



**ST.MARY UNIVERSTY  
SCHOOL OF BUSINESS STUDDIES**

**PRACTICES & CHALLENGES OF NON MONETARY  
INCENTIVES –THE CASE STUDY OF ETHIOPIAN SHIPPING  
AND LOGESTIC SERVICE ENTRPRISE**

**BY: -  
DAWIT SEYOUM WOLDEMARIAM**

*A THESIS SUBMITTED TO SAINT MARY UNIVERSTY IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ART IN BUSINESS  
ADMINISTRATION.*

**JUNE 2021  
Addis Ababa  
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A CASE STUDY OF ETHIOPIAN SHIPPING AND LOGESTIC SERVICE  
ENTRPRISE (ESLSE)

BY DAWIT SEYOUM WOLDEMARIAM  
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## **DECLARATION**

hereby declare that this project is my original work has not been presented for a Degree in any other university and all sources of materials used for the project has been duly acknowledged.

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## ENDORSEMENT

This thesis has been submitted to St. Mary's University School of Graduate Studies for examination with my approval as a university advisor

**Shoa Jemal**

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**DAWIT SEYOUM**

## **List of Acronyms**

**ESLSE** – Ethiopian Shipping and logistic Service Enterprise

**EPF**- Employees Provident Fund

**NMI**- Non-Monetary Incentives

**NMR**- Non-Monetary Rewards

**SPSS** – Statistical Package for Social Sciences

**TDO**- Training and development opportunity

## Table of Contents

<i>Acknowledgements</i> .....	<i>i</i>
<i>List of Acronyms</i> .....	<i>ii</i>
<i>Table of Contents</i> .....	<i>iii</i>
<i>List of Table</i> .....	<i>vi</i>
<i>List of Figures</i> .....	<i>vii</i>
<i>Abstract</i> .....	<i>viii</i>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 BACKGROUND OF THE STUDY .....	1
1.2 STATEMENT OF THE PROBLEM.....	3
1.4 RESEARCH QUESTIONS .....	4
1.5 OBJECTIVE OF THE STUDY.....	5
1.5.1 <i>General Objective</i> .....	5
1.5.2 <i>Specific Objectives</i> .....	5
1.6 SIGNIFICANCE OF THE STUDY .....	5
1.7 SCOPE OF THE STUDY.....	6
1.9 LIMITATIONS OF THE STUDY.....	6
1.8 DEFINITION OF TERMS .....	6
1.9 ORGANIZATION OF THE STUDY.....	7
<b>CHAPTER TWO</b> .....	<b>8</b>
<b>LITERATURE REVIEW</b> .....	<b>8</b>
2.1 THEORETICAL REVIEW.....	8
2.1.3 <i>The Role of Incentives</i> .....	10
2.1.4 <i>Types of Non-Monetary Incentives</i> .....	11
2.1.4.2 Recognition .....	12
2.1.4.2 Promotion .....	13
2.1.4.3 Medical coverage.....	13
2.1.4.4 Insurance Coverage .....	13
2.1.4.2 Training and developments .....	14
2.1.5 <i>Practice and Challenges of Incentive Management</i> .....	15
2.2 EMPIRICAL REVIEW .....	18
2.3 CONCEPTUAL FRAMEWORK.....	22
<b>CHAPTER THREE</b> .....	<b>23</b>
<b>3 RESEARCH DESIGN AND METHODOLOGY</b> .....	<b>23</b>

3.1	RESEARCH DESIGN AND APPROACHES.....	23
3.2	POPULATION, SAMPLE SIZE AND SAMPLING TECHNIQUES .....	23
3.2.1	<i>Research population</i> .....	23
3.2.2	<i>Sample Size</i> .....	24
3.2.3	<i>Sampling technique</i> .....	24
3.3	SOURCES OF DATA .....	24
3.3.1	<i>Primary data</i> .....	24
3.3.2	<i>Secondary Data</i> .....	24
3.4	DATA GATHERING INSTRUMENTS .....	25
3.5	PROCESS OF DATA COLLECTION.....	25
3.6	PILOT TESTING .....	25
3.6.1	<i>Validity Test</i> .....	25
3.6.2	<i>Methods of Data Analysis</i> .....	26
3.7	ETHICAL CONSIDERATION .....	26
3.8	RESPONSE RATE.....	26
<b>CHAPTER FOUR.....</b>		<b>27</b>
<b>4</b>	<b>DATA ANALYSIS AND INTERPRETATION .....</b>	<b>27</b>
4.2	INTRODUCTION.....	27
4.2	RESPONSE RATE.....	27
4.3	DEMOGRAPHIC ANALYSIS .....	27
4.3.1	<i>Gender and age of the respondents</i> .....	28
4.3.2	<i>Educational and Work Experience of the respondents</i> .....	28
4.4	ANALYSIS OF MAIN VARIABLES OF THE STUDY .....	30
4.4.1	<i>Existence and type of non-monetary incentives practiced by ESLSE</i> .....	30
4.4.1.1	ESLSE has its own non-financial incentive policy that favor employees .....	30
4.4.1.2	Medical coverage is provided as non-monetary incentives by ESLSE. ....	31
4.4.1.3	Insurance coverage is provided as non-monetary incentives by ESLSE.....	32
4.4.1.4	Recognition is provided as non-monetary incentives by ESLSE .....	33
4.4.1.5	Promotion is provided as non-monetary incentives by ESLSE.....	34
4.4.1.6	Training opportunity is provided as non-monetary incentives by ESLSE .....	35
4.4.2	<i>Adequacy &amp; practice of non- monetary incentives by ESLSE</i> .....	36
4.4.2.1	The medical coverage given to the employees is satisfactory and provided as per ESLSE incentive policy .....	36
4.4.2.2	The insurance coverage given to the employees is satisfactory provided as per ESLSE incentive policy.....	37

4.4.2.3	The recognition given to the employees is satisfactory and provided as per ESLSE non-monetary incentive policy .....	38
4.4.2.4	The promotion given to the employees is satisfactory and provided as per ESLSE incentive policy .....	39
4.4.2.5	The training and opportunity given to the employees is satisfactory and provided as per ESLSE incentive policy .....	40
<i>4.4.3.1</i>	<i>Assessment of non-monetary incentives regarding Transparency.....</i>	<i>41</i>
4.4.3.2	The ESLSE non-financial incentive practice of providing insurance coverage is transparent.....	42
4.4.3.3	The ESLSE non-financial incentive practice of providing recognition is transparent ...	43
4.4.3.4	The ESLSE non-monetary incentive practice of providing promotion is transparent....	44
4.4.3.5	The ESLSE non-financial incentive practice of providing training opportunity is transparent.....	45
4.4.3.6	Employees are incentivized based on his/her individual performance.....	46
<i>4.4.4</i>	<i>Challenges of Distribution or fairness of non-monetary incentive at all level .....</i>	<i>47</i>
4.4.4.1	The ESLSE non-monetary incentive is implemented as per the policy .....	47
4.4.4.2	Non-monetary incentives of ESLSE is given timely .....	48
4.4.4.3	The ESLSE has highly favored for a better non-financial incentive scheme to managerial position rather than a non-managerial position .....	49
4.4.4.4	Distribution of non-financial incentives to all level (both managerial and non-managerial) is fair .....	50
4.4.4.5	The gap between incentive scale of managerial and non-managerial employees is too wide	51
4.4.4.6	ESLSE provide non-financial incentive for employee whether or not the achievement of its annual plan .....	52
<b>CHAPTER FIVE</b>	<b>.....</b>	<b>54</b>
<b>5. FINDING, CONCLUSION AND RECOMMENDATION</b>	<b>.....</b>	<b>54</b>
5.1	SUMMARY OF MAJOR FINDINGS .....	54
5.2	CONCLUSION .....	54
<b>BIBLIOGRAPHY</b>	<b>.....</b>	<b>57</b>
<i>Appendix</i>	<i>.....</i>	<i>60</i>

## List of Table

Table 4. 1 Response Rate.....	27
Table 4. 2 Summary of respondent profile by age and gender marital status.....	29
Table 4. 3 Recognition is provided as non-monetary incentives by ESLSE .....	34
Table 4. 4 Training opportunity is provided as non-monetary incentives .....	36
Table 4. 5 The ESLSE non-financial incentive insurance coverage is satisfactory or not .....	38
Table 4. 6 Recognition and the enterprise policy .....	39
Table 4. 7 insurance coverage and outstanding performance of employees.....	43
Table 4. 8 Promotion and transparency .....	45
Table 4. 9 Employees and individual performance .....	47
Table 4. 10 non-monetary incentive and implementation as per the policy .....	48
Table 4. 11 Timeliness of Non-monetary incentives of ESLSE.....	49
Table 4. 12 distribution of non-financial incentives to all level is fair .....	51

## List of Figures

Figure 4. 1 Incentive policy favor employees.....	31
Figure 4. 2 Non-financial incentives.....	32
Figure 4. 3 Intrinsic incentives.....	33
Figure 4. 4 Promotions as a non-monetary incentive .....	35
Figure 4. 5 Medical coverage as non-financial incentive .....	37
Figure 4. 6 promotion of the employee.....	40
Figure 4. 7 training opportunity .....	41
Figure 4. 8 medical coverage and employee performance .....	42
Figure 4. 9 Employee performance and recognition.....	44
Figure 4. 10 training opportunity and employee performance. ....	46
Figure 4. 11 the gap between of managerial and non-managerial employees .....	52
Figure 4. 12 Annual plan and incentives .....	53

## **Abstract**

*Incentive refers to any means that makes an employee desire to do better, try harder and expend more energy. It may be either monetary and/or non-monetary incentives. Different Scholars have studied the effects of incentive on employees' performance in firms. This paper focuses particularly on practices and challenges of Non-financial incentives such as recognition, medical expense coverage, insurance coverage, promotion and training and development opportunities on ESLSE. Thus, the main objective of the study was, to assess the practices and challenges of non-financial incentives in Ethiopian Shipping and Logistic Service Enterprise (ESLSE). To investigate the issue the research utilized a descriptive approach. The target population of the research was all employees of the Enterprise located at Head Office, Addis Ababa; in which their total is 277, out of which 162 employees were selected as samples with 95% confidence interval and simple random sampling were applied to select the required sample from the population. The research used both secondary and primary data sources. As a primary source the study used Likert Scale questionnaire to measure respondents' attitude towards non-monetary incentive practices & challenges of the Enterprise. The major findings of the study revealed that the Enterprise has its own incentive policy to motivate employees to perform better and most of the employees are satisfied by the non-incentive policy of the enterprise. As well the Enterprise provides non-financial incentive for employees like recognition, promotion, medical coverage, insurance coverage, and training opportunity. However the following major problems have been identified: there is no fairness & equal distribution of incentives, inadequate training opportunity given to the employees, and employees are dissatisfied with the type and amount of non-monetary incentives. Finally the research provides the following recommendations; the Enterprise should update and amend its incentive policy in response to employee requests for career advancement and should begin and strengthen its incentive programs such that the best performance of individual employees is recognized consistently with equivalent benefits.*

*Key words: incentive, non-financial incentives, performance, monetary, non-monetary incentives*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

The modern day employee is no longer simply motivated by their salary and for this reason; organizations regularly attempt to incentivize workers with non-financial methods. Non-financial reward can have an even more substantial impact on employee satisfaction and motivation than traditional financial rewards. Non-financial reward is a reward focused on the needs most people have, although to a different degrees for achievement, recognition, responsibility influence and personal growth (Armstrong & Murlis, 2004). Non-financial reward is any benefit an employee receives from an employer or job that is above and beyond the monetary compensation package for the purpose of attracting, retaining and motivating employees. According to Ngatia, (2014), non-monetary rewards given to employees include recognition, promotion, flexibility (flexible schedules) and career development.

In today's workplace companies and managements are increasingly using nonmonetary incentive as an incentive to motivate and influence employee performance, as well as to meet the financial and productivity objectives of the company. In addition organization and their HR managers constantly strive to find innovative ways to rewarding performance. (Santos, 2021)

Recently, the business environment has become very competitive and organizations are faced with different challenges which include getting the right workforce and sustaining them. With the current global financial growth, many firms have comprehended this fact that productivity is desired for their organizations to strive strongly and likewise their employee's productivity is essential in shaping the organization successes. Consequently, non-monetary incentive is the major factor to increase productivity and satisfaction of employees. (Kuranchie, Elizabeth, & Amponsah, 2016)

The first assumption that comes to mind when the word "incentive" is mentioned is usually some form of monetary reward for employees. Besides well-known monetary incentives, there are other stimuli that boost the performance of the employees to support the accomplishments of the goals of the organization as well as the individual themselves. (Emir , 2017)

The incentive is vital for employees and organizations. For organizations, a scientific and practical incentive system can develop the potential capabilities of employees and allow employees to give full play to their wisdom and talents. The organization is composed of individual employees. So, each employee is essential to the organization, and the employee's growth helps the growth of the organization. (Ashraf Mohammad & Mohammad Shabieb , 2014)

Non-monetary incentives are designed to recognize a special achievement or the completion of something that enhances an employee's job performance or value to a company. Such a meritorious category might include recognition, medical expense coverage, insurance coverage, promotion and training and development opportunity. (Samuel , Abdulkarim, & Joseph, 2019)

(Emir , 2017) , Believes that non-monetary incentives mainly affect people's psychology. Non-monetary incentives meet people's spiritual needs through means other than material and welfare. It can make up for the lack of monetary incentives and can be a long-term force. It can also significantly stimulate the enthusiasm of the employees and meet the needs of employees' self-development.

The importance of such stimuli or incentives should not be neglected or undermined by company managers or employees who should take proactive role in seeking the establishment of the non-monetary incentive system. The reason behind the introduction and use of such non-monetary incentives can be multiple: such as commitment enhancement, increase in productivity, psychological satisfaction of employees leading to job satisfaction, higher work enthusiasm and many others. (Samuel , Abdulkarim , & Joseph , 2019)

In Ethiopia the practice of non-financial monetary incentives experienced in different organizations in which hire, motivate and/or promote the employees. 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, (Hirut, 2016)

The Ethiopian Shipping and Logistics Service Enterprise is a merger of four enterprises which were working independently in the sea transport sector. These were Ethiopian Shipping Lines Share Company, Ethiopian Maritime and Transit Service Enterprise, Dry Port Enterprise; and the former Comet Transport Share Company which was consolidated in to the new company, as of August, 2016. The Ethiopian Shipping and Logistics Services Enterprise (ESLSE) is the result of this merger. This newly amalgamated enterprise has a total of 3400

permanent employees from which 2933 of them works on shore based and 467 of them working on sea going vessels.

The headquarter is located around Lagahar, Addis Ababa, Ethiopia, having main branches office at Djibouti, Modjo, and Kality (the former COMET), Mekelle, Dire Dawa, Kombolcha, Semera, Gelan and Woreta towns. It has also a Maritime Training Institute at a place called Babogaya in Bishoftu (Debrezeit) Town. Due to constraints of time and money this research conducted only in the head office of ESLSE.

It is against this background that this study is conducted. Despite the growing body of literature on the practice and challenges of non-monetary incentives, the subject matter still remains complex, hence the need to undertake a study on the practice and challenges non-monetary incentives by emphasizing on variables such as medical, insurance, recognition, training opportunities and promotion helps ESLSE to attract and retain its employees.

## **1.2 Statement of the Problem**

Non-monetary incentives are often seen as cost-effective by organizations to implement various benefits to organizations, according to (N Oza, , A Rainer, & S Grey, 2004)). The majority of non-monetary incentives have the capacity to meet employee demands and encourage them without requiring considerable financial resources. They are far more straightforward to implement than monetary incentives. On the other hand, some viewpoints highlight the shortcomings of non-monetary incentives. Clearly, money must be spent to pay the expense of the gifts, which can eat into business revenues in enormous amounts. In addition, planning and implementing a well-executed incentive program involves time and resources. Giving such prizes also increases the likelihood of creating unreasonable expectations that the same types of presents will be given indefinitely, and therefore becoming part of an employee's regular compensation of non-monetary incentives (Inproma LLc, 2021)

By using nonmonetary motivators, Organization can offer employees things in the form of non-monetary incentives that other organizations are not in a position to offer. The non-monetary rewards might be more effective than other options, as the employees may develop a loyalty and commitment to the organization (Emir , 2017) mentioned non-monetary rewards as, "advancement, autonomy, civilized treatment, employer commitment, environment, exposure to senior people, praise being awarded, available support, the feeling

of being trusted, the feeling of working for a good and reliable organization (Garba & Muhammad , 2017)

According to the study of (Sana & Samreen , 2015) it is not just one factor can motivate employees, for example it is not just monetary rewards which motivate an employee, though monetary compensation is the physiological factor to the employees. That is the employees in any organization need to be constantly provided with opportunities for learning new skills so that they do not feel monotonous. They should be motivated to use the acquired skills on their job. (Abnas & Yasir, 2014) have presumed that for individuals with acceptable financial incentives, some nonfinancial helpers are more compelling than additional trade out building long hour worker engagement in most divisions, work capacities, and business connections. Numerous monetary remunerates basically create short-lived supports of vitality, which can have harming unintended outcomes.

The researcher tried to look some researches related to the non-monetary incentive practice while evaluating several studies conducted in Ethiopia. One of the few studies on the topic area was done by (Belachew , 2019) who stated that non-monetary incentives, such as promotion and training development, should be given a high priority in order to improve organizational performance. Furthermore, he suggested that the aforementioned incentives are crucial for job advancement. In a similar line, (Hirut, 2016) discussed the usage of non-monetary rewards in relation to employee performance in her research. The findings of the study show that non-monetary incentives have a significant impact on employee motivation and job performance.

Despite the fact that there have been studies on non-monetary incentives, the majority of them have focused on the relationship between non-monetary incentives and performance or motivation. To the best of the researcher's knowledge, no research has been done on the practices and challenges of non-monetary incentives. As a result, there is a research gap on the practice and the challenges of non-monetary incentives .Hence; there was research gap in the area. Accordingly the objective of the study was to fill the research gap by focusing on the variables such as medical coverage, insurance coverage, recognition, promotion, and training opportunity in case of Ethiopian Shipping and Logistics Service Enterprise (ESLSE).

## **1.4 Research Questions**

The study sought to answer the following research questions:

- ❖ What are the types of non-monetary incentives practiced in the ESLSE?
- ❖ What are the main practices of non –monetary incentives in executing policy of the Enterprise?
- ❖ To what extent non-monetary incentive system is transparent in ESLSE?
- ❖ What are the main challenges that faced the Enterprise on implementation of non-monetary incentives?

## **1.5 OBJECTIVE OF THE STUDY**

The researcher's major aim for doing this study was to discover more about the practice of non-monetary incentives on employee performance. In line with this, the purpose of this study was to describe the practice of non-monetary incentives as a motivational tool and their effectiveness. It also glanced into whether ESLSE employees are aware of nonmonetary incentives, as well as which nonmonetary motivational tools actually encourage employees to perform better, and whether nonmonetary motivational practices are valued by ESLSE employees.

### **1.5.1 General Objective**

The general objective of the study is to assess the practices and challenges of nonfinancial incentives on employee performance in the Ethiopian Shipping and Logistics Services Enterprise (ESLSE).

### **1.5.2 Specific Objectives**

To identify the main practice of non-monetary incentive in ESLSE the following specific objectives are kept for the purpose:

- i. To identify the main practice of non–monetary incentives in the Enterprise,
- ii. To evaluate the implementation of non- monetary incentives policy of the Enterprise,
- iii. To assess the practice of non-monetary incentives on in the Enterprise,
- iv. To identify some challenges of non- monetary incentives in the Enterprise

## **1.6 Significance of the Study**

The significance of the study is to assess the practices of non-monetary incentives in the Enterprise, and evaluate the implementation practice and challenges of non-monetary incentive policy of the Enterprise and its effect on the employee performance.

The study is important because it examines numerous motivational tactics that influence employee performance, which could have a benefit on the enterprises overall performance. It makes major contributions to ESLSE's top management in developing improved motivator techniques targeted at improving overall staff performance. The study enables to distinguish the position of the Enterprise on non-monetary motivation practices and challenges.

## 1.7 Scope of the Study

The research looks into the challenges and practices of non-monetary incentives in ESLSE. It addressed some major issues that impede the use of incentives as motivational rewards. Employees of the company were used as samples, and their satisfaction with the company's incentive policy was measured. The research has been done in 2021. Variables such as medical expense coverage, insurance coverage, recognition, promotion, and training opportunities are highlighted in the specific objectives and conceptual framework of non-financial incentives.

## 1.9 Limitations of the Study

The study's main limitation was respondents' refusal to collaborate in providing responses due to a pandemic disease known as "COVID 19/ CORONA" because the mode of transmission causes fear of gathering near strangers, and the questions contained in the Questionnaire may appear personal and confidential. To counter this, the researcher took the required precautions to meet with them face to face whenever possible and assured them that the information would only be used to carry out this research and that any private information would be kept confidential. Employees at the ESLSE are usually busy, but the researcher assured them that they would find time to finish and response to the questionnaire. To deal with this, the researcher considered leaving the questionnaire with the respondents and picking it up later when they had more time.

## 1.8 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.
- ❖ **Motivation** : A motive is a reason for doing something (Armstrong,, 2014)

- ❖ **Incentive:** is something that motivates an individual to perform an action (A (Armstrong,, 2014)
- ❖ **Job performance** - behaviors or actions that are relevant to the goals of the organization (ALKHALIEL & HOOI LAI, 2013)

## **1.9 Organization of the Study**

The paper is organized in five chapters. Chapter one presents: the background of the research, statement of the problem, objectives of the study, research questions, the significance, scope, limitation and organization of the study. Chapter two presents review of theoretical and empirical literature on incentives issues. Chapter three discusses the research methodology that while chapter four and five present the results and discussion of the study and conclusions and recommendations respectively.

## CHAPTER TWO

### 2. LITERATURE REVIEW

This chapter gives an overview of non-monetary incentives. Given the focus of this research, a thorough knowledge of the function of incentives is essential. The impact of non-monetary incentives on employee motivation, as well as the value of non-monetary incentives supplied to employees, will be discussed in depth in this study. The major benefits of non-monetary incentives and motivation theories will also be considered.

#### 2.1 Theoretical Review

##### 2.1.1 Basic concepts of Incentives, Rewards and Recognition

The terms "incentive," "reward," and "recognition" are sometimes used interchangeably and complement each other in the context of high motivation. It's difficult to establish a distinction between them. The broadest category is "incentives," which includes any strategy that encourages employees to improve their performance. (Anthony , 1998)

There are two types of incentives: monetary and non-monetary. Commissions, bonuses, and other financial incentives are examples of financial incentives. Non-monetary incentives, on the other hand, can be communicated in both tangible and intangible ways, rather than assuming direct payment in cash. Some examples of these incentives include encouraging employees to be self-sufficient in their work and to participate in decision-making, to assign challenging tasks to improve working conditions, recognition, for doing such a great job with the gifts, and thank-you letters, bottles, tickets, restaurants, etc. (santos, 2016)

The difference between an incentive and a reward is that an incentive tries to drive future and encourage certain action, but a reward expresses gratitude for completed actions and it has the potential to reinforce it. Individuals and teams who contribute to the organization's success by their actions and efforts are praised, encouraged, and appreciated through recognition, which includes both monetary and non-monetary prizes, (Surbhi, 2020)

Reward is a broad construct that can include 'anything an employee may value and desire that an employer is able or willing to offer in exchange for employee contribution. A conceptual distinction can be made between the three main constituents of reward type, system, and criterion (Flora F. & Thomas A, 2010)

Reward type refers to the nature of the reward itself (e.g., financial and non-financial; extrinsic and intrinsic). Reward system represents the method or mechanism (e.g. Seniority-

based, performance- based) by which organizations determine employee reward outcomes (e.g., pay increases). Systems can be either performance or non-performance oriented. Reward criterion then, refers to the basis of allocation (i.e., individual or group) used to determine the reward (Flora F. & Thomas A, 2010).

### **2.1.2 Overview of non-monetary incentives**

A simple definition has been given by (Inke & Ingo, 2006) non-financial incentives as any means of incentives that do not involve directly with money, transfers of monetary values or equivalents.

In case of using human beings to provide services. It is not enough to merely rely on the number of people engaged, their qualification and experience or their ability but remunerating them appropriately is also of paramount importance. The personnel engaged must be motivated in order to get the best output from them. The challenge for today's management is to administer motivational programs which will encourage employees to improve their work performance and productivity. To get one's best performance in his/her job requires lots of input that motivate the employee. Among these inputs, non-monetary might be one important area that motivates or demotivates workers.

(Ismail, Muhammad , Samina , & Syed Sikander , 2013) described that there are other means to reward employees and they do not just focus on financial compensation (rewards). Some of these include the praise that employees are able to acquire from their managers, the opportunity to take an important project or task and leadership attention. Any organization works to fulfill and reach where it wants to be after a certain period of time. Therefore, to set goals, the organization's culture on non-monetary policies plays an inevitable role.

In some ways, the differences between monetary and non-monetary incentives are easy to pinpoint, but their impacts on employee performance can be more difficult to quantify. Wages are the most prevalent sort of incentive, and they are the reason why most people work. (Samuel , Abdulkarim , & Joseph , 2019)

Non-monetary incentives can be just as successful as monetary incentives in motivating employees. Flexible working circumstances, intensive training plans, and recognition are some of the non-monetary incentives., day off, monthly office theme day to promote morale, rewards (gym), timeout (working on a project outside of usual working hours), regular awards event, charity work, and so forth. (Rose, 2008)

While extra money is frequently stated as an incentive for employees, rewards are aimed to demonstrate staff appreciation for their hard work. Intangible, non-monetary benefits

generally have the greatest impact on employee morale. Regardless of the advantages you provide to employees, strive to create an environment where hard work is regularly recognized and acknowledged (N Oza, , A Rainer, & S Grey, 2004).

### **2.1.3 The Role of Incentives**

Berger et al. (2000), taking a comprehensive evaluation of the role of incentives, suggested that a change in how organizations see rewards is essential. If employees were asked what type of incentive they preferred, he said they would most likely say monetary incentives. However, it is not a 100% effective method of motivating staff. Incentives,

According to (OYEBAMIJI, KAREEM , & AYENI , 2013), incentives are a key element in employee performance. He further said that well-paid employees feel valued by the organizations they work for. Organizations, however according (Santos, 2021) have a responsibility to motivate people by implementing effective reward methods.

Furthermore, (Noel , 2010) claimed that suitably rewarding employees helps to encourage them and has a direct impact on their performance. (Cyintia & Frank, 2011) on the other hand, believes that monetary incentives only motivate to a certain extent, particularly in cases where the incentive is insufficient.

According to (Rizwan , 2010) when rewards are properly implemented in an organization, it will produce a favorable working condition which motivates employees to perform as expected. They added that, rewards linked with the process of motivation.

Lawler (1985) claimed that, rewards cause satisfaction of employees to be affected and it has a direct influence on noted that, rewards will motivate employees, if they believed that when they work harder it can improve their performance. Employee motivation will be low if they do not place a value on the consequences that come from high performance and effort, according to him.

According to (Emir , 2017), incentive plays an essential part in inspiring employees to do better. Galbraith is even more so (1973) supported the idea that rewards should be connected with motivation in order to keep people with skills and knowledge. Extrinsic incentive,

According to (Ernst & Klaus M. , 1999) Incentive should be used to motivate personnel. Recognizing great work performance, motivating employees to be more productive, and providing feedback are all significant ways to reward employees,

According to (Garba & Muhammad , 2017), the importance of rewards in overcoming exhaustion, which is common among employees, was emphasized. Employees that are

exhausted are frequently dissatisfied, have a negative outlook, and approach their tasks with little enthusiasm and vigor, according to them.

#### **2.1.4 Types of Non-Monetary Incentives**

Non-monetary incentives are tangible rewards, social practices, or job-related elements utilized in a company to inspire employees without the use of money. (Rose, 2008) developed a breakdown of on-the-job benefits to classify non-monetary incentives. There are two primary types of non-monetary incentives: contrived on-the-job rewards and natural rewards, according to the framework. Contrived rewards are tangible incentives that are external to the activity, often involving costs for the organization and creating extrinsic motivation; on the other side, intrinsic rewards are physical incentives that are internal to the activity and generate intrinsic motivation.

Organizations with positive ambitions could make available a framework within which high levels of motivation could be accomplished through non-financial reward systems by the provision of opportunities for learning and development. But personal management skills still have a key role to play in deploying their own motivating skills to get individual within their organization to give their best performance by to making good use of the motivational systems and processes provided by the company. (Armstrong., 2014)

Natural rewards are job-related and social incentives that arise naturally in the course of events, resulting in intrinsic motivation. This includes monetary incentives as well as fabricated rewards. Tangible non-monetary incentives, social non-monetary incentives, and job-related non-monetary rewards are the three types of non-monetary rewards. The on-the-job incentives breakdown by Meacham and (Ashraf Mohammad & Mohammad Shabieb , 2014) is modified in this thesis work in accordance with this classification. Non-monetary tangible rewards include desk accessories, coffee mugs, wall plaques, watches, trophies, rings, tie pins, apparel, gift cards, key chains, reduced goods, and free tickets to various facilities.

Non-monetary tangible incentives include things like, daycare centers, bus service, internet access, club privileges, and so on. They might be given as a show of appreciation for a solid performance or a specific contribution, or they can be offered in the workplace to foster a positive working environment (ALKHALIEL & HOOI LAI, 2013)

Non-monetary social incentives are associated with superior-subordinate relationships and organizational social activities. The degree of informal or official recognition for a successful job, superiors being honest and compassionate in dealing with subordinates and valuing their

opinions. Numerous social activities in which employees of the same organization join together in an informal fashion for celebrating anything or merely to relax the tension of the work etc. All contribute to the establishment of a working culture that employees feel themselves useful as part of an entity. This in turn has the capacity to encourage staff without delivering monetary incentives (Ismail, Muhammad , Samina , & Syed Sikander , 2013)

Non-monetary job-related incentives have the capacity to encourage people on an intrinsic level. Jobs with a wide range of tasks, responsibilities, autonomy, flexible working hours, decision-making participation, and growth chances such as recognition, promotion, medical coverage, insurance coverage, and training opportunities, are particularly significant in meeting specific demands of employees, and they may contribute to a feeling that the job itself is worth greater commitment without the need for external incentives.

Given these justifications all three types of non-monetary incentives have the ability to address a variety of public employee needs without incurring major expenses to the organization. It's also vital to remember that before a non-monetary incentive can be effective, an employee's basic monetary needs for sustenance must be appropriately covered with their wage (Cyintia & Frank, 2011)

#### **2.1.4.2 Recognition**

Recognition is the act of applauding someone in front of their peers for desired conduct, accomplishments, activities taken, or a favorable attitude. Appreciation, on the other hand, is the act of expressing gratitude to an employee for a job well done. Employees can use such incentives to assess their performance and determine whether they are performing well or poorly. (Surbhi, 2020).

One of the most effective ways of rewarding employees is through recognition. They need to know not only how effectively they met their goals or completed their tasks, but also that their efforts are recognized. (Noel , 2010)

Some employees find pride and motivation at seeing their name recognized as a company top performer and works hard to achieve a certain level of recognition. Positive recognition occurs when employees are praised or their ideas are accepted. Negative recognition includes blame, criticism or when good ideas are overlooked. Recognition may come from supervisors, peers, and subordinates.(Sharma,2011).

Further, if employers rely on reward solely to acknowledge influence and success it's most probable that the employee's goals will become altered to safeguard the pay and nothing more while this will lead to a besmirched culture of the organization. Therefore, using

recognition properly it will be efficient way of increasing success and permit staff to feel intricate in the corporation culture (Robbins, 2005).

#### **2.1.4.2 Promotion**

Promotion is a key component of an employee's life and work, affecting other job levels of experience as well as other employment features such as job attachment and duties. Furthermore, if employees place a high value on promotion, it can influence the instrument of making better efforts. Organizations would place a greater emphasis on pay raises to reward good effort and production. Employees may be worth promotions

According to Lazear and Edward (2000), Promotion is defined as elevating employee at a job of higher significance and compensation level. In other words, it is basically shifting employee in an upward hierarchy that will increase their level of responsibility. It creates the opportunities for increased levels of responsibility, personal growth and an increase on social standing since they provide more job services.

Promotions are considered as significant aspect of one's career life. Those employees who realize that they are not going to get a promotion might reduce their work effort, unless they believe that they are still in the hunt for future promotions. On the other hand, employees who consider that a promotion is likely to take place report higher level of job satisfaction. (Payam, Ali, Seyed , & Mahmood , 2013)

#### **2.1.4.3 Medical coverage**

Many employees in the public and private sector depend on medical benefits to support their health and wellbeing, as well as that of their family members , employees big and small offer medical benefit's in an effort to maintain a healthy work environment medical benefits significantly reduce the costs associated with common medical occurrences such as checkup and wellness visits, pre-natal care or emergency care without employee a medical benefits some workers would not be able to afford the expenses related to necessary medical care (Santos, 2021)

#### **2.1.4.4 Insurance Coverage**

Employers are required by law to take reasonable precautions to ensure the safety of their workplaces. Accidents happen, though. Workers compensation insurance will cover them if this happens. Insurance for workers' compensation serves two functions. It ensures that injured workers receive medical treatment and compensation for a portion of their lost

income while they are unable to return to work, as well as protecting companies from lawsuits brought by workers injured on the job. Regardless of who was at responsibility in the accident, workers are entitled to benefits. If a worker is murdered while on the job, the employer pays death benefits to the worker's dependents. Injuries to employees are compensated. Workers receive benefits regardless of who caused the accident, and if a worker is killed while on the job, working compensation (as it is sometimes called) gives death benefits to the person's dependents. Benefits from workers' compensation insurance typically assist employees by providing coverage. (Surbhi, 2020)

#### **2.1.4.2 Training and developments**

The development of employees careers as a form of incentive used in organizations have mostly been considered as an efficient method of employee compensation, most especially in the tertiary institutions, hence attracting as we as leading to workforce maintenance. Career development as a non-monetary reward is utilized in motivating employees and improving their morale towards their day-to-day business in the organizations that they work for. Employees usually comprehend that they need continual growth, learning and developing new skills so that they can advance in all ways of their lives (santos, 2016).

Most organizations consider training and development to be a vital element of the human resource development process. Since the turn of the century, there has been a greater focus on the same on companies all over the world. Many organizations have enforced annual training hours for staff, despite the fact that employees are rapidly becoming dissatisfied with technology. Training is defined as a change in a person's attitude, abilities, or knowledge that leads to an improvement in their behavior. (Cyintia & Frank, 2011)

To be effective, training must be a planned activity carried out after a thorough requirement analysis and aimed at specific competencies, with the most important aspect being that it be carried out in a learning environment. Individual as well as corporate goals must be considered when planning the training program (Flora F. & Thomas A, 2010)

Although complete alignment may not be attainable, competences are chosen in such a way that a win-win situation is established for both the person and the organization. Typically, firms plan their training calendars at the start of the fiscal year, when employees' training needs are assessed. Training requirement analysis, or identifying needs, is a part of the performance appraisal process. Following a need analysis, the amount of training hours as well as the training intervention are determined and strategically distributed throughout the year (Kuranchie, Elizabeth, & Amponsah, 2016)

The opportunity to learn will show employees the organization cares about their development. If an organization has job openings that require a certain level of skill, learning and training opportunities can help them better equip current employees to fill the position. By continually increasing employee's knowledge and skills, an organization will stay on top of industry changes and advancements, leading to better quality products, services, and even improvements in processes. Employees who don't receive professional development opportunities become stagnant water (Noel , 2010)

### **2.1.5 Practice and Challenges of Incentive Management**

There are a number of reasons why organizational incentives don't have the desired motivational effect (Jason A. , Jeffery A., Ronald F. , & Cindy P. , 2012). Lack of recognition value: Rewards, in addition to their monetary value, should have recognition value, according to Colquitt

the extent to which recipients experience appreciation for their performance. From a motivational standpoint, the value of acknowledgment is by far the most important of the two. Workers ranked "appreciation for a job well done" as their No. 1 motivator.

This disparity in perception is one of the primary reasons why most people believe they are underpaid at work. The problem is not restricted to supervisors; few firms understand the importance of employee recognition as well. The planning, execution, maintenance, communication, and evaluation of the reward process are all part of incentive management. The process entails determining relative work values, designing and managing pay structures, performance management, compensating for performance, competency or skill (contingent pay), providing employee benefits and pensions, and managing reward procedures. (Armstrong,, 2014) Reward management is concerned with the methods, policies, and procedures necessary to guarantee that people's worth and contributions to the achievement of organizational, departmental, and team goals are recognized and rewarded. It's about incentive system design, implementation, and management. Interlinked reward processes, policies, and procedures with the goal of meeting the needs of both the company and its stakeholders while also operating fairly, equally, and consistently (ALKHALIEL & HOOI LAI, 2013))

Non-monetary incentive management is now one of the most effective ways for businesses to attract and retain their most precious and valued assets: their staff. This applies to both monetary and nonmonetary incentives. Wages, salary incentives, bonuses, commissions, and other forms of direct remuneration (financial) are examples. Paid vacation, annual leave,

medical and hospitalization benefits, employer provident fund (EPF) contribution, and other non-financial benefits are examples of indirect compensation or non-financial benefits. In any organization, efficiency and productivity are critical performance measures. To boost efficiency, Members of the organization must do an excellent job. (Abnas & Yasir, 2014)

When employees are totally motivated, they perform better on the job, then, rewards may have an impact on job performance and employee motivation. (Mansor et.al, 2012)

According to Armstrong, (2010), It's all about the people in reward management. That plays a main role .If stakeholder are focused, holistic, strategic, and evidence-based. Employees who are rewarded for their efforts, abilities, and contributions are at the center of reward management. (Cyintia & Frank, 2011)

butalso (2016 ). Directors, managers, and incentive experts are responsible for the planning, management, and administration of awards. People are evaluated and paid based on their contribution to the achievement of organizational goals. With clear expectations in place, reward management helps ensure that employees are rewarded in proportion to how well they satisfy them. Managers should be aware of the expected outcomes from their employees, as well as the behavior required to achieve these outcomes and promote the company's values. The reward system should ensure that the outcomes and behaviors are valued and acknowledged. (Emir , 2017)

The aims of reward management according to (Armstrong,, 2014) are to: People are rewarded based on the value they create; compensation systems are aligned with corporate goals and employee values and requirements; and the proper things are rewarded to send the correct message about what matters in terms of behaviors and outcomes. Assist in attracting and retaining the high-quality employees that the company need.

Develop a high-performance culture through motivating employees and gaining their commitment and participation. Support the attainment of corporate goals through high performance; build and support the organization's culture; establish what matters in terms of behaviors and outcomes; and reward individuals in accordance with the organization's values. Attract people's attention (Ernst & Klaus M. , 1999)

The goals of non-monetary incentive management are met by developing and implementing strategies, policies, processes, and practices that are based on a philosophy, operate in accordance with distributive and natural justice principles, function fairly, equitably, consistently, and transparently, are aligned with the business strategy, fit the context and culture of the organizations, and are based on a philosophy. Non-monetary incentive

management assists in the fulfillment of company goals by ensuring that the firm has the competent and engaged employees it need. It helps achieve high performance by ensuring that the incentive system detects and rewards it. Performance management and contingent compensation schemes can be used to set expectations in reward management (Garba & Muhammad , 2017)

(Armstrong,, 2014), Suggests that combining reward management principles with HR policies can help to establish a workplace that is just, fair, and ethical. These are policies aimed at treating individuals fairly and preventing the establishment of unethical reward practices that reflect poorly on the company. Employee Reward refers to how employees are compensated based on their contribution to the company. It is concerned with both monetary and nonmonetary incentives, as well as the philosophies, strategies, policies, plans, and processes that organizations employ to produce them.

(Armstrong,, 2014)Employee relations, quality management, and rewards The goal is to create mutually supporting tactics in each of these areas.

**Fairness and incentive distribution** there is a constant need to be fair when it comes to rewarding staff. The tiniest hint of special treatment will bring the whole thing crumbling down around your ears. An ill-conceived rewards plan has the potential to backfire when employees can clearly identify the perks that their peers at other organizations enjoy. You can make sure that everyone is rewarded equally and that everyone is recognized for their efforts. (Inke & Ingo, 2006)

The following are some of the activities that occur as a result of incentive distribution. Recognize contributions, both monetary and non-monetary; this is especially crucial if you want to ensure fairness throughout the organization, including employees who don't necessarily bring in money but contribute equally to the firm's success. Keep it transparent. Everyone believes that the grass is greener on the other side of the fence (Inproma LLC, 2021)

Having a transparent rewards system guarantees that all employees are treated fairly. This also avoids charges of bias; top sellers deserve a larger incentive. They might as well pull off the pressure and coast if they don't get that recognition. Don't forget about the ordinary performers; it's critical to keep them satisfied as well. Make them feel as if they're on their way. They are generating a lot of money. Of course, they shouldn't get the biggest incentives,

but acknowledging their work will motivate them to adopt the best practices of the top achievers. (Ismail, Muhammad , Samina , & Syed Sikander , 2013)

Reward teams as well as individuals. With so much emphasis on individual achievement, it's easy to forget that being a part of a winning team may be just as satisfying. Create teams within the sales force based on a combination of skills and performance ratings. Encourage them to collaborate around a common goal. (Armin Falk 2021).

In order for incentive schemes to be successful, people who will be affected by them must accept them. according to a large body of literature on human resources management<sup>1</sup> the following characteristics are essential criteria that staff employees evaluate when appraising their own salary,,: **Distributive fairness** : Here an employee might ask: "How much do I receive – and how much do I receive in comparison with my peers?" **Procedural fairness** According to the: "What is the process that was used in order to decide how much I receive?" **Equity principle**; The principle of , employees believe that they should be paid according to their contributions to the organization. **Status consistency**; Demands that salaries should (at least roughly) reflect the staff members' positions in the organizational hierarchy. In other words, superiors should receive higher salaries than their subordinates. (Emir , 2017))

**Incentive Strategy**; Define the organization's incentive policy intentions. Process and practice are essential to ensure that it has the talented, competent, and well-motivated employees it requires to meet its corporate objectives. It will be influenced by the organization's business and human resource strategy, (Armstrong., 2014)

## 2.2 Empirical Review

Research suggested that it is very important for an organization to identify the non-monetary rewards that promote the wanted behaviors from employees. The view that different demographic groups are motivated differently can be a major ideas most researchers imposed these. From previous researches, it is evident that attention has not been paid to some non-monetary rewards. These observations find support from the work of a previous research which reports that non-monetary rewards such as training and development, promotion, recognition and insurance and medical coverage have been overlooked.

Ethiopian and international authors have conducted several studies to study the practice and challenges of non-monetary incentives and found different findings. The following are summaries of some of the previous research in this field.

Non-financial incentives are the key to improving employees' motivation, job satisfaction and better performance, there are a number of non-financial incentives that may represent more effective means of improving quality of work performance as well as motivational level (Flora F. & Thomas A, 2010)

Lederer,(2006) also suggested that employees are thought to be motivated to work hard to produce quality results when they have pride in their work, they believe their efforts are important to the success of the team, and their jobs are fun, challenging and rewarding.

The goal of non-monetary incentives is to provide associates with chances in exchange for great job performance. Recognition, medical and insurance coverage, promotion, and training and development opportunities are examples of non-monetary incentives.

Similarly, Asheraf Mohammed (2014) conducted a study entitled "The Role of the Incentives and Reward System in Enhancing Employee's Performance "A Case of Jordanian Travel and Tourism Institutions with the objective investigating the role of incentives on employee performance for the employees of the Jordanian tourism and travel institutions the finding shows that incentives, rewards, efficiency of reward system and promotions are four factors found to have significant impacts on employee performance in Jordanian travel and tourism institution.

(Li , 2020), similarly conducted a study entitled "Analysis of Non-monetary Incentives to Attract Young People's Employment Tendency" with the objective to examine the non-monetary incentives that attract college students to work in the public or private sector. Results indicate that Assume that job security has a positive impact on college students' employment preferences in the public sector, and career development and benefits have a negative impact on college students' employment preferences in the public sector

Furthermore, Kipleting (2017) conducted a study with a focusing on Non monetary motivation and employee performance focusing on Eldoret polytechnic, Uasin Ngishu county, Kenya. The aims of the study was to determine the influence of training on employee performance, to establish the outcome of advancement on workers performance, to find out the results of targets on worker performance and to determine the outcome of team building on worker performance in college. According the finding revealed that there is an strong and positive association between employee performance and non-monetary incentives (training, promotion, targets and team building).

On the other hand, few similarly studies have been made in Ethiopia to examine the relationship between non-monetary incentives with employee motivation and performance, the study can be summarized as below.

(ADEBABAI, 2019) conducted a study on the assessment of financial reward system practice by focusing on Commercial Bank of Ethiopia in south addis abeba district. The aim of the study is to study the practice of non-monetary incentive scheme on employees' motivation through examining the perception of employees' about the incentives scheme of the bank, motivation level of employees' in the bank and the practice of promotion, recognition, training on employees' motivation. Accordingly, the result shows that the non-monetary incentives (promotion, recognition and training opportunity) were found to be a significant predictors of employees' motivation and a significant portion of employees was at good motivation level to perform their job.

Similar study has been made by (Hirut, 2016) conducted a study entitled non-monetary rewards and employees motivation focusing on world learning inc., Ethiopia with the aim to examine the relationship between non-monetary rewards and motivation towards employees' job performance. Accordingly, the finding study reveals that non-monetary rewards have an immense contribution in employees' motivation and boosting job performance. In the same way, the study shown that there exists positive relationship between employee motivation and organizational effectiveness.

Fisaha Haile, Dejen Yemane, and Azeb Gebreslassie (2014) conducted a research entitled "Assessment of non-financial incentives for volunteer community health workers – the case of Wukro district, Tigray, Ethiopia" study's goal was to look into the assessment of non-monetary incentives (such as training and development chances) and voluntary health worker, the author found out that, considering a non-financial incentive package, including further training and allowing volunteer freedom, would be helpful to sustain volunteerism.

(Meron, 2017), with the topic "assessment on practices of intrinsic motivation at commercial bank of Ethiopia, Ethiopia. The objective of the study was to investigate the non-financial incentives and factors that affect motivation of the workers. Consequently, it is found out that implementation of comprehensive packages of non-financial incentives like provision of free medical care, hygienic materials, provision of rewards are important to sustain employees.

(M. Moses, MOSISA, & Alexandru-Mircea, 2017)), conducted a study entitled effects of non-monetary benefits on employees performance by focusing on Bako Agricultural research

centre, Western Shoa with the aim to to investigate the effects Non-monetary benefits on employee's performances. Accordingly, the study found out that there are relationships between Non-monetary Benefits and employees work performance.

A review of current literatures revealed that not many researchers have done a research on the topic practice and challenges of non-monetary incentive by focusing on the variable of medical coverage, insurance coverage, recognition, promotion and training opportunity. It has already identified in the literature that some employees do not value the non-monetary incentives offered to them. It is for this reason that this work is carried out to critically assess practice and challenges of non-monetary incentive in ESLSE. It is hoped that this study will fill these gaps.

## 2.3 Conceptual Framework

Medical coverage, recognition, insurance coverage, promotion, and training and development were all employed as variables in the study used to assess practice and challenges of non-monetary incentive. Accordingly the study's conceptual framework is developed as below

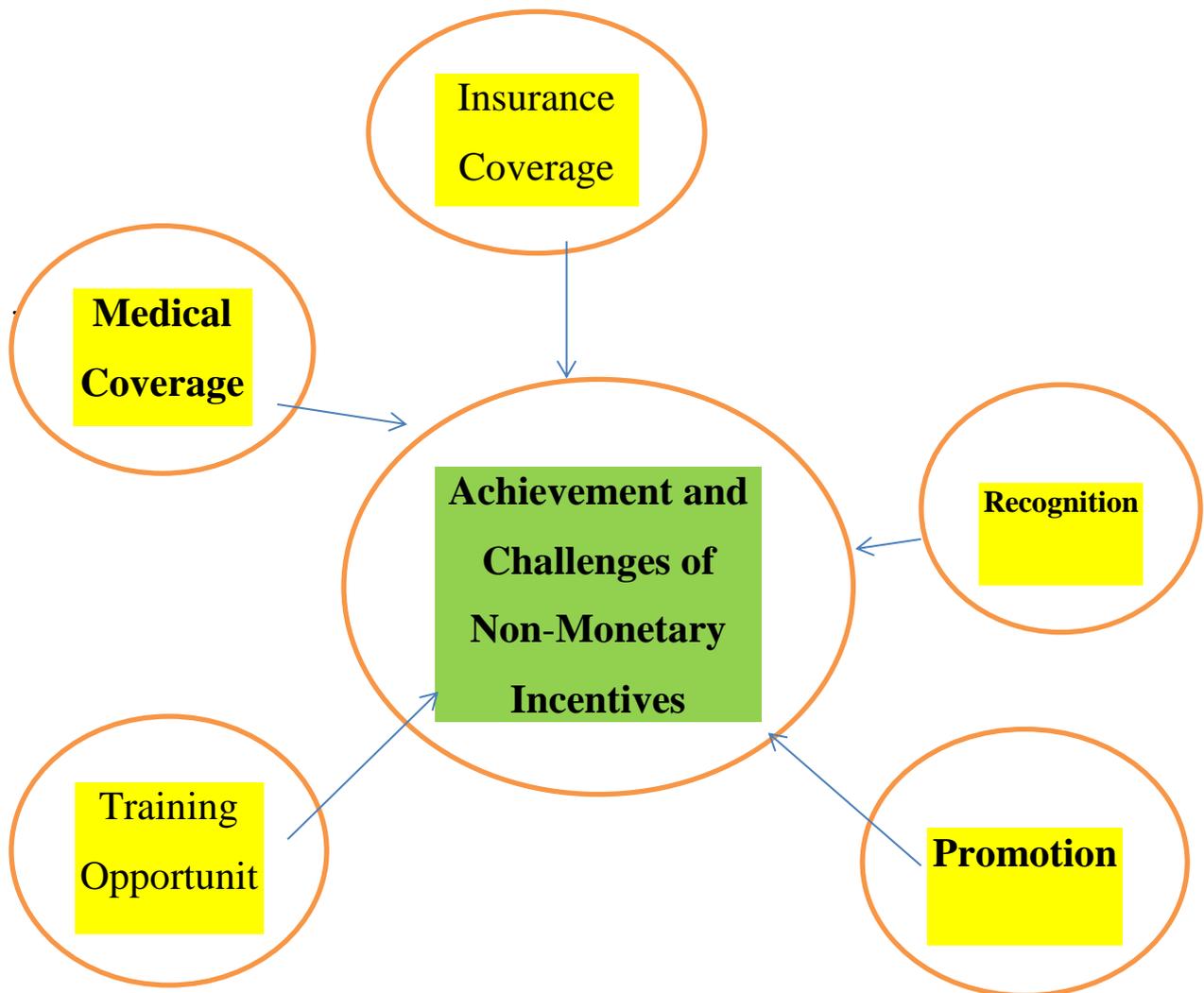


Figure 2.3.1 conceptual framework of the study

Source: Developed model, 2021

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

This chapter presents the methodology section of the study. It includes the research approach, design, target population, sampling strategy, the data collection procedures, the source of data, the instruments used for gathering data, data analysis, issues pertaining to validity and reliability, and ethics and the statistical techniques were used to analyze the summarized data.

#### **3.1 Research Design and Approaches**

The purpose of the study is to demonstrate and assess the practice of non-monetary incentive and what kind of incentives is more likely used to increase employee performance. The study is a survey in which data were collected from the targeted population. According to Singh (2006), research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidence, analyzing the evidences and reporting the findings, with the view to address its objectives, the study used is descriptive study. The research conducted two research designs these are descriptive research designs. A descriptive research design was applied to describe the data and characteristics of the samples in order to understand and systematically describe the incentive schemes of the case organization and also to identify the most influential variables that affect employee's performance. A research that focuses primarily on the construction of descriptive data follows a descriptive method.

The study conducted as a descriptive study approach to research in order to demonstrate the practice and challenges of non-monetary incentives. Descriptive research involves studying a specific situation to ascertain whether any general theories may arise out of it whether an existing theory are borne out by specific situations.

Therefore, the choice of this approach is determined by the fact that this study has attempted to answer questions about the practice of non-monetary incentives between incentive schemes and employee productivity.

#### **3.2 Population, sample size and sampling techniques**

##### **3.2.1 Research population**

The target population is defined as a collection of elements or objects that possess the information sought by the researcher (Malhotra & Birks, 2006). The study population consists of 277 employees of the enterprise. The specific enterprise was selected because it is

one of big multi-lateral service giving public enterprise in the country. The source of target population includes employees of the head office located in Addis Ababa and relevant data obtained from head office of managerial and non-managerial employees, as of April, 2021.

### **3.2.2 Sample Size**

The researcher believes that simple random is appropriate for this particular study as it gives equal chance for all employees. The researcher adapted Sloven's sample determining formula as below.

Where N is the population, n is sample, e is margin of error 5% with 95% confidence interval

### **3.2.3 Sampling technique**

Sampling technique is used to represent the characteristic of the targeted population so that the researcher can draw a general conclusion on the entire population. Simple random sampling technique was used in this research and it is one of the probability sampling techniques. Simple random Probability sampling technique is preferred, because there is a defined sampling frame for this research. Therefore, the probability of inclusion for every member of the population is determinable.

## **3.3 Sources of data**

The research employed primary and secondary source of data discussed as below

### **3.3.1 Primary data**

Primary data was used for better understanding of the issue under the study and collected from respondents at ESLSE (head office), who will be assumed to give firsthand information on the subject under study. The self-administered survey questionnaire was used to collect the data from the respondents.

### **3.3.2 Secondary Data**

Secondary data were gathered from sources like; annual reports, journal articles, internet, magazines, newspapers and books related to the subject of the study and these were consulted at length to extract the information required to support the findings from the study respondents.

### **3.4 Data gathering Instruments**

The research instrument that was used to collect primary data is a five point Likert scale structured questions that can be used to access the essential data from respondents. Hard copies of the questionnaires will be passed personally to the target respondents while soft copies of the questionnaires will be sent through e-mails to the target respondents in the effort to obtain their responses. The designed instrumental questions include two main parts. Part one is aimed to collect demographic characteristic and profile information of the respondents and part two is closed ended aimed to collect variables number questions which were intended to measure the practice, and the challenge of non-monetary incentives and employee performance, using five point Likert scale anchored by strongly agree to strongly disagree. Thus, the respondents were requested to select their own choice of the five point Likert scale alternatives in order to specify their level of agreement or disagreement on each question items. The scale of measurement will be used for the study's interval, nominal and ordinal.

### **3.5 Process of data collection**

Method and Procedure of the study were incorporated the use of various methods in the process of data collection in a bid to come up with sound, concrete and credible research findings. The researcher therefore amalgamated the use of structured questionnaire and documentary analysis in the process of collecting both primary and secondary data

### **3.6 Pilot Testing**

#### **3.6.1 Validity Test**

Validity Test Validity refers to the extent to which data accurately reflects what they are meant to reflect. It means that the instrument measures what it is supposed to measure. Thus effect of incentive schemes measurements are adopted from various scholar works. Items in the questionnaire are prepared using a five point-Likert scale except the demographic items and additional comments in related to the study. Maximum effort was exerted to create logical link between the items in the questionnaire and the objective of the study. The researcher directly contacted with the staff of the organization to practice a pilot testing on ten employees of ESLSE before collecting a primary data and the researcher creates a chance to assess all appropriate sources of information makes the data obtained valid.

### **3.6.2 Methods of Data Analysis**

Data analysis is the process of bringing order, structure and meaning to the mass of information gathered. After collecting all the necessary data, the data was coded and edited, analyzed and rephrased to eliminate errors and ensure consistency. Data collected from the respondents were entered into a computer and analyzed with the use of statistical packages for social scientists (SPSS) Version: 20, which will assist to summarize the coded data and expedited data analysis. Data collected from the questionnaires was carefully analyzed, summarized and interpreted by using descriptive statistics. The descriptive statistics include frequencies, valid percentages, means and standard deviation. This was used to present the demographic characteristics of the respondents and incentive schemes practices part of the questionnaires in a summarized manner.

### **3.7 Ethical Consideration**

The researcher was used data from employees which was collected through self-administered questioner; permission is obtained from employees. To maintain confidentiality, the respondents were informed that the information they provide are confidential and used only for academic purpose. The respondents were informed not to write their names on the questionnaire. The data that was collected is kept confidential and the researcher was tried to work on the paper with standard professional ethics.

### **3.8 Response Rate**

Based on the situation faced on collection of questionnaires the researcher assumed additional 10% of the sample size i.e. 16 questionnaires in case of unreturned and correctly unfilled (response error) of distributed questionnaires. Accordingly the researcher has been distributed 178 questionnaires, where the analysis is made on 166 returned questionnaires excluding 12 unreturned and questionnaires having response error. For clarity the response rate is indicated here under.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

Based on the data gathered through questionnaire, this chapter presents analysis focusing on demographic variables and the main variables of the study. To keep confidentiality the researcher informed the participants that their response is used only for the purpose of the investigation to obtain their genuine response. Before the data entered in to SPSS version 20 the data is checked for response error, as a result all questionnaires were returned and filled appropriately. In order for the analysis to be reliable Crobach's Alpha was computed for all items used in the survey and found to be 0.75 indicating that the items are reliable. The response

#### 4.2 Response Rate

**Table 4. 1 Response Rate**

Distributed Questionnaires	Unreturned Questionnaires	Questionnaires with Response Error	Total collected Questionnaires
178	7	5	166
	4 %	3 %	93 %

**Source: own survey result, 2021**

N.B. As indicated in the sampling section of research the sample size was 162; however the researcher included additional four respondents which might increase clarity of the analysis.

#### 4.3 Demographic Analysis

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics of respondents.

Accordingly, the following demographic variables about the respondents were summarized and described in table 4.2. These demographic variables includes: number of years the worker worked in the organization, age, sex, and the highest educational level achieved.

### **4.3.1 Gender and age of the respondents**

About 56.8% of the respondents were male and the remaining 43.2% of the respondents were female. Regarding the age of the participants, the largest group (56.8%) was in 27-35 years age group. The second largest group (29.0 %) indicated their age were in the 36-44 the remaining age group where as 6.2% and 4.3% indicate their age were in the 45-53 and 25 age groups respectively. On the other hand, 6 individuals (4.167%) are reported between 54-60 years of age. From this it is possible to infer that the workforce composition of the respondent are young and thus may require a strong non-monetary incentive policy programs to keep them satisfied in the job.

### **4.3.2 Educational and Work Experience of the respondents**

As indicated in table 4.1 the respondents educational qualification, the majority of the respondents are first degree holders (n=94, 58%) where as 38.3% of the respondents are Master's degree holders. Only 6 individuals are identified to have college diploma and no respondent had high school graduate or PhD. Given the fact that the majority of the workforces are young and having BA/BSc Degree is not doubtful that employees give high concern for their education and career development. Regarding the experience of the respondents **Table4.1** indicates that the majority (n=58, 35.8%) of the respondents indicated that they have been working in the Enterprise between 6 to 9 years. yet, 44 (27.2%) and 38 (23.5%) of respondents indicated tenure with the Enterprise between 3 and 6 years and above 12 years respectively. On the other hand, only 4 (2.55%) individuals indicated that they had been working in the Enterprise between 1 to 3 years.

The general implication of the response shows that The Enterprise workforce was identified to be made up of young and adult employees who were professionally qualified for their positions. This demonstrates that employees place a high value on their education and professional growth. This inspires the employees to desire to get a promotion and a high level training opportunity.

**Table 4. 2 Summary of respondent profile by age and gender marital status**

	Validity	Description	Frequency	Percent	Valid Percent	Cumulative Percent
<b>AGE CATEGORY</b>	Valid	18 - 26	7	4.3	4.3	4.3
		27 – 35	92	56.8	56.8	61.1
		36 – 44	47	29	29	90.1
		45 – 53	10	6.2	6.2	96.3
		54 – 60	6	3.7	3.7	100
		<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Gender</b>		Male	92	56.8	56.8	56.8
		Female	70	43.2	43.2	100
		<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Marital status</b>		Single	74	45.7	45.7	45.7
		Married	86	53.1	53.1	98.8
		Divorced	2	1.2	1.2	100
		<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>	
<b>Educational attainment</b>		College Diploma	6	3.7	3.7	3.7
		Bachelor Degree	94	58	58	61.7
		Master’s Degree	62	38.3	38.3	100
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>		
<b>Work position</b>	Managerial	18	11.1	11.1	11.1	
	Non Managerial	144	88.9	88.9	100	
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>		
<b>Experience in ESLSE</b>	1 - 3 years	4	2.5	2.5	2.5	
	3 - 6 years	44	27.2	27.2	29.6	
	6 - 9 years	58	35.8	35.8	65.4	
	9 - 12 years	18	11.1	11.1	76.5	
	above 12 years	38	23.5	23.5	100	
	<b>Total</b>	<b>162</b>	<b>100</b>	<b>100</b>		

Source: own survey, 2021

## **4.4 Analysis of main variables of the study**

To find out the answer to the basic research question, the questionnaire divided into four major parts namely, existence and type of non-monetary incentive practiced by ESLSE, Adequacy & practice of non- monetary incentives by ESLSE, Assessment of non-monetary incentives of medical coverage, insurance coverage, recognition, promotion, and training opportunity Challenges of Distribution or fairness of non-monetary incentive at all level.

The non-monetary incentives included as main variables of study are; recognition, medical expense coverage, insurance coverage, training and development opportunity, and promotion. Therefore, below is presented descriptive percentage and graphical display separately for all variables.

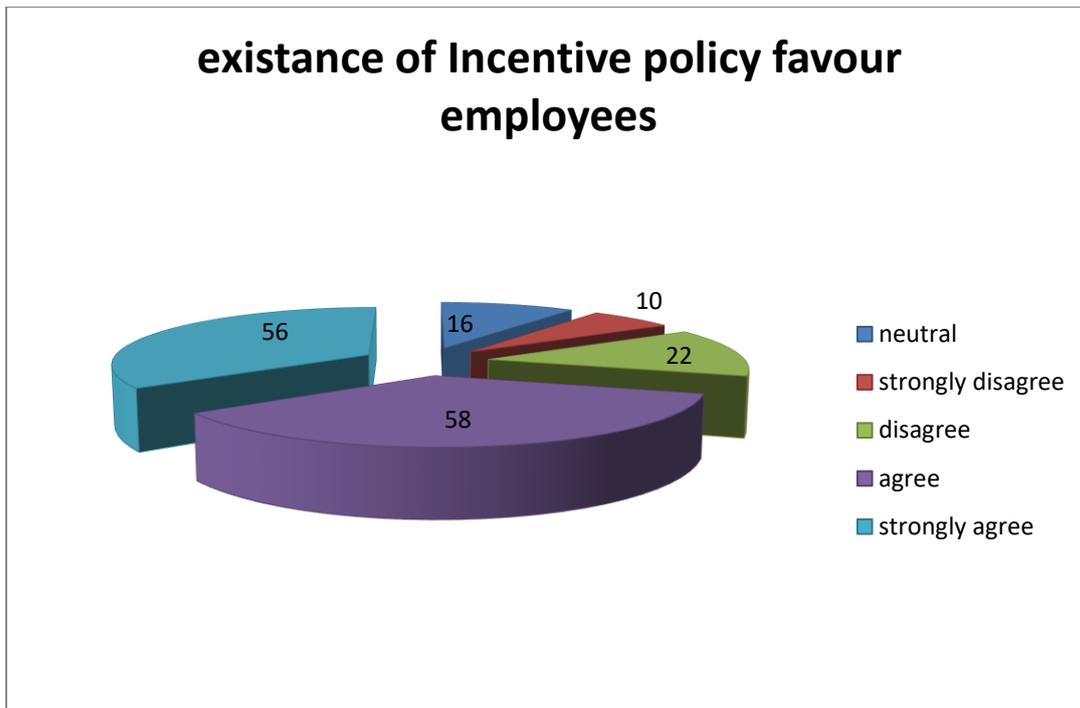
### **4.4.1 Existence and type of non-monetary incentives practiced by ESLSE**

#### ***4.4.1.1 ESLSE has its own non-financial incentive policy that favor employees***

As indicated figure 4.5 below, the respondents asked to forward their attitude toward incentive policy of the Enterprise. Based on this assumption respondents were asked whether the Enterprise non-financial Incentive policy favor for employees. The majority respondents 35.8% agreed, 34.6% strongly agree; that incentive policy favor employees, while 13.6%, 6.2% strongly disagree & disagreed respectively & the rest few were neutral (9.9%).

Based on 70.4% of the respondents' assumption the non- financial incentive policy of the enterprise is favoring the employee, whereas 19.8% respondents denied the favoring of the incentive policy.

The general implication of the response shows that The Enterprise workforces have confidence on the incentive policy. This reveals that employees place a high trust on the incentive policy. This inspires the employees to retain in the enterprise.



*Figure 4. 1 Incentive policy favor employees*

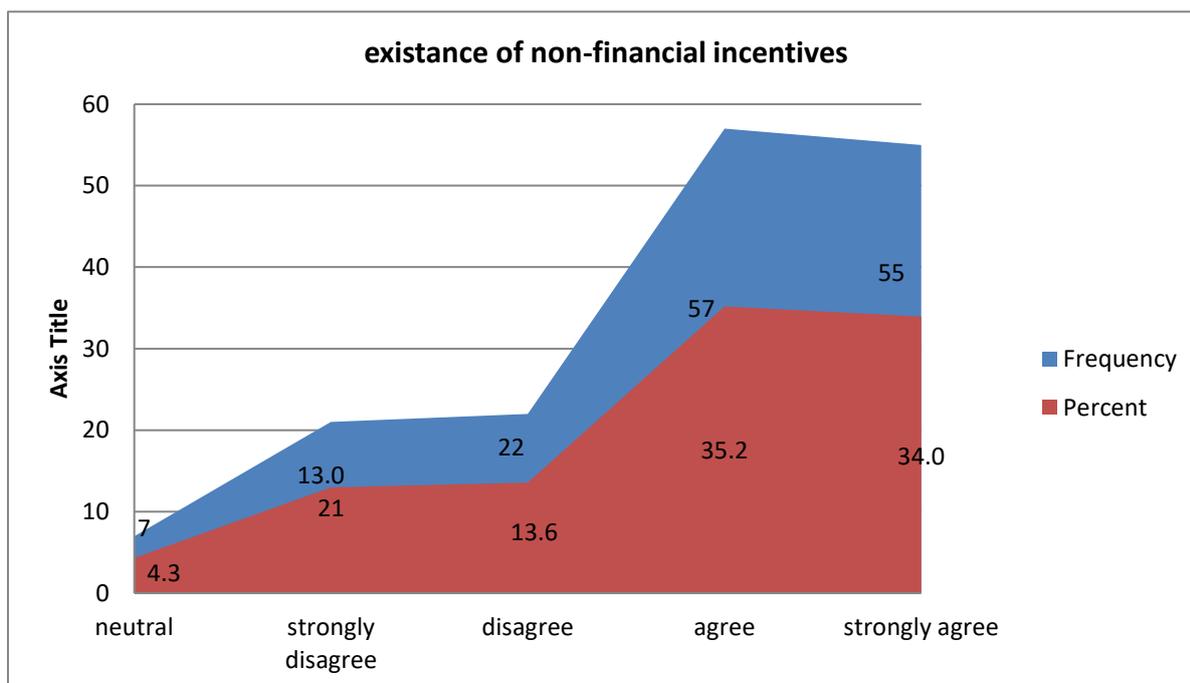
Source: own survey result, 2021

**4.4.1.2 Medical coverage is provided as non-monetary incentives by ESLSE.**

As indicated figure 4.6 below, the respondents asked to forward their attitude toward non-financial incentive as a medical coverage. Based on this assumption respondents were asked whether the Enterprise provide medical coverage as a non-financial incentive for employees. Based on this premise, the majority respondents 35.2% agreed, 34% strongly agreed that incentive policy of ESLSE provide non-financial incentive mentioned above, while 13% 13.6% strongly disagree and disagreed correspondingly, the rest few were neutral (4.3%).

To specify 69.2% of the respondents' assure the existence of non-financial incentive as a medical coverage by ESLSE while 26.6% respondents claimed the medical coverage is not given as the non-financial incentive.

The general implication of the response shows that The Enterprise medical coverage is prove to be essential and gives a high value to the employees. This inspires the employees to retain in the enterprise.



**Figure 4. 2 Non-financial incentives**

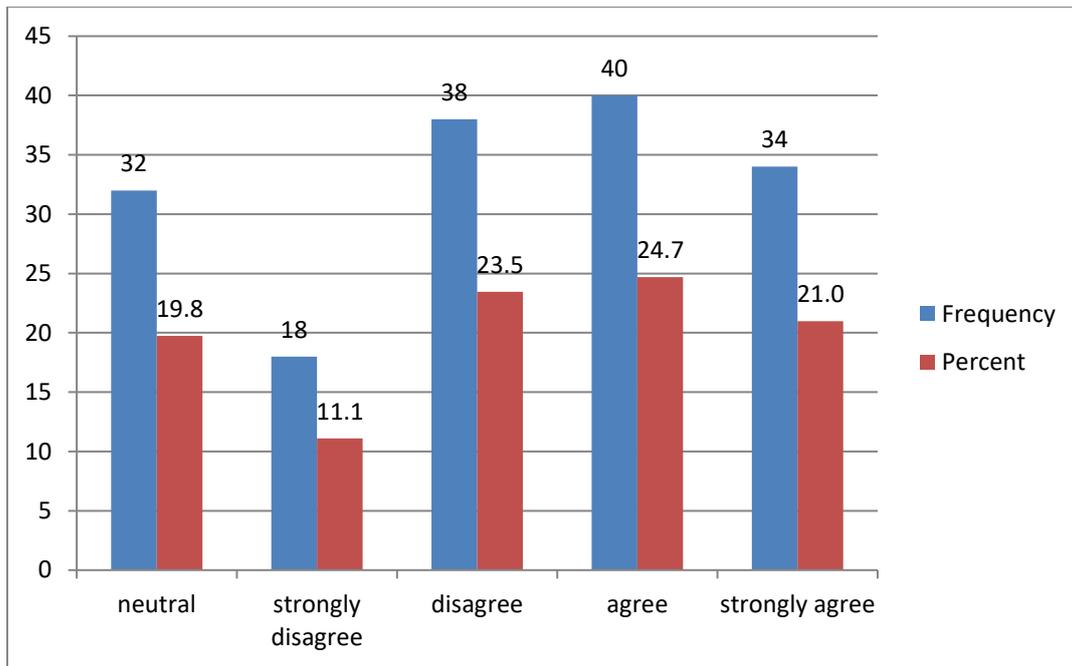
**Source: own survey result, 2021**

#### ***4.4.1.3 Insurance coverage is provided as non-monetary incentives by ESLSE.***

As indicated figure 4.7 below, the respondents asked to forward their attitude toward insurance coverage as a non-monetary incentive. Based on this assumption respondents were asked whether the Enterprise provide insurance coverage. The majority respondents 24.7%, 21% strongly agree that the incentive policy of ESLSE gives insurance coverage, while 11.1%, and 23.5% of the respondent were disagreed, the remaining respondent were neutral (19.8%).

Based on 45.7 % of the respondents' assumption The ESLSE provides insurance coverage, whereas 44.6% respondents claimed the provision of insurance coverage is not existed.

The general implication of the response shows that The Enterprise insurance coverage is prove to be essential and gives a high value to the employees. This inspires the employees to retain in the enterprise.



**Figure 4. 3 Intrinsic incentives**

**Source: own survey result, 2021**

#### **4.4.1.4 Recognition is provided as non-monetary incentives by ESLSE**

As indicated table 4.7 below, the respondents asked to forward their attitude toward non-financial incentive as a recognition,. Based on this assumption respondents were asked whether the Enterprise provide recognition as non-financial incentive for employees. From the respondents 21.6% and 17.9% agree and strongly agree respectively that non-financial incentive as a recognition, however the majority respondents claimed that recognition is not provided as a non-monetary incentive 39.5% disagree and 11.7% strongly disagree , while the rest few were neutral (9.3%).

To specify 51.2 % of the respondents' assumption The non-financial incentive like recognition, not-provided by ESLSE, whereas 39.5% respondents positively look the recognition that provided by the enterprise.

The general implication of the response shows that The Enterprise recognition practice is not well exercised by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.

**Table 4. 3 Recognition is provided as non-monetary incentives by ESLSE**

Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid neutral	15	9.3	9.3	9.3
strongly disagree	19	11.7	11.7	21.0
disagree	64	39.5	39.5	60.5
agree	35	21.6	21.6	82.1
strongly agree	29	17.9	17.9	100.0
Total	162	100.0	100.0	

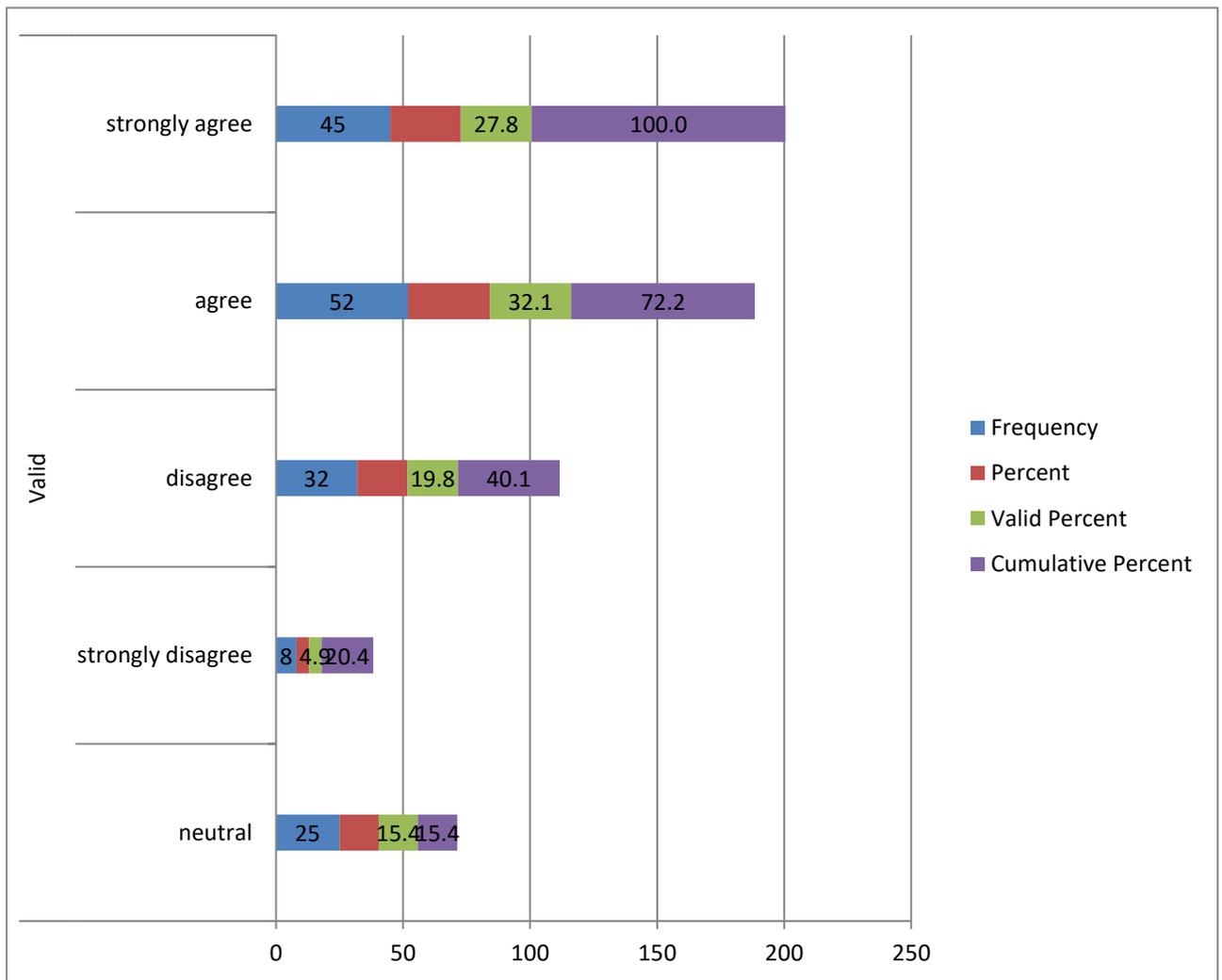
Source: own survey result, 2021

#### **4.4.1.5 Promotion is provided as non-monetary incentives by ESLSE**

As indicated figure 4.8 below, the respondents asked to forward their attitude toward the provision of promotion as a non-monetary incentive. Based on this assumption respondents were asked whether the Enterprise's provide as a promotion as anon-financial incentive. Based on this premise, the majority respondents 32.1%, 27.8% agree and strongly agree respectively that promotion is provided as a non-financial incentive. While 4.9% and 19.8%, strongly disagree and disagreed, respectively on the provision of promotion. The rest (15.4%) of the respondents were neutral.

Generally 51.2 % of the respondents' assumption the non-financial incentive like a promotion is provided by ESLSE, whereas 39.5% respondent's claims the promotion is not provided by the enterprise.

The general implication of the response shows that The Enterprise promotion practice exercised by the enterprise. This kind of practice inspires the employees to retain in the enterprise.



**Figure 4. 4 Promotions as a non-monetary incentive**

**Source: Source: own survey result, 2021**

**4.4.1.6 Training opportunity is provided as non-monetary incentives by ESLSE**

As indicated table 4.8 below, the respondents asked to forward their attitude toward the provision of training opportunity as Enterprise’s non-monetary incentive. Based on this assumption respondents were asked state their opinion on the training opportunity Enterprise non-monetary incentive policy. Based on this premise, the respondents 23.5% , 11.1% agree and strongly agree respectively, while the majority 37.7% didn’t agree, 9.3% strongly disagreed that provision of training opportunity as non-monetary incentive policy of the Enterprise while the rest few were neutral (18.5%).

In general, 47 % of the respondents’ assume that training opportunity given to the employees is not provided as a non-monetary incentive. Whereas 34.6% respondents look positively that the training opportunity given to the employees is provided as a non-monetary incentive.

The general implication of the response shows that the Enterprise training opportunity practice is not well exercised by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.

**Table 4.4 Training opportunity is provided as non-monetary incentives**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	30	18.5	18.5	18.5
	strongly disagree	15	9.3	9.3	27.8
	Disagree	61	37.7	37.7	65.4
	Agree	38	23.5	23.5	88.9
	strongly agree	18	11.1	11.1	100.0
	Total	162	100.0	100.0	

Source: own survey result, 2021

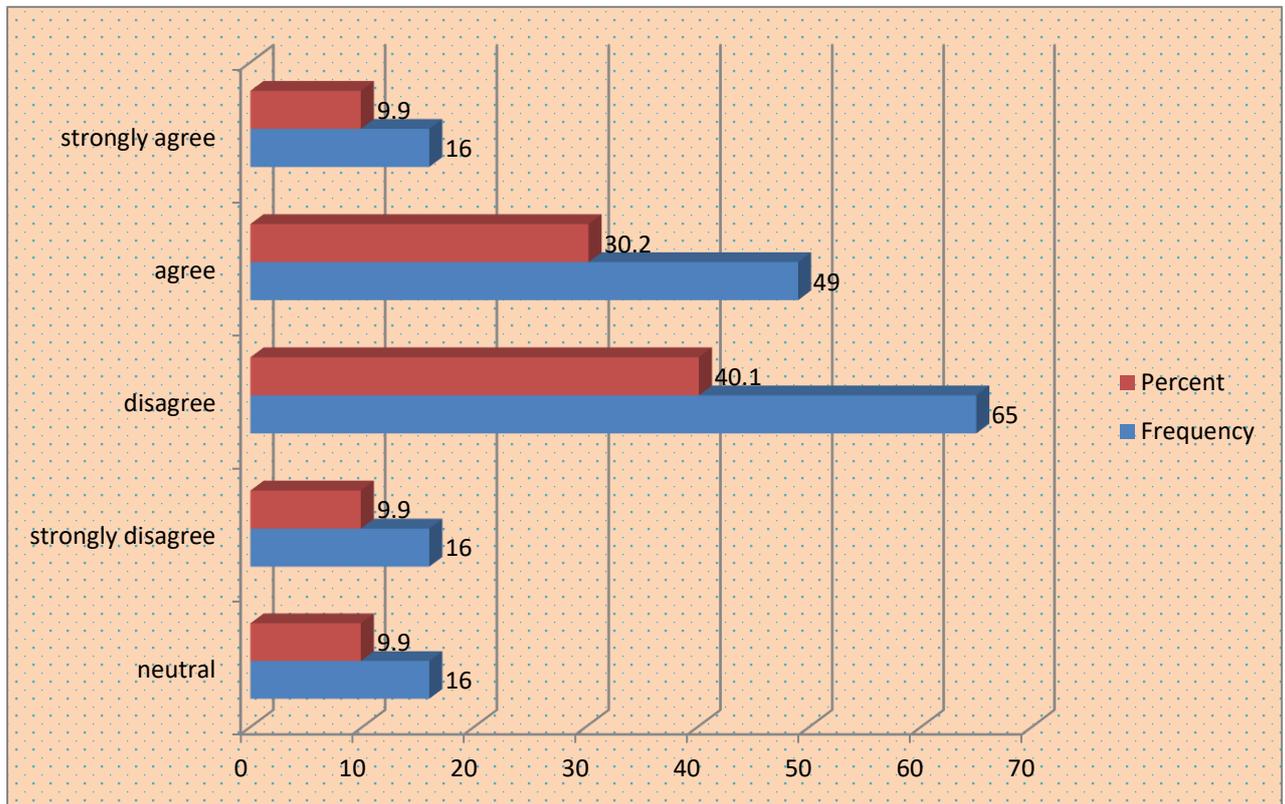
#### 4.4.2 Adequacy & practice of non- monetary incentives by ESLSE

##### 4.4.2.1 The medical coverage given to the employees is satisfactory and provided as per ESLSE incentive policy

As indicated in figure 4.9 below, the respondents asked to forward their attitude towards medical coverage as a non-financial incentive of the Enterprise is satisfactory or not. Based on this premise, the majority respondents 30.2% agreed, 9.9% strongly agreed that the Enterprise provides satisfactory medical expense coverage as a non-financial incentive while the majority 40.1% disagreed and 9.9% strongly disagreed on the matter, the rest few were neutral (9.9%).

In general, 50 % of the respondents' assume that the non-monetary incentive value given to the employees is not satisfactory whereas 40.1 % respondents look positively that the non-monetary incentive value is satisfactory.

The general implication of the response shows that The Enterprise non-monetary incentive is not satisfactory and not well provided by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.



**Figure 4. 5 Medical coverage as non-financial incentive**

**Source: own survey result, 2021**

**4.4.2.2 The insurance coverage given to the employees is satisfactory provided as per ESLSE incentive policy**

As indicated table 4.5 below, the respondents asked to forward their attitude towards the insurance coverage a non-financial incentive provide by the ESLSE is satisfactory as per ESLSE policy. Based on this assumption respondents were asked whether the Enterprise provide insurance coverage as a non-monetary incentive is satisfactory and as per ESLSE incentive policy. Majority of the respondents 45.1% agreed and 13.6% strongly agreed that insurance coverage that provided as a non-financial incentive is satisfactory and as per the policy, while 17.3% were disagreed and 3.7% strongly disagreed & the rest (20.4%) were neutral.

In general, 58.7 % of the respondents' accept that the ESLSE insurance coverage as a non-financial incentive is satisfactory and practiced as per the policy. Whereas 21 % respondents claimed that the pay of non-financial incentive not paralleled with the enterprise attainment of objective

The general implication of the response shows that The Enterprise insurance coverage practice is exercised by as per the enterprise incentive policy. This kind of practice inspires the employees to retain in the enterprise.

Table 4. 5 The ESLSE non-financial incentive insurance coverage is satisfactory or not

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	33	20.4	20.4	20.4
	strongly disagree	6	3.7	3.7	24.1
	Disagree	28	17.3	17.3	41.4
	Agree	73	45.1	45.1	86.4
	strongly agree	22	13.6	13.6	100.0
	Total	162	100.0	100.0	

Source: own survey result, 2021

#### ***4.4.2.3 The recognition given to the employees is satisfactory and provided as per ESLSE non-monetary incentive policy***

As indicated figure 4.10 below, the respondents asked to forward their attitude towards recognitions as a non-financial incentive and practiced as per the Enterprise non-monetary incentive policy. Based on this statement respondents were asked the recognition of Enterprise is satisfactory and provided as per the policy, 26.5% respondents agreed, 11.1% strongly agreed that the Enterprise provides satisfactory recognition as a non-financial incentive while the majority 40.7% , 10.5% were disagreed & strongly disagreed respectively, the rest (11.1%) few were neutral.

To specify 51.2 % of the respondents' claimed the recognition of ESLSE not adequate and not as per the policy, whereas 37.6 % respondents positively look the practice of recognition that provided by the enterprise is satisfactory and as per the company policy.

The general implication of the response shows that The Enterprise recognition practice is not satisfactory and not well provided by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.

**Table 4. 6 Recognition and the enterprise policy**

<b>The ESLSE pay Competent non-financial incentive compared to the market</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	18	11.1	11.1	11.1
	strongly disagree	17	10.5	10.5	21.6
	disagree	66	40.7	40.7	62.3
	agree	43	26.5	26.5	88.9
	strongly agree	18	11.1	11.1	100.0
	Total	162	100.0	100.0	

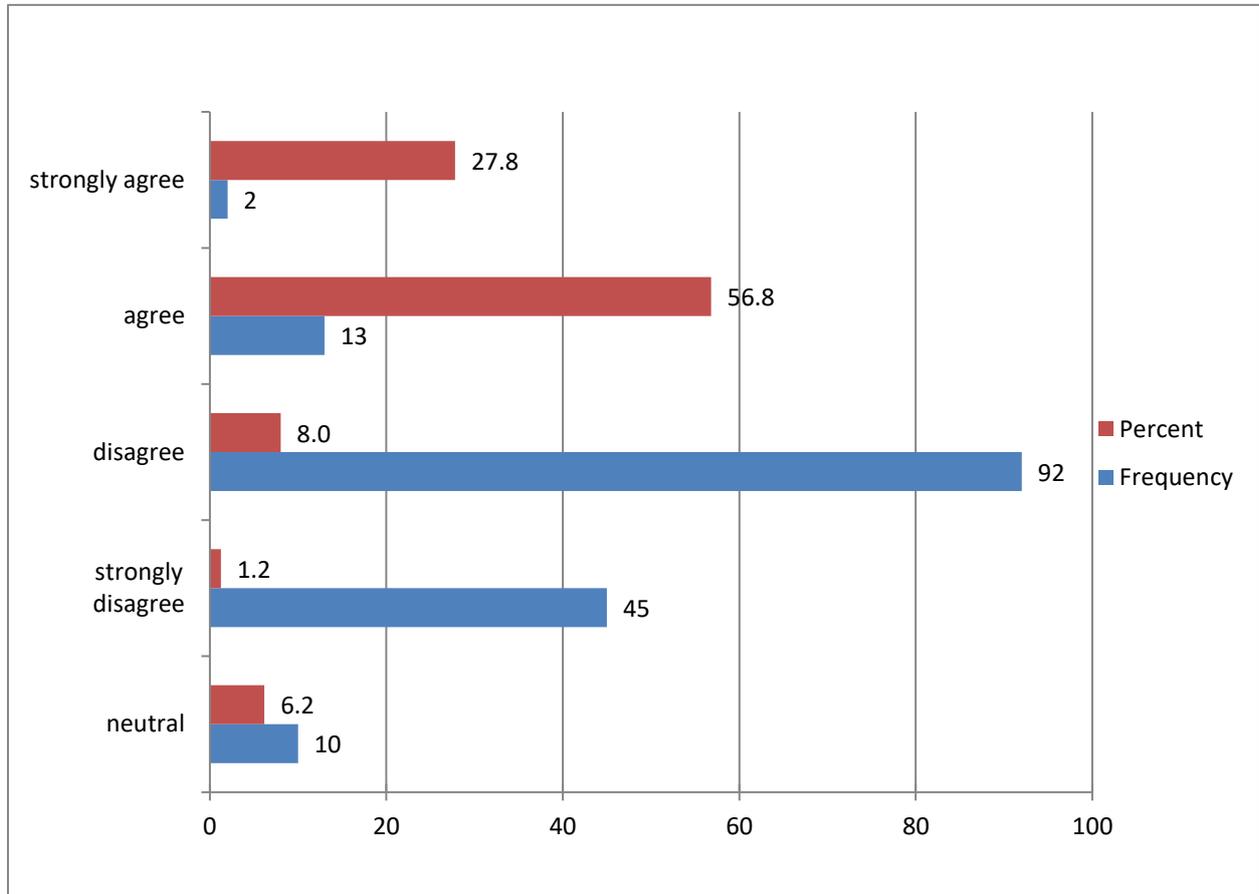
**Source: own survey result, 2021**

**4.4.2.4 The promotion given to the employees is satisfactory and provided as per ESLSE incentive policy**

As indicated figure 4.11 below, the respondents asked to forward their attitude toward promotion given to the employees as non-financial incentive of the Enterprise. Based on this assumption respondents were asked whether the Enterprise promotion is satisfactory or not. Based on this premise, the majority respondents 56.8% disagreed, 27.8% strongly disagreed that promotion coverage of the Enterprise is satisfactory while 1.2% strongly agreed 8% were agreed, the rest (6.2%) were neutral.

To specify 84.6 % of the respondents' claimed the promotion given by ESLSE is not satisfactory and adequate as per the policy, whereas 9.2 % respondents assume the promotion that provided by the enterprise is not adequate.

The general implication of the response shows that The Enterprise recognition practice is not satisfactory and not well provided by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.



**Figure 4. 6 promotion of the employee**

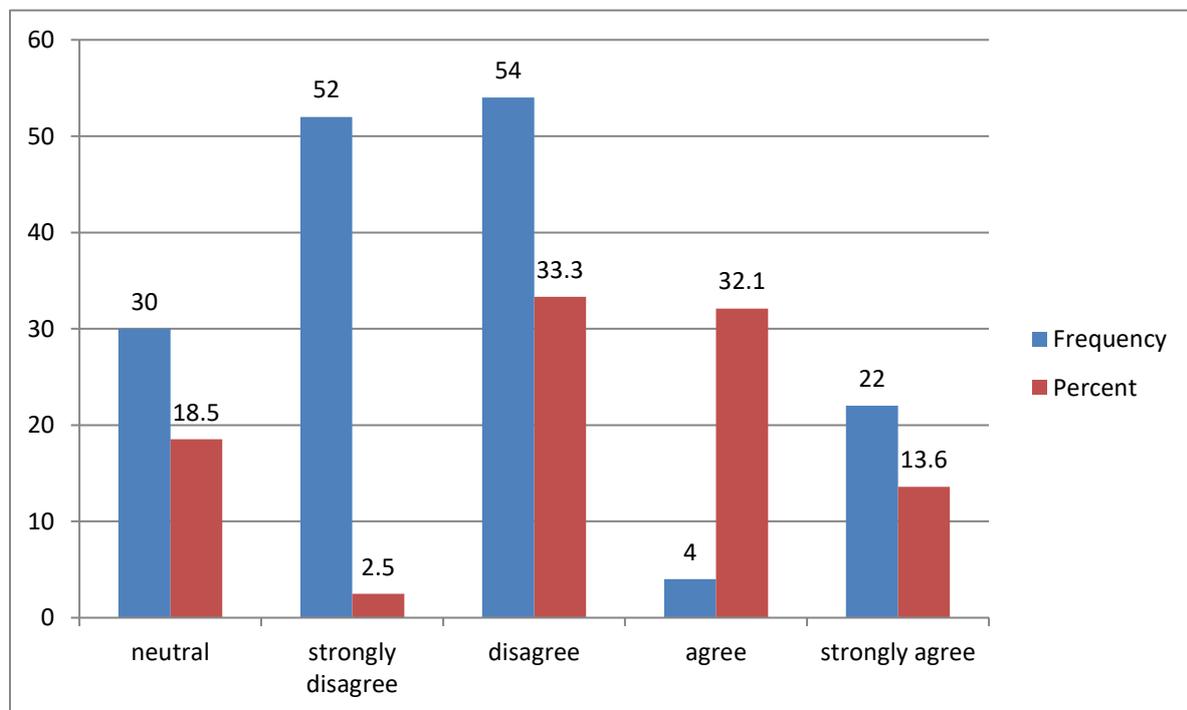
**Source: own survey result, 2021**

**4.4.2.5 The training and opportunity given to the employees is satisfactory and provided as per ESLSE incentive policy**

As indicated figure 4.12 below, the respondents asked to forward their attitude toward training opportunity of the Enterprise. Based on this assumption respondents were asked whether the Enterprise provide attractive training as non-financial incentive for employees. Based on this premise, the majority respondents 32.1% agreed, 13.6% strongly agreed that incentive policy of provides attractive training, while 33.3%, 2.5% disagreed and strongly disagreed the rest of the respondents (18.5%) were neutral.

To specify 45.7 % of the respondents' assume the training opportunity of ESLSE is adequate compared to the other enterprise, whereas 35.8 % respondents claimed the training opportunity provided by the enterprise is not adequate

The general implication of the response shows that The Enterprise training opportunity practice is not satisfactory and not well provided by the enterprise. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise.



**Figure 4. 7 training opportunity**

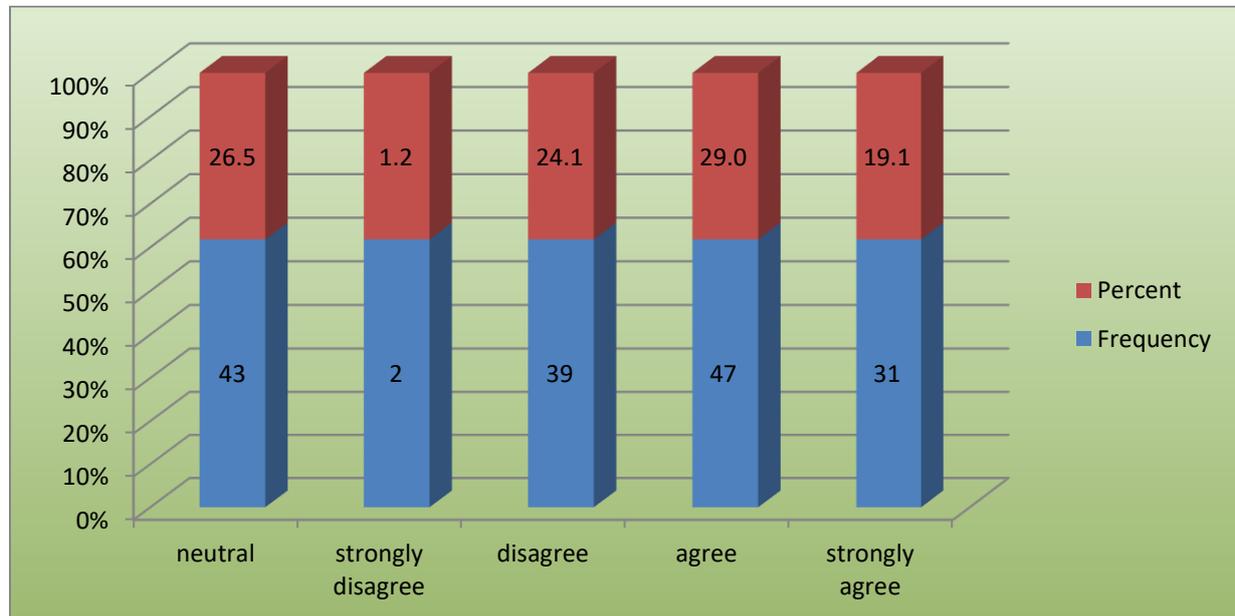
**Source: own survey result, 2021**

**4.4.3.1 Assessment of non-monetary incentives regarding Transparency**

The ESLSE non-financial incentive practice of providing medical coverage is transparent. As indicated in figure 4.13 below, the respondents were asked to forward their attitude whether medical coverage of the Enterprise practice is transparent. Based on this assumption respondents were asked whether the Enterprise practice of providing medical coverage as non-financial incentive is transparent or not. Based on this premise, the majority of respondents 29% agreed, 19.1% strongly agreed that Enterprise provides attractive insurance coverage for employees while 24.1% were disagreed, 1.2% strongly disagreed, and the rest few (26.5%) were neutral.

To generalize 48.1 % of the respondents' assumes the practice of giving medical coverage of ESLSE is transparent, whereas 25.3 % respondents claimed the medical coverage provided by the enterprise is not transparent.

The general implication of the response shows that The Enterprise medical coverage practice is transparent. This kind of practice inspires the employees to retain in the enterprise..



**Figure 4. 8 medical coverage and employee performance**

**Source: own survey result, 2021**

#### **4.4.3.2 The ESLSE non-financial incentive practice of providing insurance coverage is transparent**

As indicated figure 4.14 below, the respondents asked to forward their attitude toward insurance coverage is transparent. Based on this assumption respondents were asked whether the Enterprise practice of providing insurance coverage is transparent. Based on this premise, the majority respondents 44.4% disagreed and 11.7% were strongly disagreed that the Enterprise were given poor insurance coverage while 22.2 % agreed and 9.3 % were agreed. The remaining (12.3%) was neutral.

To generalize 56.1 % of the respondents' claimed that ESLSE practice of insurance coverage transparent, whereas 31.5 % respondents positively looked the transparency practice of insurance coverage.

The general implication of the response shows that The Enterprise insurance coverage practice is not transparent. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise

**Table 4. 7 insurance coverage and outstanding performance of employees**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	20	12.3	12.3	12.3
	strongly disagree	19	11.7	11.7	24.1
	disagree	72	44.4	44.4	68.5
	Agree	36	22.2	22.2	90.7
	strongly agree	15	9.3	9.3	100.0
	Total	162	100.0	100.0	

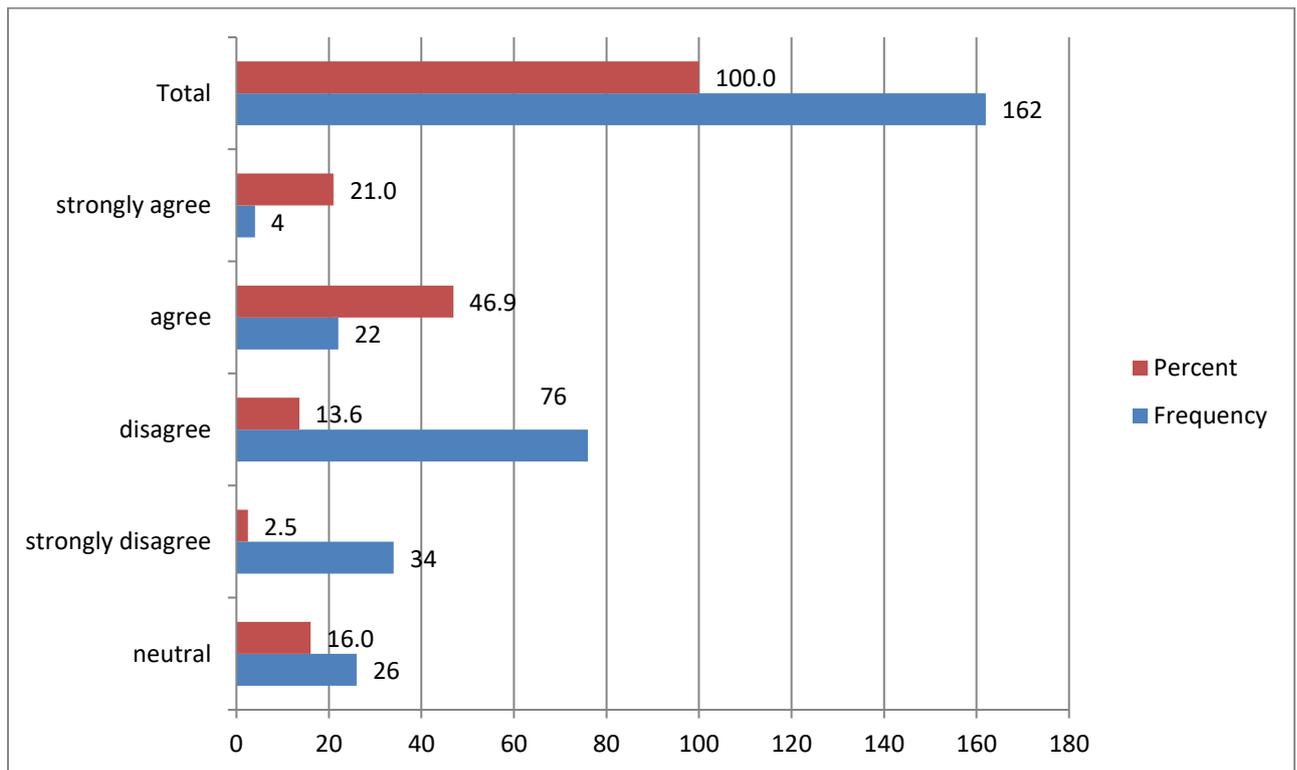
Source: own survey result, 2021

#### ***4.4.3.3 The ESLSE non-financial incentive practice of providing recognition is transparent***

As indicated in figure 4.14 below, the respondents asked to forward their attitude toward recognition provided by the enterprise are transparent or not. Based on this assumption respondents were asked whether the Enterprise recognition practice as anon-financial incentive is transparent, the majority respondents 46.9% agreed, 21% strongly agreed that incentive policy have increase employee performance, while 2.5 % strongly disagreed,13.6% were disagreed, and the remaining respondents (16%) were neutral.

To generalize 67.9 % of the respondents' claimed that the ESLSE recognition as a non-financial incentive policy is not transparent; whereas 16.1 % respondents claimed the recognition as a non-financial incentive policy is transparent

The general implication of the response shows that The Enterprise recognition practice is not transparent. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise



**Figure 4. 9 transparency and recognition**

**Source: own survey result, 2021**

#### ***4.4.3.4 The ESLSE non-monetary incentive practice of providing promotion is transparent***

As indicated in Table 4.8 below, the respondents asked to forward their attitude towards Promotion provided by the enterprise as a non-monetary incentive is transparent or not. Based on this assumption respondents were asked whether the Enterprise provide non-financial incentive like promotion is transparent. on this premise, the majority respondents 34% disagreed 15.4% strongly disagreed that Promotion increase performance of employee, on the other hand 28.4% were agreed and 8% were strongly agreed, the rest of the respondents (14.2%) were neutral.

To generalize 49.4 % of the respondents' claimed that the promotion practiced by the enterprise is not transparent. Whereas 36.4 % respondents assure the promotion practice is transparent.

The general implication of the response shows that The Enterprise promotion practice is not transparent. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise

**Table 4. 8 Promotion and transparency**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	23	14.2	14.2	14.2
	strongly disagree	25	15.4	15.4	29.6
	disagree	55	34.0	34.0	63.6
	Agree	46	28.4	28.4	92.0
	strongly agree	13	8.0	8.0	100.0
	Total	162	100.0	100.0	

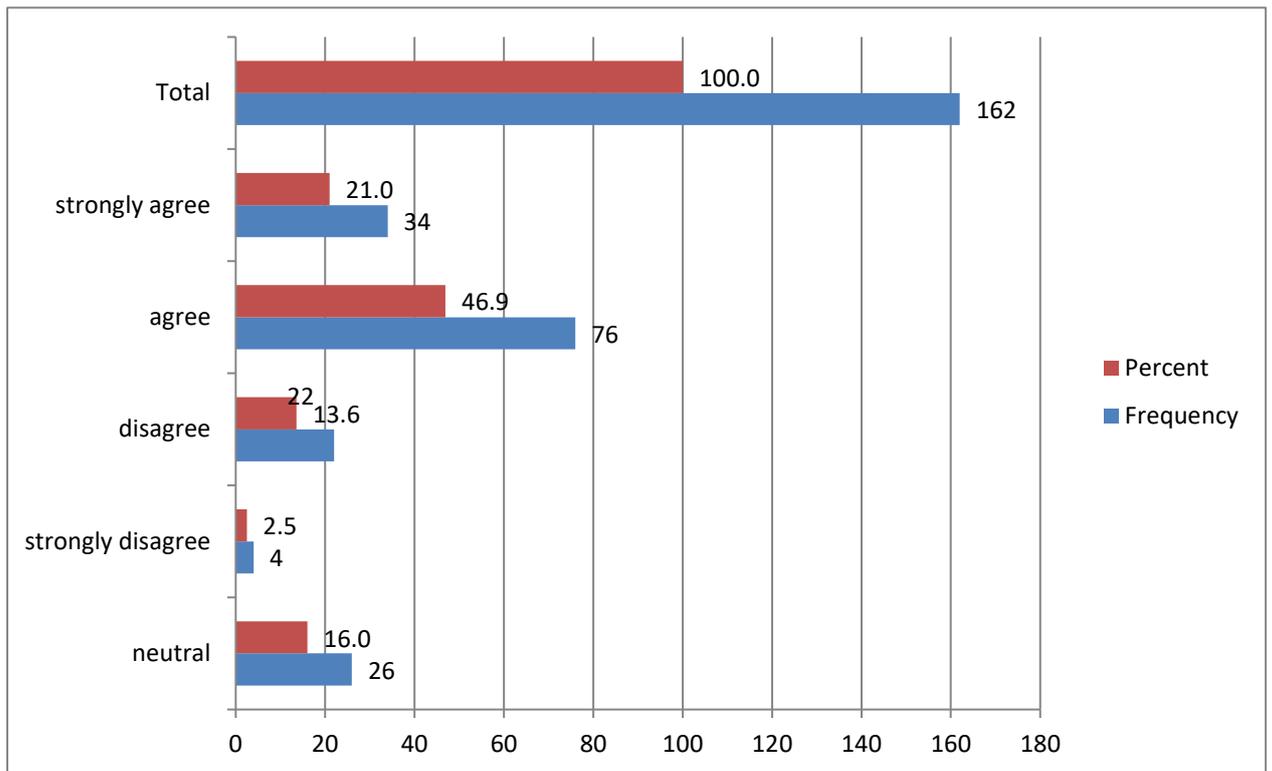
**Source: own survey result, 2021**

#### ***4.4.3.5 The ESLSE non-financial incentive practice of providing training opportunity is transparent***

As indicated figure 4.15 below, the respondents asked to forward their attitude toward non-financial incentive like training opportunity is transparent. Based on these assumption respondents were asked whether the training opportunity given is transparent. Regarding this, some respondents 22.2% were agreed, 5.6% were strongly agreed that training opportunity is transparent; while the majority 35.8% strongly disagree and 6.2% were disagreed, yet some several number of employees that is (30.2%) were neutral.

To generalize 42 % of the respondents' claimed that they didn't get a training opportunity that is transparent, whereas 36.4 % respondents assure they are given a training opportunity that is transparent.

The general implication of the response shows that The Enterprise training opportunity practice is not transparent. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise



**Figure 4. 10 training opportunity and transparency.**

**Source: own survey result, 2021**

#### **4.4.3.6 Employees are incentivized based on his/her individual performance**

As indicated table 4.11 below, the respondents asked to forward their attitude toward rewarding program of the Enterprise. Based on this assumption respondents were asked whether the Enterprise rewarding system is based on individual performance or not. Based on this premise, respondents 34% agreed, 4.3% strongly agreed while the majorities 42% were disagreed and 10.5% strongly disagreed that the reward of the enterprise is based on individual performance. The rest few (9.3%) were neutral.

To generalize 52.5 % of the respondents' claimed that they are not incentivized according to their individual performance. Whereas 38.3 % respondents assure they may be incentivized according to their individual performance.

The general implication of the response shows that The Enterprise incentive practice is not transparent. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise

**Table 4.9 Employees and individual performance**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	15	9.3	9.3	9.3
	strongly disagree	17	10.5	10.5	19.8
	Disagree	68	42.0	42.0	61.7
	Agree	55	34.0	34.0	95.7
	strongly agree	7	4.3	4.3	100.0
	Total	162	100.0	100.0	

Source: own survey result, 2021

#### **4.4.4 Challenges of Distribution or fairness of non-monetary incentive at all level**

##### ***4.4.4.1 The ESLSE non-monetary incentive is implemented as per the policy***

As indicated table 4.10 below, the respondents asked to forward their attitude toward non-monetary incentive of the Enterprise are implemented as per the policy. Based on this assumption respondents were asked whether the non-monetary incentive provided by the enterprise implemented as per the policy. Based on their response, the majority respondents 51.2% agreed, 6.2% strongly agreed that the non-monetary incentive is implemented as per the policy, while 1.2% strongly disagreed and 29% were disagreed, the rest few (12.3%) were neutral.

To generalize 57.4 % of the respondents' prove that the enterprise implemented a non-monetary incentive as per the policy, whereas 30.2 % respondents claim that the enterprise didn't perform the non-monetary incentive as per the policy

The general implication of the response shows that The Enterprise non-monetary incentive practice is implemented as per the poli. This kind of practice inspires the employees to retain in the enterprise.

**Table 4. 10 non-monetary incentive and implementation as per the policy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	23	14.2	14.2	14.2
strongly disagree	25	15.4	15.4	29.6
disagree	55	34.0	34.0	63.6
Agree	46	28.4	28.4	92.0
strongly agree	13	8.0	8.0	100.0
Total	162	100.0	100.0	

**Source: own survey result, 2021**

**4.4.4.2 Non-monetary incentives of ESLSE is given timely**

As indicated table 4.11 below, the respondents asked to forward their attitude whether The ESLSE has given a non-financial incentive scheme timely. Based on this assumption respondents were asked whether the Enterprise give non-financial incentive scheme timely. The majority respondents that are 48.12% agreed that non-monetary incentive package is given timely, 16.7% strongly agree; on the other hand 24.1% and 1.9 % strongly disagree on the matter, the rest of the employee that is (4.3%) were neutral.

To generalize 64.82 % of the respondents’ prove that the non-monetary incentive package of ESLSE given timely. Whereas 26 % respondents claim that the non-monetary incentive package of ESLSE is not given timely

The general implication of the response shows that The Enterprise non-monetary incentive is given timely. This kind of practice inspires the employees to retain in the enterprise.

**Table 4. 11 Timeliness of Non-monetary incentives of ESLSE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	15	9.3	9.3	9.3
	strongly disagree	3	1.9	1.9	11.1
	disagree	39	24.1	24.1	35.2
	agree	78	48.1	48.1	83.3
	strongly agree	27	16.7	16.7	100.0
	Total	162	100.0	100.0	

**Source: own survey result, 2021**

**4.4.4.3 The ESLSE has highly favored for a better non-financial incentive scheme to managerial position rather than a non-managerial position**

As indicated table 4.12 below, the respondents asked to forward their attitude whether The ESLSE has highly favored with additional better benefit package, reward system & non-financial incentive scheme for managerial position of the Enterprise. Based on this assumption respondents were asked whether the Enterprise give a favored benefit package for the managerial position. The majority respondents that are 48.12% agreed that incentive package favor for managerial employees, 16.7% strongly agree; on the other hand 24.1% and 1.9 % strongly disagree on the matter, the rest of the employee that is (4.3%) were neutral.

To generalize 64.82 % of the respondents’ prove that the benefit package of ESLSE favored managerial position. Whereas 26 % respondents claim that the benefit package is not favored managerial position.

The general implication of the response shows that The Enterprise has favored managerial position than non-managerial position. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise

**Table 4.12 the non-financial incentive that favored to managerial position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid neutral	29	17.9	17.9	17.9
strongly disagree	6	3.7	3.7	21.6
disagree	24	14.8	14.8	36.4
Agree	76	46.9	46.9	83.3
strongly agree	27	16.7	16.7	100.0
Total	162	100.0	100.0	

**Source: own survey result, 2021**

**4.4.4.4 Distribution of non-financial incentives to all level (both managerial and non-managerial) is fair**

As indicated in table 4.13 below, the respondents asked to forward their attitude on the fair distribution of non-financial incentive in the Enterprise. Based on this assumption respondents were asked whether the Enterprise distribute non-financial incentives to all level (both managerial and non-managerial) is fair or not. Based on this premise, 35.8% agreed, 5.6% strongly agree that incentive policy of favor employees,; while the majority respondents 13% strongly disagree, 36.4% were disagreed, the rest few (9.3%) were neutral.

Generally 64.5 % of the respondents' claimed that every employee does not have the chance to be promoted to the next position, whereas 31.2% respondents agreed that the chance of promotion is equal to everyone

The general implication of the response shows that The Enterprise distribution of non-financial incentive is not fair. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise

**Table 4. 12 distribution of non-financial incentives to all level is fair**

			Percent	Valid Percent	Cumulative Percent
Valid	neutral	15	9.3	9.3	9.3
	strongly disagree	21	13.0	13.0	22.2
	disagree	59	36.4	36.4	58.6
	agree	58	35.8	35.8	94.4
	strongly agree	9	5.6	5.6	100.0
	Total	162	100.0	100.0	

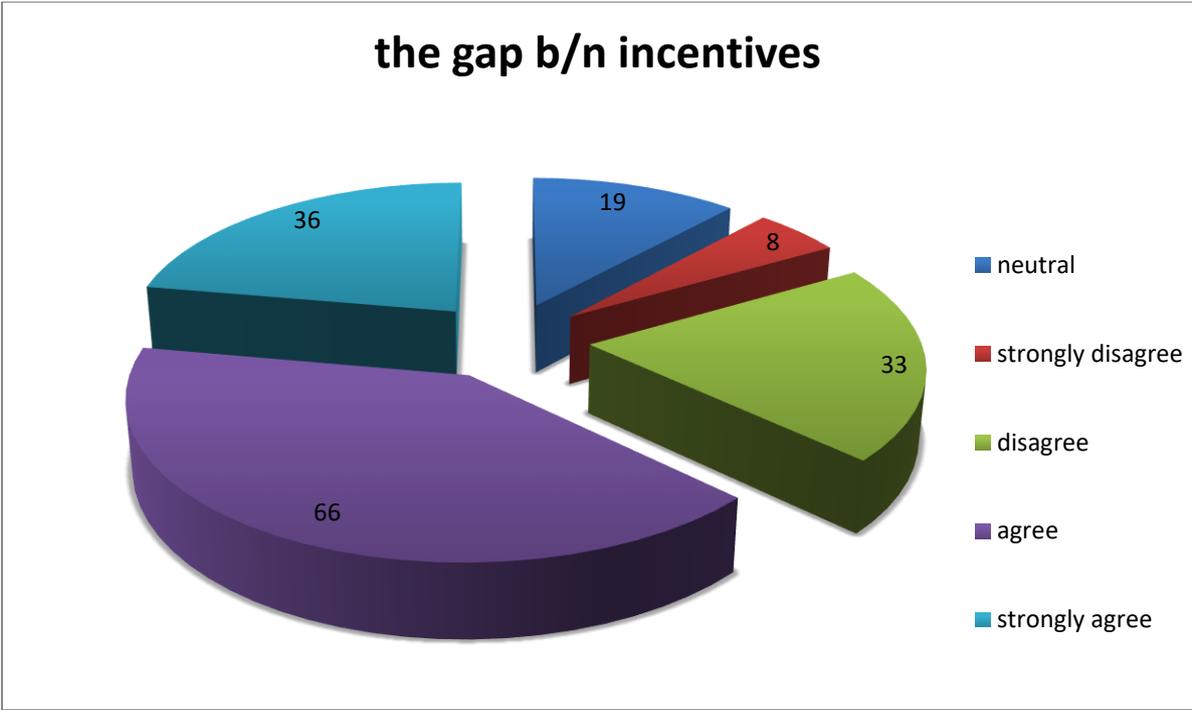
**Source: own survey result, 2021**

***4.4.4.5 The gap between incentive scale of managerial and non-managerial employees is too wide***

As indicated in figure 4.18 below, the respondents asked to forward their attitude on incentive scale of managerial and non-managerial position is too wide in the Enterprise. Based on this assumption respondents were asked whether there is a wide gap of incentive scale between managerial and non-managerial position in the Enterprise. Based on this premise, the majority respondents 40% agreed and 22% strongly agreed that the gap between managerial and managerial position is wide in the enterprise while 6% strongly disagree, 20% were disagreed, and the rest few (12%) were neutral.

Generally 64.5 % of the respondents’ claimed that every employee does not have the chance to be promoted to the next position, whereas 31.2% respondents agreed that the chance of promotion is equal to everyone.

The general implication of the response shows that The Enterprise incentive scale is too wide. These kinds of practice discontent the employees and gradually may be one of the reasons to leave the enterprise



*Figure 4. 11 the gap between of managerial and non-managerial employees*

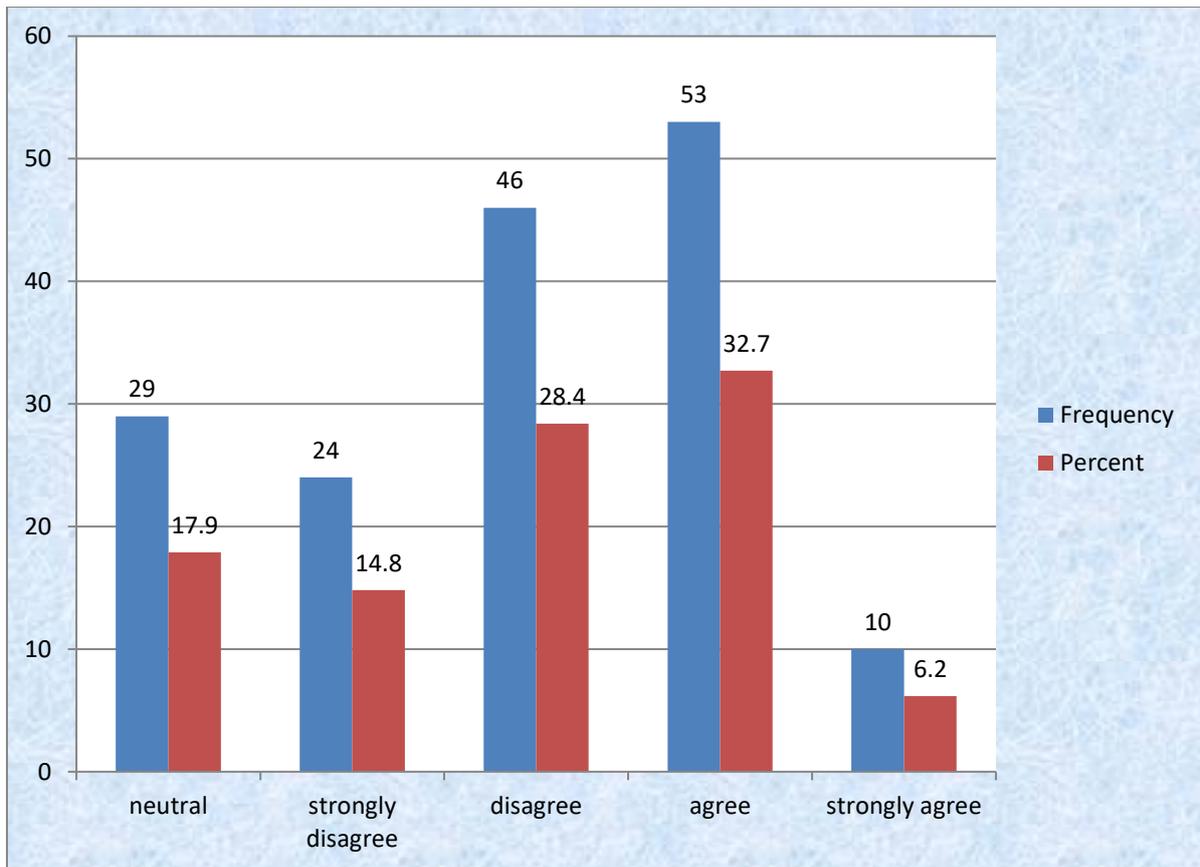
**Source: own survey result 2021**

**4.4.4.6 ESLSE provide non-financial incentive for employee whether or not the achievement of its annual plan**

As indicated in figure 4.19 below, the respondents asked whether the Enterprise deliver non-financial incentives regardless of achievement of its annual plan. Based on this assumption respondents were asked to forward their attitude. Based on this premise, the majority respondents 42% agreed 6.2% strongly agreed that the enterprise provide incentive regardless of achievement of its plan while 5.6% strongly disagree, 16.7% were disagreed, and the rest some (29.6%) were neutral.

Generally 48.2% of the respondents recognized that ESLSE has been provide a non-financial incentive for employee whether or not the achievement of its annual plan, whereas 22.3% respondents claimed that the non-financial incentive is dependent on the achievement of annual plan.

The general implication of the response shows that The Enterprise delivers non-monetary incentives regardless of achievement of its annual plan. This kind of practice inspires the employees to retain in the enterprise



*Figure 4. 12 Annual plan and incentives*

Source: own survey result, 2021

## CHAPTER FIVE

### 5. FINDING, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary of Major Findings

- ❖ The Enterprise workforce composition found to be young and adults and professionally qualified for their position,
- ❖ ESLSE has its own non-financial incentive policy and benefit package such as medical & insurance coverage, promotion, training opportunity,
- ❖ The Enterprise's recognition arrangement, promotion and incentivized practice found to be unfair. In addition the Enterprise non-incentive structure does not give equal benefit to managerial and non-managerial position
- ❖ Training opportunity given to the employees is not satisfactory and not provided as per ESLSE incentive policy
- ❖ ESLSE does not give a proper recognition for outstanding performance of employees in addition the employees didn't get a recognition for they have done to the enterprise
- ❖ The management of ESLSE and the existing incentive policy practiced does not give fair promotion based on performance of the employee
- ❖ The Distribution of non-financial-incentives in ESLSE that does not provided to all level of employees
- ❖ The gap between incentive scale of managerial and non-managerial employees is too wide

#### 5.2 Conclusion

The research has made efforts to gouge the practice and challenge of non-monetary incentive policy of ESLSE. Hence according to the data analysis, the following conclusion has been induced based on the respondents' opinions:

- ❖ The Enterprise workforce was identified to be made up of young and adult employees who were professionally qualified for their positions. This demonstrates that employees place a high value on their education and professional growth. Employees of the Enterprise, on the

other hand, are dissatisfied with the Enterprise's training opportunities, which are not evenly distributed and insufficient. This demonstrates a delinquent practice in terms of trainee selection, training type, and training opportunity recurrence.

- ❖ The Enterprise's non-financial-incentives distribution procedure is not fair; the recognition given to outstanding performance is not adequate besides the gap between managerial and non-managerial personnel has been discovered to be too wide, demonstrating different benefit packages for working for the same enterprise. This demonstrates that the company does not provide adequate non-financial incentives and recognition for outstanding employee performance, which may impair the employee's emotions and make it difficult to get the greatest performance from them. Furthermore, the current ESLSE incentive policy does not provide equitable promotion opportunities based on individual employee performance. This type of conduct may undermine an employee's trust and loyalty towards the organization, consequently influencing the employee's best performance and, as a result, the company's productivity.

### **5.3 Recommendation**

Depending on the findings and conclusion of the research, the following recommendations are forwarded:

- ❖ It has been discovered that the Enterprise's non-financial incentive practice, particularly training and development program is not transparent. This kind of practice decline employees' reliance on the job and limit employees' ability to advance in their jobs. As a response, the company should keep transparent training and development practice by openly disclose on advertising board every process by considering employee demands for career advancement.
- ❖ The ESLSE's non-financial incentive policy and benefit package distribution were deemed to be unjust, favoring management personnel over non-managerial staff. To level this kind of favoritism, ESLSE's management should consider changing the non-financial benefit package to include non-managerial staff in receiving additional benefits that make employment more attractive.
- ❖ According to the findings, the company does not properly recognize outstanding employee performance, which reduces productivity and fosters a culture of employee engagement. The enterprise should begin and strengthen its incentive programs such that the best performance of individual employees is recognized

consistently with equivalent benefits. Because this type of practice benefits both the company and the employee in terms of building mutual trust and expectations.

- ❖ The study discovered that promotion in ESLSE is not based on individual employee performance, which leads to dissatisfied employees, more complaints, and an increase in turnover. Therefore, the enterprise should offer the employee a promotion opportunity equally besides the announcements and decisions should be made in an open and transparent manner, based on individual performance.

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## **Appendix**

**St Mary's university**

**School of business studies**

Dear respective respondents I am a post graduate student in MBA in general management and I am conducting my senior thesis on the title “ **Practices and challenges of non –monetary incentives the case of Ethiopian shipping and logistic service enterprise** ” and the objective of this questionnaire is to collect data from Ethiopian shipping and logistic service enterprise employees which help to demonstrate Practices and challenges of non –monetary incentives and to clearly show the reward, benefits & incentives management system of the enterprise. The information collected shall be used for research purpose only. I assure you that your responses will not disclosed in any way and utmost confidentiality will be maintained. Hence, I request your sincere corporation for the successful undertaking of the study and your valuable response is highly appreciated. Thank you!

Notice

- ✓  No need to write your name.
- ✓  please put a “√” mark in the boxes for your answers

Thank you very much, in advance, for your sincere cooperation. If you have any comment and questions you can contact me through the following address;

***Dawit Seyoum*** :(+251911440881) (*dawitseyoum4@gmail.com*)

**KEY WORDS**

**Part I: -Demographic Information**

**1. Age Category**

- 18-26                      27 – 35                      36 – 44                      45 – 53  
54 - 60                      60 and above

**2. Marital Status**

- Single                      Married                      Divorced                      Widowed

**3. Gender**

- Male                      Female

**4. Educational Attainment**

- High school certificate    College Diploma            Bachelor’s degree  
Master’s Degree              Doctorate Degree  
Other (Please Specify).....

**5. Work position**

- managerial                      non managerial

**6. Your experience in work life/career**

- < 1 Years     1 – 3 Years     3-6 Years     6-9 Years  
 9-10 Years     > 10 Years

**Part II:**

No	Description	Strongly agree	agree	neutral	Disagree	Strongly disagree
<b>1</b>	<b>Existence and type of non-monetary incentives practiced by ESLSE</b>	<b>(4)</b>	<b>(3)</b>	<b>(0)</b>	<b>(2)</b>	<b>(1)</b>
<b>1.1</b>	ESLSE has its own non-financial incentive policy that favor employees					
<b>1.2</b>	Medical coverage is provided as non-monetary incentives by ESLSE.					
<b>1.3</b>	Insurance coverage is provided as non-monetary incentives by ESLSE.					
<b>1.4</b>	Recognition is provided as non-monetary incentives by ESLSE					
<b>1.5</b>	promotion is provided as non-monetary incentives by ESLSE					
<b>1.6</b>	Training and opportunity is provided as non-monetary incentives by ESLSE					
<b>2</b>	<b>Adequacy &amp; practice of non-monetary incentives by ESLSE</b>					
<b>2.1</b>	The medical coverage given to the employees is satisfactory and provided as per ESLSE incentive policy					
<b>2.2</b>	The insurance coverage given to the employees is satisfactory provided as per ESLSE incentive policy					

2.3	The recognition given to the employees is satisfactory and provided as per ESLSE incentive policy					
2.4	The promotion given to the employees is satisfactory and provided as per ESLSE incentive policy					
2.5	Does the training and opportunity given to the employees is satisfactory and provided as per ESLSE incentive policy					
<b>3</b>	<b>Assessment of non-monetary incentives of medical coverage, insurance coverage, recognition, promotion, and training opportunity regarding employee performance?</b>					
3.1	The ESLSE non-financial incentive practice of providing medical coverage is transparent					
3.2	The ESLSE non-financial incentive practice of providing insurance coverage is transparent					
3.3	The ESLSE non-financial incentive practice of providing recognition is transparent					
3.4	The ESLSE non-monetary incentive practice of providing promotion is transparent					
3.5	4.4.3.5 The ESLSE non-financial incentive practice of providing training opportunity is transparent					

3.6	Employees are incentivized based on his/her individual performance					
4	<b>challenges of Distribution or fairness of non-monetary incentive at all level</b>					
4.1	The ESLSE non-financial incentive is implemented as per the policy					
4.2	Timeliness of ESLSE non-monetary incentives including medical coverage, insurance coverage, recognition, promotion and training and development opportunity					
4.3	The ESLSE has highly favored better benefit package, reward system& non-financial incentive scheme for managerial and non-managerial position					
4.4	Non-monetary incentives given equally for all employees based on your performance					
4.5	The gap between incentive scale of managerial and non-managerial employees is too wide					
4.6	ESLSE provide non-financial incentive for employee whether or not the achievement of its annual plan					