preferred so as to allow wider opinion range for the respondents. For very low position holders who may face difficulty of understanding the English version of the questionnaire, an interpreted Amharic version was given out and their replies were back translated to English language.

The survey was pre-tested with a group of twelve people for inputs and comments before the actual data collection. Following the feedback received, the questionnaires were rephrased. The scale was reviewed and certain descriptions were restated and amended.

Overview and clarifications on the purpose and how to fill the questionnaire was given to respondents so that the questionnaire can be clearly understood and the outcome can be clearer.

3.4. POPULATION AND SAMPLING PROCEDURES

The study population is employees of World Learning Inc./Ethiopia. Currently, the organization has 142 employees throughout its workplace. To ensure adequacy of sample size, all the 142 employees were included in the study. The distribution of employees in each workplace was different. For instance, there was a region that has only one employee and at the same time, there is also a place that had 63 staff. So, the sample size 142 employees is added from every region. The position of the employees are Custodian Support, Guard, Monitoring and Evaluation/Program Assistant, Quality Assurance and Mentoring Officer, Receptionist, Store Keeper, Area Coordinator, Human Resource Coordinator, Logistics Coordinator, Procurement and Administration Manager, IT Support Specialist, Capacity Building Advisor, Director of Finance and Operations Director, Legal Representative, Chief of Party, Deputy Chief of Party, Social Market Advisor, SBCC Advisor, Senior Monitoring and Evaluation Manager, Database Manager, Graphic Designer and Executive Secretary.

3.5. VALIDITY AND RELIABILITY TEST

According to Coakes (2005:35) the normality of the data can be determined by using the Kolmogorov-Smirnov test (if the sample size is above 100) and the Shapiro-Wilks test (if the sample size is below 100). If the significance level is greater than 0.05 using either of the two tests, then normality is assumed. This study used the Kolmogorov-Smirnov test to determine the normality of the data because the sample size was more than 100. The significance of the Kolmogorov-Smirnov test was greater than 0.05 in all the tests. This implies that the normality of the data can be assumed.

3.7. DATA ANALYSIS METHOD

After the data filled out, questionnaires were collected back. The filled questionnaires were then checked for completeness as well as anonymity of the data. Data entry template was designed by using SPSS Version 20. Each filled questionnaire that checked for its completeness, anonymity and missing values were coded and double entered using SPSS software. Data cleaning was done after saving the master database on a separate file. Representations like tables and charts are used to ensure easy and quick interpretation of data.

3.8. ETHICAL CONSIDERATIONS

The researcher maintained scientific objectivity throughout the study, recognizing the limitations of competence. Every person involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was drawn is acknowledged.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Demographic characteristics of the respondents, analysis and interpretation based on the data collected from the employees of the case company are presented in this chapter. Moreover, summarized results of the demographic profile of respondents and the response towards the items included in the questionnaire as well as descriptive statistics were described, analyzed and synthesized in tables, percentages and charts with the help of Statistics Package software for Social Scientists (SPSS) version 20.

4.1. DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

Demographic characteristics including sex, age, educational background, current position in WLE, work experience and response towards all variables are summarized using frequencies and percentages.

4.1.1 Sex of Respondents

The table below presents data on sex of respondents. It shows that the male respondents formed majority of the target population with a total of 135 representing 74.81%, while 34 respondents were female representing 25.19%. It is clear that as most of the respondents were male, the dominant number of employment is taken by male in WLE.

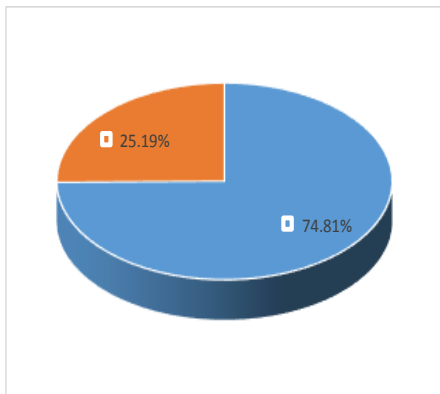
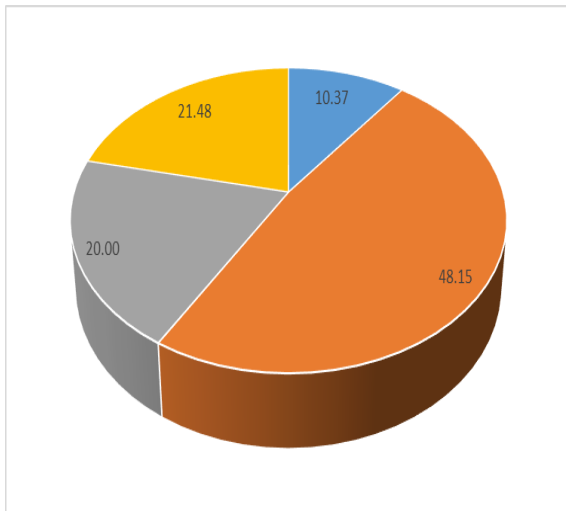


Figure 4.1.1. Sex of the respondents

Source : Own Computation based on data collected (SPSS result)

4.1.2. AGE OF RESPONDENTS

The researcher needed to know the age distribution of respondents to help categorize employees' age wise because WLE employees a lot of workers at different age level. Figure 4.1.2. below summarizes the data obtained on the ages of respondents.



Age of respondents	
20-30	10.37%
31-40	48.15%
41-50	20.00%
>50	21.48%

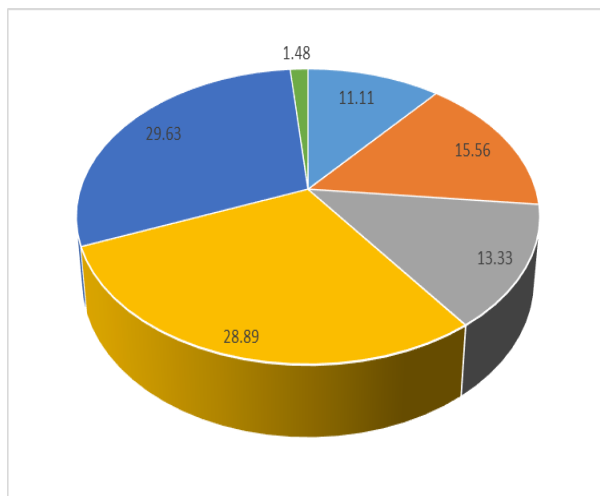
Figure 4.1.2. Age of the respondents

Source : Own Computation based on data collected (SPSS result)

Analyzing the data obtained from the questionnaire, table 4.1.2. reveals that 65 respondents were between 31-40 years representing 48.15% of the total population. The next largest respondents were above 50 years of age representing 21.48% and they were 29 in number. The third group of the respondents were those who were between 41-50 years of age representing 20.00% and were 27 in number. The last age group respondents fall under the age group of 20-30 representing 10.37%. Here the data confirms that the organization is largely almost half of the employees were in the age category of 31-40.

4.1.3. EDUCATIONAL BACKGROUND OF THE RESPONDENTS

It was also necessary for the study to determine the educational levels of the respondents as that could determine what kind of training may be most appropriate for a better job performance. Figure 4.1.3. below depicts the respondents educational background.



Educational background of the respondents

<12	15	11.11%
Certificate	21	15.56%
Diploma	18	13.33%
Bachelor Degree	39	28.89%
Masters	40	29.63%
>Masters	2	1.48%

Figure 4.1.3. Educational background of the respondents

Source : Own Computation based on data collected (SPSS result)

From the above figure, it can be seen that respondents hold wide range of educational qualification from 12th grade completion to above Masters Degree. Majority of the group were holding masters and first degree which accounts 58.52% in total (28.89% first degree and 29.63% second degree) that accounts 79 respondents in number. The next highest respondents were those who hold certificates who were 21 in number and accounts 15.56%. The diploma holders were 18 in numbers and accounts 13.33% from the total percentage. The second least number was taken by <12 graders who were 15 in numbers and covers 11.11% from the total. The least number in same category was 2 who had above Masters Degree and accounts for 1.48% from the total population. This suggests that people of different educational qualifications are available in the organization. This implies that different rewards shall be planned and systematically apply to enhance their motivation at different levels.

4.1.4. CURRENT POSITION IN WLE

Respondents were also asked to indicate their current position in the organization. WLE, as a large organization which is involved in community service on prevention of HIV/AIDS and supporting orphans and vulnerable elementary school children, has over 19 years of service. As a result, it has developed its own organizational structure that flows into various job positions.

This requires various kinds of consistent, planned and systematic rewards to enhance their motivation in order to get the best job performance from the employees. Figure 4.1.4 below captures the different levels and positions of the respondents.

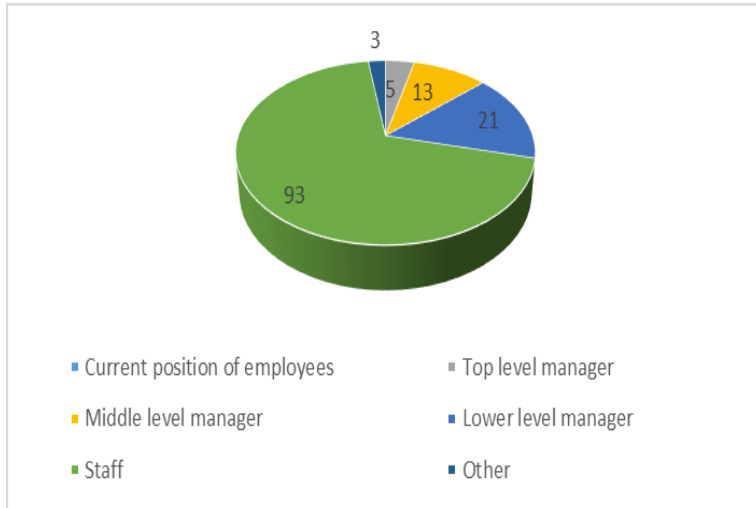


Figure 4.1.4. Current position

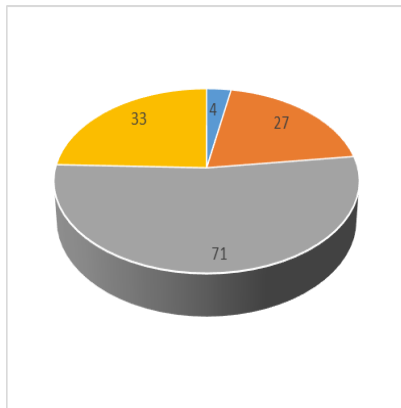
Source : Own Computation based on data collected (SPSS result)

In the above figure, it shows the various positions of employees who responded to the questionnaire (some of them are not positions). Staff (different officers) formed the majority representing 93(68.89%), the second group of respondents are the lower level managers which represent 21(15.56%). The third group of respondents are the middle level managers representing 13(9.63%) while the fourth group is the top level managers who are 5 in numbers covering 3.70% of the total respondents. Last, the other group level represents 3(2.22%).

4.1.5. SERVICE YEARS IN WLE

The study also sought to find out the years of service the respondents have rendered to the organization. This helped the researcher to find out a response related with work experience.

Table 4.1.5. below represents the categories of years of service as indicated by the respondents.



Service of years		
<1 year	4	2.96%
1 - 5 years	27	20.00%
6 - 10 years	71	52.59%
>10 years	33	24.44%

Figure

4.1.5. Service of years of the respondents

Source : Own Computation based on data collected (SPSS result)

Above 97% of the respondents have served in WLE for more than a year. This means the organization has a blend of experienced and young professionals who require constant reward to motivate them for a better job performance. It can be seen that respondents who have served for 6 – 10 years representing 52.59% formed the majority whilst respondents who have served more than 10 years followed (with a frequency of 33) representing 24.44%. Respondents who have served between 1-5 years are 27 out of 135 respondents representing 20% and the remaining is covered by those who have served for less than a year which is 2.96% (4 in frequency).

Finding can be inferred and concluded that the organization has a good working environment where employees can stay for a longer period of time in the organization. For example, almost 24.5% of the employees have worked for more than a decade where more than 52.5% of the respondents stayed between 6-10 years. It is only less than 3% who joined the organization in one year time.

4.2. ANALYSIS AND INTERPRETATION OF COLLECTED DATA

The following are the analysis and interpretation of the collected data. This phase transforms the data collected into credible evidence about the effect of reward. It starts by organizing the data for analysis (data preparation), then it describes the data and finally interprets the data by assessing the findings.

In the quantitative data survey questionnaires of five point Likert scale were used for gathering primary data about employees' reward and their performance. The questionnaires were ranging from low to high (strongly disagree to strongly agree, not at all to very much, very poor to excellent and very low to very high). This ranging were described by the mean score as; below 1.5 being explained by very low, 1.5-2.5 low; 2.5-3.5 lies in average (medium) category, 3.5-4.5 high and above 4.5 lies on very high. In the quantitative data the researcher tried to group similar response into categories and identified common patterns that can help derive meaning from what may seem unrelated responses.

A total of 141 questionnaires were distributed to gather pertinent information with regard to employees' non-monetary reward influence on job performance. Except six questionnaires, the rest 135 were returned which is acceptable. All the completed and returned questionnaires were correctly completed.

4.2.1. NON-MONETARY REWARDS

The researcher has tried to make analysis on the essence of non-monetary reward on job performance based on the gap observed by the respondents and in settling aims and objective as the following sub-sections depict.

Table 4.2.1.1. Non-monetary Rewards

No.	Statement	1	2	3	4	5	Total	Mean
1	Existence of non-monetary rewards in WLE	16.30	33.33	40.74	5.93	3.70	100	2.47
2	Adequacy of non-monetary rewards	17.78	22.96	45.19	8.15	5.93	100	2.61
3	The value given to these non-monetary rewards	1.48	6.67	40.00	37.78	14.07	100	3.56
							Avg. mean	2.88

Source : Own computation based on data collected (SPSS result)

Table 4.2.1.1. Shows feedback questions and answers from non-monetary rewards. In the first item 49.63% of the respondents recognize that WLE’s non-monetary rewards existence is poor and the rest 40.74% responded in recognition of its existence as in the average level. The remaining 5.93% and 3.70% acknowledges its existence as good and excellent respectively.

In the second item, the adequacy of the non-monetary rewards, 17.78% and 22.96% respondents answered as very poor and poor respectively while 45.19% confirms its adequacy as average. The remaining 8.15% and 5.93% responded as good and excellent respectively.

In the third item, respondents were asked the value they give to the non-monetary rewards. Almost 91.87% responded positively while the remaining (1.48% and 6.67%) value them as very poor and poor.

In general, from the above table, it can be inferred that majority (Avg. mean = 2.88) of the respondents fall in the average. This implies that on WLE’s non-monetary rewards existence, adequacy and the value given to non-monetary rewards by the employees have problems in recognition. Employees do not recognize the non-monetary rewards as much as the organization does.

4.2.2. RECOGNITION

Employee recognition is the timely, formal acknowledgement of a person’s or team’s behavior, effort or business result that supports the organization’s goals and values, and which has clearly been beyond normal expectations. Thus, good internal policy for recognizing best job performers is always necessary and good as it keeps internal equity. If so, it significantly reduces the disappointment of employees as it clearly indicates when to apply recognition. Appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work. The table 4.2.2.1 below depicts the information on how recognition is valued by WLE employees.

Table 4.2.2.1. Recognition

No.	Statement	1	2	3	4	5	Total	Mean
4	Your contribution is recognized and compensated for that	8.89	13.33	60.00	9.63	8.15	100	2.95
5	Satisfaction with the job relationship you have with your immediate supervisors	7.41	5.93	57.78	8.15	20.74	100	3.29
6	Satisfaction with the job relationship you have with your colleagues	1.48	2.22	10.37	65.93	20.00	100	4.01
7	The number of times that you had job rotation to a higher level	1.48	2.22	37.78	44.44	14.07	100	3.67
							Avg. mean	3.48

Source : Own computation based on data collected (SPSS result)

The first item in the table, depicts that 22.22% of the employees contribution is unrecognized and not compensated while 60% of the respondents reply that their contribution is valued and compensated at the average level. 9.63% and 8.15% of the responded that their contribution is valued as much and very much respectively.

The satisfaction employees have with their immediate supervisors' was the next assessment question towards recognition. 13.34% of them responded as not at all and not much whereas 57.78% responded as average. The rest 8.15% and 20.74% responded that their satisfaction with the job relationship they have with their immediate supervisors as much and very much respectively.

Almost same question with the previous, except the relationship is among colleagues was the next assessment area. Here, all in all the response is much better than the communication with supervisors. It is only 3.7% who responded as not much while 10.37% responded as average. The biggest percentage is covered by "much" respondents taking 65.93%. The remaining 20% is responded as their communication satisfaction is very much satisfactory.

The last item in this table was the number of times that a respondent had job rotation to a higher level. Among, 1.48% respondents answered as not at all while 2.22% replied as not much. 37.78% participants lies on average while 44.44% and 14.07% responded as much and very much respectively.

Over-all, the majority, (Avg. mean = 2348) of the respondents of WLE agreed that the attention given to recognition is high. Employees' job related communication among colleagues is much appreciated. On the other hand, some employees are not compensated for the contribution or achievement they made in return.

4.2.3. INTERESTING DUTIES

Human, by its nature, needs varieties in life including work life. Day to day activity of an employee shall have variety of duties so that the person does not get bored easily and become demotivated. Variety of interesting duties motivate employees to work effectively and efficiently. Table 4.2.3.1 below shows the fact on exercising interesting duties in WLE.

Table 4.2.3.1. Interesting duties

No.	Statement	1	2	3	4	5	Total	Mean
8	The frequency that you are performing different activities.	72.59	2.22	5.93	9.63	9.63	100	1.81
9	Feeling board to execute same job.	5.92	5.19	36.30	43.70	8.89	100	3.44
10	The recurrence that you have enjoyed and appreciated your day to day activities.	19.26	24.44	39.26	11.11	5.93	100	2.60
11	Satisfaction in handling a job that is challenging.	0.00	1.48	30.37	34.07	34.07	100	4.01
12	Satisfaction in handling your responsibility by your own without your supervisor's interference.	7.41	8.89	74.81	6.67	2.22	100	2.87
							Avg. mean	2.95

Source : Own computation based on data collected (SPSS result)

In the first item, 72.59% of the respondents cover to the level of never where they were asked to face different activities while 2.22% responded as rarely. 36.30% of the respondents lie on sometimes while the majority 43.70% and 8.89% replied as often and always respectively. Here, all in all, the majority for about 80% have confirmed that they get bored if the job requires same activities.

Routine activities are not enjoyed by 19.26% who responded as never while 24.44% are marked their replies on rarely. 39.26% confirmed their replies as sometimes. Among the remaining respondents, 11.11% and 5.93% marked themselves on often and always respectively. The mean of this assessment is 2.6 which indicates that the recurrence employees enjoy and appreciate their day to day activities is low.

The level of satisfaction in handling challenging work was the next assessment area. For this, all of them confirmed that they never enjoy handing challenging job though other team, 1.48% responded that they rarely enjoys challenging work. However, the remaining (30.37%, 34.07% and 34.07%) confirmed that they sometimes, often and always enjoys in handling challenging work respectively. Thus, all in all, 98.51% enjoys handling challenging jobs.

The next assessment area was the professional freedom that each individuals receive and enjoy the freedom of doing their responsibility by their own without any supervisor's interruption. 7.41% responded as never and 8.89% responded as rarely while the majority, 74.81%, responded by saying sometimes. The rest, 6.67% and 2.22% falls under often and always respectively. Almost 3/4th of the respondents agree that the interaction of supervisors is sometimes which the feeling of subordinates. Here, subordinates feel satisfied as the interruption is sometimes.

In general, interesting duties (table 4.2.3.1) were marked in the average range which is 2.95. This means, the majority of respondents agreed that the attention given to interesting duties) is low. Especially, the number of times that employees are performing different activities are low where its mean is 1.81. In the contrary, respondents confirmed that they get satisfaction when they handle challenging work most of the time.

4.2.4. ACHIEVEMENT

An achievement is the end result of day to day job performance and achieved through effort. It is the outcome of hard work that contributes and leads an organization towards its mission and goal. The table 4.2.4.1 below depicts WLE achievements in the perception of achievement in this study.

Table 4.2.4.1. Achievement

No.	Statement	1	2	3	4	5	Total	Mean
13	The organization kept a reference document in relation with your successful accomplishment	65.93	13.33	3.70	9.63	7.41	100	1.79
14	Awarded a certificate for a successful contribution	3.70	0.74	8.15	65.93	21.48	100	3.43
15	Received reward after your immense contribution towards meeting organizational objective	1.48	2.22	10.37	65.93	20.00	100	4.01
16	Better status and designation contributes as a result of better contribution	19.26	2.22	57.78	15.56	5.19	100	0.05
							Avg. mean	2.31

Source : Own computation based on data collected (SPSS result)

65.93% of the respondents strongly disagree to the idea of the organization keeping document of their successful accomplishment as a reference. 13.33% respondents disagree while 3.70% falls on the category of not sure. 9.63% and 7.41%, however, marked themselves on agree and strongly agree category respectively. For this item, the mean is 1.79 which is very low.

The next item was an assessment on a certificate employees get as a result of successful contribution. 4.44% witnessed they don't get certificates while 8.15% as not sure. The majority, 65.93% respondents agree on the idea that confirms the reward of certificate for their contribution. The remaining 21.48% respondents fall under the category of strongly agree.

1.48% strongly disagree receiving rewards for immense contribution for meeting organizational objective while 2.22% disagree. 10.37% respondents are not sure while 65.93% and 20.0% agree and strongly agree respectively. The mean for this category is 4.01 which is high.

Promotion as a result of contribution was the next assessment area. 19.26% of the respondents strongly disagree that they have never faced this kind of reward while 2.22% disagrees. 57.78% are responded as not sure while 15.78% and 5.19% respondents confirm their promotion was in recognition of their contribution by agree and strongly agree respectively.

All in all, achievement is one of the reward area that has a low mean value in the organization though it is one of the important area that needs lots of attention to meet organizational goal. If the organization fails to recognize employees' recoding mechanism for achievement, the end result would contribute for not meeting the organization's goal.

4.2.5. RESPECT

When people honor each other, there is a trust established that leads to synergy, interdependence, and deep respect. Both parties make decisions and choices based on what is right, what is best, what is valued most highly. Consequently, the table below shows how respect is being exercised and perceived by WLE staff specifically by the respondents.

Table 4.2.5.1. Respect

No.	Statement	1	2	3	4	5	Total	Mean
17	The word 'please' and 'thank you' is used by your immediate supervise while communicating with you	11.11	14.07	17.04	43.70	14.07	100	3.36
18	The word 'please' and 'thank you' is used by your immediate supervise while communicating with the whole staff on the occasion of meetings and the like	1.48	2.22	3.70	14.81	77.78	100	4.65
19	Immediate supervisor shows direction ahead of time with due respect to your opinion	1.48	2.22	3.70	14.81	77.78	100	4.65
20	Immediate supervisor communicates in a friendly manner	2.22	13.33	68.15	9.63	7.41	100	3.09
21	Share responsibility equally with immediate supervisor : having a sense of 'we'	25.19	31.85	35.56	5.93	1.48	100	2.27
22	Your boss gives you order in a cool tone	1.48	9.63	72.59	8.89	7.41	100	3.11
							Avg. mean	3.67

Source : Own computation based on data collected (SPSS result)

Table 4.2.5.1. shows feedback question and answer from respondents specifically on the use of 'please' and 'thank you' between two individuals, subordinate and immediate supervisor. Among the respondents, 11.11% declares that the words have never been used while 14.07% says rarely. 17.04% falls on the sometimes whereas the majority which is 43.70% and 14.07% falls on the category of often and always respectively. Generally, this item has a mean value of 3.36 which is medium.

The second item is same as above but the communication between immediate supervisor and group of people. Here, 1.48% respondents declare that the words have never been used while 2.22% mark as rarely and 3.70% as sometimes. The majority, 77.78% confirms that these words are being used always while the remaining percentage, 14.84 responded as often.

The next item evaluates the dedication of supervisors in showing directions to their subordinates. 1.48% and 2.22% from the total, responded as very low and low while 3.70% put on sometimes. The huge percentage which is 77.78% confirm that the mentioned help is provided to subordinates by supervisors while the remaining percentage 14.81% fall on often.

The next item was the communication between subordinate and immediate supervisor. As seen in the table, 2.22% confirms there no communication while 13.33% said rarely. The majority, 68.15% marked their response as sometimes while 9.63% and 7.41% responded as often and always respectively.

The following question assess the area of sharing responsibility equally. 25.19% responded as never while 31.85% responded rarely. Sometimes is marked by 35.56% while 5.93% and 1.48% replied as often and always respectively.

The last item tested in this table was on the tone which also contributes the respect. Among the total, 1.48% responded as never, 9.63% as rarely while the majority, 72.59% responded as sometimes. The remaining, 5.93% and 1.48 answered as often and always.

As shown in the table above, respect, in general has an average mean value of 3.67 which is high. Respect for coworkers and their respective supervisors/subordinates in the workplace encourages a collegial work atmosphere. It also fosters collaboration, synergy and cooperation, which are essential ingredients for creating a workforce that values productivity, performance.

From the given NMIs the respondents response revealed that :

Table 4.2.5.2. Most valued NMIs

NMIs	Valued				Total
	1 st	2 nd	3 rd	4 th	
Recognition	13.3	15.6	61.2	9.9	100
Interesting duties	63.1	22.1	8.2	6.6	100
Achievement	47.5	22.2	29.1	1.2	100
Respect	62	15.3	12.6	10.1	100

Source : Own computation based on data collected (SPSS result)

From the four NMIs, interesting duties, respect, achievement and recognition were valued as 1st, 2nd, 3rd and 4th respectively. This result is analyzed only using the 1st valued frequently chosen reply.

4.2.6. Non-Monetary Rewards and Job Performance

The effect of non-monetary rewards on employee' job performance has empirically been proven. Table 4.2.3.1. proves that 89% of the respondents feel board to execute same job that hinders their motivation towards their job performance. Aktar et al. (2012) contend that nonmonetary incentives which are represented by recognition, learning opportunities, challenging work and

career advancement, have been found to be an effective tool in motivating workers and consequently increase their performance. This incentive is highly appreciated probably due the opportunity it offers in terms of skill development of the workers which in the long run could be translated to higher monetary reward. Thus, it could be concluded that fair implementation of non-monetary rewards significantly influenced employee job performance.

In addition, almost all the non-monetary rewards which are under the study, were valued high (see Table 4.2.5.2) by the respondents, (though for the sake of prioritizing, they were asked to rank). This indicates that all the NMRs are valued by employees that also shows the positive influence towards their job performance. Also, satisfaction in handling job without supervisor's interference is confirmed by 82% of the respondents. This indicates that job satisfaction is the product of perception and evaluation of individual jobs, which is influenced by their own unique needs, values and expectations, which employees consider as being important to them (Sempene et al. 2002). The role of job satisfaction in influencing employees' attitudes towards their jobs cannot be underscored. Spector (1997) emphasizes that job satisfaction affects employees' attitude and various aspects of their jobs. The outcome of job satisfaction in the organization comprises of better job performance, withdrawal decline and minimizing behavior that negates productivity (Morrison, 2008). Robbins (2003, p. 206) mentioned that "the way that tasks are combined to create individual jobs has a direct influence on employee performance and satisfaction". The relationship between job satisfaction and emotion is clearly identified. Job satisfaction results in higher productivity, organizational responsibility and physical and mental health. Hence, a worker tends to have a better mood as well as learn additional skills, thereby promoting job.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This portion includes summary, conclusions and recommendations based on the study of the non-monetary rewards and employees motivation : the case of World Learning Inc., Ethiopia.

5.1. SUMMARY OF FINDINGS

From the analysis, the researcher has tried to present the major findings. From the descriptive analysis, the study discloses that the response to the questionnaire items when analyzed in terms of individual questions were ranging from not at all to average (very poor to average, never to sometimes, strongly disagree to not sure) but the overall mean score of respondents for all the dependent variables items of the questionnaire was found medium (average).

The mean score for the independent variables of non-monetary rewards, recognition, interesting duties, achievement and respect was 2.88, 2.56, 2.95 and 2.31 and 3.67 respectively. This implies that non-monetary rewards has effect on employees' job performance.

The major findings were

- Most, 94.8% employees were aware of non-monetary reward utilization as well as the concept. However, not all of them have the same attitude for the different non-monetary rewards. From the finding, the effect of non-monetary reward was found to be having immense contribution towards employees' willingness to exert more effort for a better job performance.
- Employees' contribution to the organization is not recognized to the expected extent and the compensation awarded for their contributions are not that satisfactory. This is confirmed by 22.22% while 60% of the respondents mark their response on 'average'.

- Majority of the employees do not have the opportunity to perform different activities. Though employees enjoy challenging job, the organization does not give them the chance. More than 72.5% of the respondents witnessed that they never perform different activities which hinders their motivation towards their performance while 2.22% rarely perform different activities. In addition, none of the respondents never handle a job that is challenging.
- The organization has a very poor practice in keeping achievement records/documents of employees. Almost 66% of the respondents confirm (strongly disagree) that the organization does not keep reference documents in relation with their successful accomplishment.
- WLE has paid relatively high attention to respect that motivates employees' effectiveness and efficiency. Almost 44% of the respondents agree that often the word 'please' and 'thank you' are used by their supervisors while communicating with them. Also, more than 72.5% of the respondents agree in average that their bosses give order in a cool tone and in a friendly manner (68.15%). The high respect for coworkers and their respective roles in the workplace encourages a collegial work atmosphere. It also brings smooth energy in collaboration, synergy and cooperation, which are essential ingredients for creating a workforce that values job performance.

5.2. CONCLUSIONS

The conclusions related to this study are presented in this section. The purpose of this study was to answer and test the proposed questionnaire.

The following are the major conclusions of the study.

- Regarding the non-monetary reward assessment, WLE did not identify the value, adequacy and awareness given by the employees. Non-monetary rewards are not selected on the employees preference nor the current need status of the employee as the policy was developed five years ago.

- From the result of the study, in the recognition session, 77.78% of the respondents agree that their contribution is recognized. But also there are respondents that disagree with the statement which give a clue for some problems in recognizing their jobs on this paper. However, this implies that recognizing each employee's contribution system is well but needs slight improvement.
- In the interesting duties session, 98.51% employees confirm that challenging of activities give them satisfaction. On the other hand, challenging jobs are not frequently given to them which was proved by more than 74.5% of the respondents. Based on this study, the researcher concluded that though employees enjoy challenging job, the organization does not give them the chance.
- WLE has very poor practice in documentation that relates with achievements. Meanwhile, it also reward certificates in recognition of employees' successful contribution which was confirmed by almost 86%.
- The respect part also leads to conclude that supervisors are playing their role very well as they show directions ahead of time with due respect to subordinates opinion. However, it is also confirmed from the study that supervisors have limitations in sharing responsibilities equally with a sense of 'we'.
- Interesting duties is valued most followed by recognition, achievement and respect as 2nd, 3rd and 4th by WLE employees.

In general, WLE does not use resources effectively in developing, administering and executing non-monetary rewards and recognition programs that actually increase motivation over time.

5.3. RECOMMENDATIONS

Depending on the findings of the research, the following recommendations are forwarded to enable WLE to become more productive, effective and more competitive.

- WLE should create reward program, framework or system to use non-monetary reward in the organization. Understanding the employees' needs in relation to the organization's needs and knowing the motivating factors is crucial in determining the ideal combination of non-monetary reward components that an organization can offer an employee. As effective management of non-monetary rewards motivate a talented workforce, rewards will be highly valued and recognized. The opportunity lies in customizing these rewards to cater for the needs of the individual with enough induction with due transparency as it helps to get the best of employees in respect to their duties and responsibilities to accomplish the organization mission.
- The organization needs to improve its practice in keeping achievement records/documents of employees. Employees are wanted to do things in the most efficient way every time. Thus, writing down exact instructions for doing those processes, and then get employees to buy into the strategy is important. This documentation is especially useful for those tasks that are performed over and over again.
- WLE also shall have a mechanism to give interesting and challenging jobs to employees as almost all employees enjoy handling challenging jobs though they are not given enough. Hence if they are given challenging tasks, employees will have a tendency to enjoy their workplace and want to spend much of their time in creativity while finding solutions to those challenging duties.
- Recognizing workers' talents and contributions is also crucial. In the workplace, there is one common goal: accomplishment. Mutual respect in the workplace is based, in large part, on respect for colleagues' abilities and skills - how well their expertise matches their job assignments. Mutual respect acknowledges talent especially when it comes from supervisors. Therefore, supervisors shall be consistent in respecting their subordinates as

well as sharing responsibility with a positive team spirit in order to accomplish success in their duties.

- WLE needs to create opportunities for employees to perform different activities. This might be through job rotation, delegation, enrichment, enlargement or any other means where employees can bring their effort to the best level of their newly but temporary position. Or even, may adjust their job description regularly in a way of adopting timely situations in a more challenging way.
- The organization should also revise or create policies where NMIs, documentation and induction could be more recognized. Clear and revised policies provide workers with knowledge about what is expected of them. It also provides rules and guidelines for decision-making in routine situations where consistently demonstrates good faith that workers will be treated fairly and equally. In addition, it ends up in providing a clear framework for the delegation of decision-making as well as serve as a means of communicating information to workers.
- There is lack of transparency in selecting the right and demanded non-monetary rewards in the organization. Hence, there should be a system to identify and consider the current need of the employee and give due value.
- As the combination of each and every NMIs bring change in motivation, all the given NMIs in WLE shall be given due attention and value by the organization.

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APPENDECIES

APPENDIXES - I

**St Mary's University
School of Graduate Studies
MBA Thesis on**

Non-monetary rewards and employees motivation : the case of World Learning Inc., Ethiopia.

My name is Hirut Tesfaye. I am working in WLI for the last 12 years. Now, I am working on my thesis on non-monetary rewards in WLI as part of the partial fulfilment for the MBA program at St. Mary's University. The purpose of this study is to assess the relationship between non-monetary rewards and job performance of employees in the organization. Hence, the following questions are developed to collect data.

There will be no anticipated risk or discomforts to you with this study. There is no part that identifies your identity and the information you will give me will be strictly confidential and will not be disclosed to anyone. Your participation in this study is voluntary. The information obtained from this study might help to design appropriate interventions. Modification in the process, procedure and in the system of the organization in general will be recommended. However, your participation and honest response is important. The survey will take about half an hour to go through with all the questions.

I would greatly appreciate your help in responding to this survey.

Part I: Respondents Background Information

Instruction

- Please do not write your name
- Where alternative answers are given, please circle on the letter of your choice.

1. Gender

- a. Male b. Female

2. Age :

- a. 20-30 b. 31-40 c. 41-50 d. >50

3. Work experience in WLI./E

- b. <1 year b. 1-5 year c. 5-10 years d. 10-15 years
e. 15-20 years f. >20 years

4. Educational qualification

- a. <12 b. Certificate c. Diploma
d. Bachelor Degree e. Masters f. >Masters

5. Current position

- a. Top level manager b. Middle level manager c. Lower level manager
d. Staff e. other

Part II: Opinion Investigation

Instruction :

- Please tick (✓) on your choice from the given options.

A. Non-Monetary Rewards (NMR)

1. Very poor 2. Poor 3. Average 4. Good 5. Excellent

No.	Statement	1	2	3	4	5
1	Existence of non-monetary rewards in WLE					
2	Adequacy of non-monetary rewards					
3	The value given to these non-monetary rewards					

B. Recognition

1. Not at all 2. Not much 3. Average
4. Much 5. Very much

No.	Statement	1	2	3	4	5
4	Your contribution is recognized and compensated for that					
5	Satisfaction with the job relationship you have with your immediate supervisors					
6	Satisfaction with the job relationship you have with your colleagues					
7	The number of times that you had job rotation to a higher level					

C. Interesting duties

1. Never 2. Rarely 3. Sometimes
4. Often 5. Always

No.	Statement	1	2	3	4	5
8	The frequency that you are performing different activities					
9	Feeling board to execute same job					

10	The recurrence that you have appreciated your day to day activities					
11	Satisfaction in handling a job that is challenging					
12	Satisfaction in handling your responsibility by your own without your supervisor's interference					

D. Achievement

1. Strongly Disagree 2. Disagree 3. Not Sure
4. Agree 5. Strongly Agree

No.	Statement	1	2	3	4	5
13	The organization kept a reference document in relation with your successful accomplishment					
14	Awarded a certificate for a successful contribution					
15	Received reward after your immense contribution towards meeting organizational objective					
16	Better status and designation contributes as a result of better contribution					

E. Respect

1. Never 2. Rarely 3. Sometimes
4. Often 5. Always

No.	Statement	1	2	3	4	5
17	The word 'please' and 'thank you' is used by your immediate supervise while communicating with you					
18	The word 'please' and 'thank you' is used by your immediate supervise while communicating with the whole staff on the occasion of meetings and the like					
19	Immediate supervisor shows direction ahead of time with due respect to your opinion					
20	Immediate supervisor communicates in a friendly manner					

21	Share responsibility equally with immediate supervisor : having a sense of 'we'					
22	Your boss gives you order in a cool tone					

From recognition, interesting duties, achievement and respect, what do you value most? Please write your answers in the space provided as 1st is most valued and to 4th is less valued.

1st : _____

2nd : _____

3rd : _____

4th : _____

Thank you for your cooperation