

**EFFECTS OF INCENTIVES IN RETENTION OF EMPLOYEES IN PUBLIC  
WORKING STATIONS: A CASE OF USHETU DISTRICT COUNCIL,  
SHINYANGA REGION, TANZANIA**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
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**CERTIFICATION**

The undersigned certifies that she has read and hereby recommends for acceptance by The Open University of Tanzania a dissertation entitled: “**Effects of incentives in retention of employees in public working stations: a case of Ushetu District Council, Shinyanga Region, Tanzania**”. In partial fulfillment of the requirements for the award of degree of Master of Education in Administration, Planning and Policy Studies of The Open University of Tanzania.

.....

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Date

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Signature

.....

Date

**DEDICATION**

I dedicate this work to my late father Mashauri Mkama Ninalwo and my mother Hyasinta Christian Mwalimu for their support throughout my life. May the Almighty God bless them and let my father's soul rest in eternal peace.

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## ABSTRACT

This study investigated the effects of incentives in retention of employees in public working stations at Ushetu District Council. The study was guided by three specific objectives, namely; to identify the incentives which were most effective in retaining employees in their working stations, to assess the institutional conditions that indicated the need for incentives systems and to assess the challenges that hindered the management to provide incentives to their employees. Data were collected from 104 respondents using questionnaires and interview schedules. The findings indicated that the employees at Ushetu Council were retained by several incentives included provision of health insurance, salaried loan services, the annual leave, participation in decision making and effective communication between employer, supervisors and employees. Findings showed further that Ushetu Council management had a problem of offering incentives to employees, no planning to give incentives to employees, absence of recognition culture to employees, disbursement of annual leave payments to employees were delayed, delayed promotions, and non-payment of extra hours to employees that worked extra time. The study recommends the management should promote incentives systems at work to retain employees; the community, heads of working stations and the employer should understand that working environments of the whole council is not attractive and conducive to public employees due to poor social services and human needs, lastly, the Government should take measures to pay the employees' debts which include transfer allowances, leave payments, salary arrears and referral medicals.

***Keywords:*** *Incentives, retention, employees, Ushetu District Council*

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**LIST OF ACRONYMS**

CDO	Community Development Officer
CEO	Chief Executive Officer
DC	District Council
DED	District Executive Director
DEO	District Education Officer
DHRO	District Human Resources Officer
DPEO	District Primary Education Officer
DPLO	District Planning and Logistics Officer
DSEO	District Secondary Education Officer
HOD	Head of Department
HOWS	Head of Working Stations
HQ	Head Quarters
MTPP	Medium-Term Pay Policy
OW	Ordinary Workers
PSRP	Public Service Reform Programme

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Introduction**

Work performances of employees depend on many factors including; experience of the employee about the work itself, the environment within which they work, the society with which they work. Others include; relationship with the co-subordinates with whom they work and the people to whom they offer the services and the relation of the subordinates with their boss as well as the advantages that they get in their work. This would mean that when the employee shifts from one working area to another, s/he starts afresh to build relationship, experience, reduces the speed of individual's performances in his/her field. This study investigated the effects of incentives in retention of employees in public working stations at Ushetu District Council in Shinyanga Region, Tanzania.

This chapter consists of the background of the study, statement of the problem, justification of the study, objectives of the study, research questions and significance of the study. Other parts of the chapter include; - scope and delimitation of the study, limitation of the study, organization of the work, definition of the key terms, conceptual framework and chapter summary.

#### **1.2 Background of the Problem**

Provision of basic incentives to employees remain one of the ways of increasing staff retention and employees' productivity. According to Condly (2003) incentives is one of the keys for workplace performance. The problem of retaining employees in their



working stations is a historical fact. Wright (2000) has noted that what a person does at work, the nature of the job can influence work motivation, thus, be able to retain staff. There has been complaints among the public employees for having denied their rights of shifting from one area to another or from one district council to another. These lamentations have been directed to the heads including: heads of the working stations like schools, dispensaries/health centers/hospitals, heads of departments at the council/district level as well as the Council Directors. These dissatisfactions among public employees has led to the conflicts between subordinates and their leaders hence unwillingness of employees to fulfill their duties which results to the poor performance in public offices.

Different measures have been taken to ease the matter including; allowing the employees to shift to where they wish, use force where necessary, punishments to those who encourages others and the like. Furthermore, that is not only the problem, it has been reported that, there are some employees who left their jobs due to different reasons. Despite the measures taken by the government to eradicate the problem, the trend has been increasing every year and if the measures are not taken, there will be some district councils with very shortage of employees in their stations.

Amabile, Conti, Lazenby et al (1996) have noted that there is enormous connection between incentives and performance of employees in their working areas. Presence of unexpected poor performances among the employees, need of the teachers and other employees to shift from one working area to another or from one council to another, lack of willingness of some employees to work with their leaders, poor

living standard of the employees and different levels of motivation amongst employees of different sectors/career remain critical areas to be addressed. Furthermore, incentives in retention of employees in public working sectors has not been addressed full to the extent of reducing them for increasing productivity and reducing endless employees complaints and shifting.

Efforts to motivate public employees through incentives in Tanzania according Hawa Ghasia (2010) were made through medium term pay policy which according to her aimed at solving problems such as poor performance which were related to appropriate compensation structure and weaknesses in the incentive regime. This study intends to shed light on this pertinent aspect.

### **1.3 Statement of the Problem**

The problem which the study worked out was the tendency of some teachers and other public employees to shift from their working stations to another or shifting from their carriers to another. According to Ryan and Deci (2000), intrinsic motivation emanating from within the person or from the activity itself affects behavior, performance and well-being. To a large extent individual job satisfaction and performance has an impact on positivity towards work thus reflecting on serious productivity.

Ushetu DC is one of the Councils found in Shinyanga Region. It has a total of 1808 public employees who are located in twenty wards and at the council head office for different services depending on their profession. Since financial year 2013/2014,

about 200 employees had shifted from Ushetu DC to other councils where 170 (13.046%) were teachers, 16 (6.639%) were health services providers and 14 (5.223%) were from other sectors (the percentage was calculated as per the number of employees in specific sector/department, not a total number of employees). Also, 15 employees left their jobs without clear reasons. However, only 80 employees have shifted from different Councils to Ushetu DC mostly because of marriage cases and being forced exchanging working stations or councils (Ushetu DC Human Resources Office, 2019).

It is a fact that, there is a significant relationship between incentives and level of performance among the employees. In Tanzanian society, public employees are eyed as a crucial tool/instrument to encourage performance, nationalism and patriotism in their working areas, still, critical eye has not been directed to resolving employees working life incentives, thus becoming a hindrance to good performance in some areas. This study is one of the initiatives to address the above situation with a view that it would help the Government to address it for the betterment of the nation.

#### **1.4 Justification of the Study**

It is common to see conflicts between leaders and their subordinates caused by interferences of employees' interests by their leaders. Employees shift from one area to another due to environments which are not conducive in their working stations, occurs due to a number of factors. They include staff dissatisfaction of issues related generally to all aspects of job environment (Lawler, 1971). However, such situation is not health for long term service provision as it involves constant learning of new

environments by the new employees. It is clear that there is poor performance in public working sectors compared to private sectors where incentives are highly considered and provided to employees. All these factors justified the study to be carried out to assess the effects of incentives on maintaining employees in their working stations for better output, while putting more emphasis to the majority group, that was teachers. The study is justifiable in the sense that it would contribute to understanding of factors that contribute to staff retention as related to incentives.

## **1.5 Objectives of the Research**

### **1.5.1 General Objective**

The general objective of this research was to investigate the effect of incentives in retention of employees in public working stations at Ushetu District Council.

### **1.5.2 Specific Objectives**

Besides the general objective, the study sought to specifically investigate on the following:

- i. To identify the incentives which are most effective in retaining employees in their working stations;
- ii. To assess the institutional conditions that indicate the need for incentives systems; and
- iii. To assess the challenges that hinder the management to provide incentives to their employees at Ushetu District.

## **1.6 Research Questions**

The guiding questions of the research were as follows;

- i. Which incentive systems are most effective in retaining employees in working stations at Ushetu District?
- ii. Which institutional conditions indicate the need for incentives in Ushetu District?  
and
- iii. What challenges that hinder the management to provide incentives to their employees at Ushetu District?

## **1.7 Significance of the Study**

The study is useful to the Ushetu DC specifically and the Government in general to understand institutional conditions that indicate the need for employees' incentives hence retaining them for increased job performance. The study is significant to the Ushetu DC leaders in order to improve incentive system, device relevant policies and provide supportive working environment that helps employees to avoid factors that can lead them shifting. It is useful to the Central Government and Ministries to device strong financial policies and heathy policies that protect public employees hence avoidance of work underperformance. Also, the study provides insights to leaders (HOWS, HOD and the DED) and the community to provide good working environment that protect employees from shifting. The study is also likely to reveal the challenges the Ushetu District Council faces in offering incentives so as to retain them.

### **1.8 Scope and Delimitation of the Study**

It is beyond doubt that to establish an enquiry about incentives as a human reality requires volumes of reflection. In that case, a single piece of work couldn't privilege to accommodate everything as far as incentives are concerned. Thus, the study was limited to inquiry in the investigation of the effects of incentives in retaining teachers and other public employees in their working places. Investigation was conducted at Ukune Ward, Kisuke Ward, Nyamilangano Ward and Ushetu Ward whereby the Ushetu District Council head office at Nyamilangano was included, thus, public employees of different sectors/departments with different careers were inquired.

### **1.9 Limitation of the Study**

Incentive is a phenomenon that most of the people throughout human history cannot simply comprehend. However, it is not only the factor that may lead to the retention of employees in their working stations. Speaking or writing about incentives brings in the feelings of fear to the researcher as one amongst the public employees, thus, even the researcher was worried because he may be thought to ignore or to criticize the efforts of his own leaders and bosses. Furthermore, the concept of incentives is very general, thus, it is not easy to unfold all thinking and understanding about it. Yet, the researcher was basically limited to the effects of incentives in retaining public employees in their working stations. However, despite the limitations, the research uncovered clearly different ideas of the matter otherwise it could reduce and ignore inquiries which were of great value in daily reflection on diverse questions.

### **1.10 Organization of the Work**

The study aimed at making an investigation on the effects of incentives in retention to employees in public working stations specifically at Ushetu District Council. The researcher believed that it was undeniable fact that, incentives have direct impacts on retaining employees in their working stations whereby if incentives are provided to the employees, demanding of shifting from one area to another or from the Ushetu DC may be decreased. The researcher was convinced that employees were moving from one area to another for the search of incentives.

The research consisted of five chapters where chapter one presented the general overview of the research, background of the problem, statement of the problem, objectives of the study, research questions, significance of the study, scope and delimitation of the study, limitation of the study, organization of the study, conceptual framework and ending with the chapter summary. Chapter two consisted of literature review where researcher reviewed different literatures on the topic and different systems of incentives were presented. Chapter three presented the methodologies and techniques used in data collection where different tools used by the researcher to collect information from different sources were presented. Then, chapter four consisted of the findings, analysis of the findings and discussion while chapter five is about summary and recommendations of the study.

### **1.11 Definition of the key terms**

**District Executive Director (DED):** The employer and in charge of all public employees in the Council

**District Council:** A form of Local Government headed by the Council Chairperson on one side and the DED on other side. The Full Council formed by the Ward Councilors, Special Seats Councilors for females and Members of the Parliament of the Council forms the top body of the Council.

**Employer:** A person or company that pay people to work for them. For this study, specifically at the Council level, is a DED

**Head of Department/Unit:** A person heading any of the 12 Council Departments and 6 Units. Primary Education, Secondary Education, Planning and Statistics, Finance and Business, Health, Community Development and Human Resources Management are examples of council departments while Legal, Procurement, Auditing and Election, are examples of Council Units

**Head of Working Station:** Is a person who is responsible for the organization, the main duty is to supervise the whole organization as an administrator and ensure efficient and effectiveness for the achievement of goals.

**Ordinary Workers:** People who are employed and work in an organization/institution at lower cadre. They are not top leaders within the organization hierarchy

**Public employees:** People who are employed and working by the government or its agency.



### **1.12 Chapter Summary**

This chapter has presented the introductory part of the study. It included the aim of the study, problem statement, key objectives of the study and their research questions as well as defining the operational terms that were used in the entire study. It also presented the significance as well as the limitations and delimitations of the study. The next chapter on literature review presents analysis of the various scholars work related the topic globally, regionally and nationally. .

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents a review of scholarly works related to this study. It critically and systematically picked, analysed, read and digested literature on the effects of incentives in retention of employees in public sectors. In this part, the researcher also defined and explained different concepts or terms used in the study. The chapter on literature review used books and online sources for more details which enabled access to information on the topic.

#### **2.2 Conceptualization of the Various Aspects of Effects of Incentives in Retention of Employees in Public Sector**

##### **2.2.1 Incentives**

The term incentives had been defined and used differently depending on the context and the occasions where the term is used. In the context of the healthcare industry, incentives are defined as “an available means applied with intention to influence the willingness of physicians and nurses to exert and maintain an effort toward attaining organizational goals” (Mathauer & Imhoff, 2006). Based on the World Health Report (2000), the definition of incentive in the health care industry is generally about “all the rewards and punishments that health care providers face as a consequence of the organizations in which they work, the institutions under which they operate and the specific interventions they provide” (Adam & Hicks, 2000). This definition primary places on individual, in the context of service provider, within a specific organization

and acknowledges of the importance of the wider institutional context as well as the particular work implemented by the individual or group associated with defined incentives provided and its outcome. In this sense, incentives are considered as factors within health care work environments that enable, encourage and motivate staff to stick to their careers, in their profession as a way of improving their services to their customers.

According to a UNDP Capacity Development Resource (2006, 12), “incentives are external measures that are designed and established to influence motivation and behavior of individuals, groups or organizations”.

Incentives are tangible or intangible rewards used to motivate a person or group of people to behave in a certain way (Collins, Tinkew & Burkhauser, 2008). A similar definition is given by Zurn, Dolea and Stilwell (2005, p.5), who defined incentive “an explicit or implicit financial or non-financial reward for performing a particular act”.

Meanwhile Banjoko (2006) regards incentive as variable payments, which are made to employees or a group of employees on the basis of the amount of output or based on the achieved result. Optionally, it can be the payment made with the aim of pushing employee daily work performance in an attempt to reach a common goal.

Incentive could also be defined as compensation other than basic salaries or wages that usually fluctuates based on employee exceptional performance and their attainment of some standard set by the organization (Martocchio, 2006).

### **2.2.2 Types of Incentives**

There are different types of incentives. Buchan, Thompson and O'May (2000) expressed that incentive can be positive or negative (as in disincentives), financial or non-financial, tangible or intangible. Although there are significantly different types of incentives that could be utilized, a useful distinction between financial (monetary) and non-financial (non-monetary) incentive is commonly used. Financial incentives involve granting of financial reward such as; bonuses, commission, pay increases or other benefits (De Cenzo et al, 1996; Buchan, Thompson & O'May, 2000). Whereas, non-financial incentives do not involve any payments or benefits and it mostly relates to psychological and emotional fulfillment (Assaf, 1999; Bunchan, Thompson & O'May, 2000). For instance, encouraging employees to participate in decision-making, providing more autonomy in their job, and improving their working environment, and so on are other types of incentives that can apply in different circumstances.

#### **2.2.2.1 Monetary (Financial) Incentives**

Financial incentives are developed separately according to different types of people and organizations. In the context of public and private organizations as well as in the literature of human resource management, there is a long tradition of expressing the existence of financial incentives as remuneration (Lawler, 1971; Latham, 2007). Monetary incentives include; Pay (salary or others); pensions, bonuses, insurance (accident, health, or life insurance, etc.); allowances (accommodation, clothing, childcare, travel, etc.); fellowships; tuition fee reimbursement; subsidized meals,

clothing, housing; subsidized transport; childcare subsidy and other direct and indirect financial benefits.

Financial incentives are developed to satisfy basic human needs, encouraging and pushing people to do their best work performance, the recruitment of their capabilities and enhance their competencies level. Financial incentives are also designed as a means of payment to increase productivity and improve employee work performance. Therefore, the more employees produce the more they can get these incentives, whereas, a decrease in quality or quantity of work might deprive employees from earning part or all of their incentive. Financial incentives are designed to give the employee some control over their income as the employee's income will be based on their performance, to create a greater sense of responsibility of the job on the part of the employee, and to stimulate the employee to work harder than what he/she usually does (Yavuz, 2004). One feature of financial incentives is that it is variable in nature. For instance, financial incentives are often called variable pay, as there are not guaranteed (Gross, 1995). It also refers to pay that is contingent based on actual performance of employees, as different to an entitlement. Another study on financial incentives shows that some employees are motivated by rewards and that money is a strong motivator for them (De Cenzo et al, 1996). According to a study on compensation and incentives conducted by Jensen and Murphy (1988), one person might not be as responsive as others to the same reward. For instance, one person might appreciate a compliment or recognition from their organization while another would prefer financial benefit like a salary increase. In addition, financial incentives do not always deal with direct benefits like pay or wage, bonuses,

pensions, allowances, etc. Sometimes it could be developed as indirect financial benefits such as; subsidized food, accommodation, transportation, educational fees, childcare and so on (Buchan, Thompson & O'May, 2000).

From the above discussion, it can be emphasized that financial incentives can be designed and developed into different forms with regard to different people, organizations and situations. Their main purpose is to encourage and motivate people for greater achievement of the organizations.

#### **2.2.2.2 Non-monetary Incentives**

Non-financial incentives are any means of incentives that do not involve directly with money, transfers of monetary values or equivalents, Mathauer and Imhoff (2006). Assaf (1999) Bunchan, Thompson and O'May (2000) also state that non-financial incentives can be tangible or intangible and usually do not involve direct payment of cash. They also argued that in the organization, a non-financial incentive could be in the form of employee participation in decision-making, staff recognition such as; issuing a certificate of thanks and appreciation, providing extra training courses as a part of capacity development programs, or organizing parties for distinguished staff. Non-monetary incentives include; holiday/vacation, safe and clear workplaces, job stability/security/job autonomy, flexibility in working time and job sharing, planned career breaks. Others may include; occupational health/counseling service, direction and supervision, access to or support for capacity development such as training or education, coaching and mentoring structures, social

activities and recreational facilities, support for career advancement and equal opportunities policy.

Non-financial incentives are sometimes known as moral incentives, which is concerned with various aspects of psychological needs, and the increase concentration of these aspects come after the emergence of human related theories (Akaili, 1996). Non-financial incentives can improve the working environment, enhance performance, increase productivity, promote staff loyalty, enhance more interaction and cooperation among subordinates and superiors, and enable more opportunity for staff participation or involvement.

“A person has a moral incentive to behave in a particular way when he has been taught to believe that it is the right or admirable thing to do. If he behaves as others expect him to, he may expect the approval or even the admiration of the other members of the collective and enjoy an enhanced sense of acceptance or self-esteem. If he behaves improperly, he may expect verbal expression of condemnation, scorn, ridicule or even ostracism from the collectivity; and he may experience unpleasant feelings of guilt, shame or self-condemnation”.

Therefore, non-financial incentives are a set of motives which are intended to meet the emotional and psychological needs among the employees. Also, it is an internal consequent for the individual such as job enrichment, job participation, responsibility, promotion, vacation time and the nature of supervision. In brief, a non-financial incentive has significant potential to fulfill employees' needs and

motivate them without using or affecting financial resources. It plays an important role in increasing motivational levels as well as promoting employees' work performance.

### **2.2.3 Impacts of Incentives**

Incentives are generally developed to generate employee motivation, satisfaction, and greater performance. The effectiveness of incentives for reaching higher behavioral outcomes of employees is based on the degree to which those incentives are perceived to fulfill or satisfy their needs. For example, if the employee overwhelmingly desires job autonomy and perceives the amount of money or benefits are likely to satisfy this need, then the payment is likely to motivate them to perform the job. Since employees' satisfaction could be both the cause and outcome of overall performance, organizations should demonstrate the link between reward and performance in order to motivate employees (Latham, 2007). Latham also suggests that if there is no link between employee performance and satisfaction or there is a negative one, then the organization clearly has an ineffective system of incentives. Therefore, incentives have great potential for improving employee work performance and increasing production efficiency through encouraging individuals or groups to act in a desired and productive way.

#### **2.2.3.1 Positive Impacts of Incentives**

Incentives have many positive effects within the organization. First, they have been used as a guideline to show employees what the organization wants to achieve and what they value and prioritize as important toward their jobs. Second, incentives can



be used as an effective tool to attract the desired competent people into the organization, because people that value this form of attraction will be drawn to work there rather than people that are only seeking steady benefit. A third reason is the general belief that incentives can be used to motivate employees to work harder, to make an extra effort in order to achieve the organizational goal (Merchant & Van der Stede, 2007). Even when individuals have acquired a strong capacity, skills and knowledge, these do not always transform into enhanced quality of work performance. According to Kamoche (1997, 2) “the problem lies not in the lack of skills, but the lack of strong incentives to use the acquired skills optimally”. A fourth reason is that employees are assured with accommodations security of their lives and properties, thus, spend most of their time, skills and capacities for the benefits of the organization.

#### **2.2.3.2 Negative Impacts of Incentives**

According to Angaria (1999), financial incentives could push the employees to work hard, often affecting the employees’ physical or psychological condition in the long run and affecting their social and humanitarian issues such as; the individual age and other circumstances. He also argues that, in some circumstances, incentives can be used as a control tool to manage the employees within the organization. It could be motivated when we use an agency context, based on agency theory the model of man as an individualistic person, a self-serving person, which implies that rewarding desired behavior will lead the staff to act in a certain way, and in the best interest of the organization. In contrast, when incentives are used in the environment of stewardship, there is a risk of decreased motivation since the employees according to

this theory will act in the best interest of the organization (Davis, Schoorman & Donaldson, 1997; Harvey, 2005). They also express that the attempt to inspire and influence employee's behavior can be considered as counterproductive because the entire designed procedures undermine their natural actions. In light of these, it can be assumed that incentives with their advantages have great potential to motivate employees. However, there is no guarantee that they can always lead to efficiency and effectiveness in the organization. Furthermore, the existences of highly motivated employees in the workplace do not necessarily mean that they are the best performing ones.

#### **2.2.4 Institutional Conditions that indicate the need for Incentives**

According to Ghasia H. (2010), in the Public Service Pay and Incentive System, there are several conditions that indicate the need for incentives, including:

##### **2.2.4.1 Presence of Laziness in the Working Areas**

Every manager in an organization expects each component of the organization to use skills, ability, knowledge and experience to ensure maximum productivity in the company. Whenever it happens that some or almost all employees of the organization do not work diligently and hardly, the manager should look for the incentives to his/her worker as a way of motivating satisfactions and performance.

##### **2.2.4.2 Conflicts in Working Areas**

For an institution to meet her goal, there must be harmonious environments between those who are supervised and the supervisor and among subordinates themselves; such that, the subordinates are satisfied with the output (payment) of the efforts and

skills used in the production and the manager is satisfied with the efforts of the employees in the production process. If employees are in conflict with their manager, there is possibility of declining in production and there will be the endless conflict between the manager and the subordinates because every part is not well accommodated. The only solution is the introduction of different incentives as means to motivate employees so as to meet institutional goals.

#### **2.2.4.3 Shifting of Employees**

Every worker likes working in the environment where he/she has peace of mind and where his/her interests are considered. These interests include timely payments, promotion, consideration, respect and bonuses. The shift of workers from one working area to another may indicate that the interests of the workers are not considered in the left area; therefore, the workers are shifting to other areas where they think that those interests will be considered. It is argued that well supported employees are less likely to leave because the support given acts as a factor mitigating the causes of attrition.

#### **2.2.4.4 Failure to Meet Institutional Goals**

For an institution to meet her goals, each part should participate fully in the production process. The manager should encourage and organize each means of production to ensure that organizational goals are met. Failure of an organization to meet her goals would mean the failure of the manager to organize well the means of production. Among the failure is to motivate the employees through incentives so as to work to their maximum for the purpose of meeting the organization goals.

#### **2.2.4.5 Poverty Among the Employees**

The manager of any institution should consider the living conditions of his/her subordinates because poverty has psychological impacts on employees and has inversely impacts on working capacity of the worker. Therefore, the manager should look for the means through which he/she may improve living standards of the employees through incentives and salary improvement.

#### **2.2.5 Motivation**

“Motivation is the force within an individual that accounts for the level, direction, and persistence of effort expended at work” Young (2000, 3). Young (ibid) also argues that motivation can be defined in many ways, and it depends on a real situation and the background of the person in question. Similarly, Halepota (2005) define motivation as “active participation and commitment to achieve the prescribed result”. The author further expresses that the conceptualization of motivation is abstract because different results are the outcome of different strategies and tactics at different times. Therefore, according to Halepota, there is no one-size-fits-all strategy that can produce desired result at all times.

Related to motivation in workplace context, Antomioni (1999, 11) has defined motivation as “the amounts of efforts people are willing to put in their work places or the degree to which they feel their motivational need will be satisfied. On the other hand, individual become de-motivated if they feel something in the organization prevent them from attaining good outcome”. Vroom (1964, 6) defines motivation as “a psychological process that causes the arousal, direction, and persistence of

voluntary actions that are goals directed". In this regard, individual characteristics should be considered and identified before initiating any ideas concerned with rewards or job recognition because different individuals have different needs and interests based on their specific circumstances such as; family, values and beliefs, education, work experience, and the community where they are based.

Motivation can be intrinsic or extrinsic. In the psychology literature, intrinsically motivated behavior is stated to arise from innate psychological needs, such as; needs for competence and autonomy (Deci & Ryan, 1985; Kasser & Ryan, 1996). Intrinsic motivation means a self-generated urge that comes from inside a person and influences him/her to behave in a particular way or to move in a particular direction. They are connected to job related and social incentives such as; opportunity to use one's ability, interesting work, recognition of a good performance, development opportunities, a sense of challenge and achievement, participation in decision making, and being treated in a caring and thoughtful manner etc. For example, an employee may be willing to put forth a sustained effort by working extra hours because of the feeling that the project is working on is challenging and worth to complete it at once so as to realize the output. In this situation, the individual takes action because the likely outcome of that action appeals directly to what they value. The intrinsic motivators are likely to have a deeper and long-term effect because they are inherent in individuals. These kinds of incentives are largely a result of the worker's satisfaction with their job. To sum up, intrinsic motivation originating from within the person or from the activity itself, affects behavior, performance, and well-being positively (Ryan & Deci, 2000).

However, sometimes people act not because they are intrinsically motivated, but rather because external factors prompt them to act (Ryan & Deci 2000). This type of motivation is called extrinsic motivation and it arises whenever an activity is done in order to attain an outcome that is separable from the activity itself. Given the elaboration so far, it is possible to support that work motivation is about internal and external forces that influence an individual's degree of willingness, desire or choice to deal with a particular action or behavior.

In the context of the public sector, public motivation is defined as an individual's predisposition to respond to motives grounded primarily or uniquely in the public institution or organization. The term "motives" is used here to refer to psychological deficiency or needs that an individual feels some compulsion for fulfillment (Perry & Wise, 1990). Public motivation is a general altruistic motivation that serves the interests of a community of people, a state, a nation or mankind. It is also a study about public ethics or public service values, and the construct has been referred as a commitment to public interest, commitment to public good with a sense of duty, responsibility and contribution (Rainey, 1997; Simeone, 2004).

### **2.2.6 Factors Affecting Motivation**

According to a study conducted by Steer and Porter (1987), there are three variables that affect the process of motivation. The first is individual characteristics. This category includes some sub-variables like individuals' interests, their attitudes and needs. The second variable is job characteristics, which contains some variables such as; rewards, level of job autonomy, duty, responsibility and so on. The last variable

concerns the characteristics of the work-related environment. Some positive and negative impacts in the workplace are unavoidable. Those impacts are mostly caused by individual or groups within the organization, vertical and horizontal cooperation and communication, and work system such as rewards for higher achievement. Since the main purpose of incentive is to promote and increase employee motivation, some of these three variables should be considered.

#### **2.2.6.1 Individual Characteristics**

Individual characteristics include interests, attitudes (personal attitude, toward job, related to various circumstances such as friends, family and community), needs (safety or security needs, social needs ‘can be from friends, family and society’, achievement, support).

Steer and Porter (1987) express that people are motivated by unmet needs and interests, and these vary depending on their personal circumstances, educational background, past experience, family, friend, culture, beliefs and so on. For example, some individuals may prefer monetary incentives or other financial benefits, while others may value opportunities for self-development and advancement. Therefore, it is obvious that understanding the different characteristics of individuals can enhance the effectiveness of employee motivation. Wright (2000) also says that employees in one organization may differ from employees in another organization as a result of attraction, recruitment and even post-recruitment adaption and attrition processes.

Thus, it is possible that individuals who work for public organizations are motivated by values that cannot be found in private organizations. Therefore, key functions of

individual characteristics should be considered because incentive programs are developed in line with the attitudes of individuals, their needs and interests (Steer & Porter, 1987).

#### **2.2.6.2 Job Characteristics**

They include rewards (salary increases, annual bonus, extra commissions and other financial benefits), degree of autonomy, amount of work & direct, responsibility and accountability, performance feedback, degree of variety in tasks.

Research by Wright (2000) has conjectured that what a person does at work, the nature of the job or fulfilled tasks, can influence work motivation. Thus, it is important to focus on the characteristics of a job, because the nature of the job strongly affects the successfulness of incentive in the context of motivation. Accordingly, job related characteristics could be in the form of reward, work autonomy, workloads, direction, variety and responsibility of tasks and so on. It is really essential to identify these factors at every level, since not everyone has the same wants or needs at the time or the same level. According to Herzberg (2003) challenging, interesting and meaningful work enables employees to reach higher order needs such as self-esteem and self-actualization. Meanwhile, Hackman and Oldham (1980) suggest that jobs that are meaningful, interesting and challenging motivate greater effort and enhance employee satisfaction. In addition, there are some studies on the negative aspects of job characteristics like workload pressure, time and resource constraints. There are the main factors that may affect work motivation and job satisfaction (Vroom, 1964). If workload, pressure, time and



resource constraints are perceived as excessive, they can hinder the employee's effort to effectively and successfully perform tasks and this will lower work motivation. Therefore, when a job is perceived as excessively demanding while resources are not available the situation is not conducive to motivating an employee to contribute their work effort (Amabile, Conti, Coon, Lazenby & Herron, 1996; Turnipseed & Murkison, 2000). In this sense, it might be concluded that by understanding the influence of job characteristics may contribute to the effectiveness and efficiency of work motivation as well as the entire operation of an organization.

### **2.3 Review of the Theories of Motivation Related with Incentives**

Each person is motivated by different things and it is important to know how they are motivated in order to direct motivation towards the realization of organizational goals. Reviewing the theories of motivation helps us to understand what drives people to initiate action and to engage in certain practices in the workplace. After elaborating on each of these processes, it would be possible to comment on the effectiveness of non-monetary incentives as a motivational tool.

#### **2.3.1 Maslow's Hierarchy of Needs Theory**

One of the most prominent theories that identify and describe human behavior toward their needs is the theory of hierarchy of needs by Abraham Maslow. According to Maslow (1943), people are motivated to satisfy their needs and those needs could be classified into five categories ranking from the lowest to the highest. The first three needs; physiological needs, safety needs and social needs are categorized as lower level needs while the last two (esteem needs and self-

actualization needs) are characterized into higher level needs. Abraham Maslow also argued that each level of need must be fully satisfied before they reach the next higher-level need.

- **Physiological needs:** this is the primary need at the bottom of the triangle. Physiological needs are generally known as the most basic needs of human beings for supporting and sustaining their lives, for instance: food, air, water, medicine, sleep and education (Latham & Ernst, 2006). Based on the physiological needs, organizations or businesses must provide and support their employees with sufficient benefits that enable them to afford living conditions. The point here is that without adequate support especially financial support, people will not be able to devote much time and effort to the organization.
- **Safety needs:** These needs occur when the physiological needs are met. These needs are required for protection from or against any physical and emotional threat and harm, to be freed from any dangerous situations, free of the fear of losing a property, a job, food and shelter. The main purpose of these needs is to have a safe place, secure income, medical insurance, sufficient paid, and other benefits (Latham & Ernst, 2006). In short, organizations can ensure a safety-working environment by providing some safety mechanisms such as health insurance, safety guideline and work instructions.
- **Belonging or social needs:** These needs are activated after the safety needs are fulfilled. People need to belong, to be accepted and loved by other people because they are living in society. They like to have friends, family and communities. Also, they try to satisfy their needs for relationship, friendship, affection and acceptance. Moreover, cooperation and interaction between people

and people in the society are needed since they are social beings. In an attempt to meet these needs, businesses or organizations have to encourage their employees to participate, to be a part in the various social activities such as; party, group discussion, team building activities and so on (Latham & Ernst, 2006).

- **Esteem needs:** These needs occupy the third level of needs and emerge after social needs are met. These types of needs are to be held in esteem by the person itself as well as by others. Also, these needs initiate great satisfaction as self-confidence, prestige status and power. They usually combine both external esteem factors like states, attention and safe recognition and internal factors such as self-respect, self-achievement and autonomy (Latham & Ernst, 2006). In order to fulfill these needs, organizations can initiate any rules or activities that fit their internal culture such as employees of the month, letter of recognition or best achievement party and so on.
- **Self-actualization:** Self-actualization occupies the highest need which can develop, fulfill and maximize one's potential, self-fulfillment and accomplishment. Those who reach this level try to maximize their outcome, skills and knowledge in order to achieve their desired goal and also can be a valuable asset to the human resources of an organization (Latham & Ernst, 2006).

The above needs theory has been supported by Mager and Sibilias (2010). The authors suggest that in order to achieve long-term sustainability, motivation should be implemented based on Maslow's hierarchy of needs. If people's basic needs are lacking, personal safety, belonging, self-esteem and self-actualization cannot develop, thus, this could result into lack of interest to develop and progress in both

short and long-term goals (Latham & Ernst, 2006). Therefore, in order to motivate people effectively and productively, organizations or businesses need to know where people are placed on the hierarchical pyramid and then to focus on meeting people's needs at that level (Mager & Sibilina, 2010).

From the above discussion, Maslow's hierarchical of needs are crucial for recognizing the needs of people. At the same time, it is important for both businesses and organizations in the context of rewards and recognition, where financial and nonfinancial incentives are generally used and have become the most potential factor to satisfy and motivate people to work harder, to improve their performance and finally to successfully achieve their goals. There is a need for the managers in the organisation to know the components of this theory as it explains how the employees are motivated when doing work, thus the theory has meaning in explaining the fundamentals of employees' satisfaction hence doing and staying at work or career.

### **2.3.2 ERG Theory**

Clayton P. Alderfer (1972) reformulated Maslow's theory and proposed that there were three basic needs: existence (nutritional and material requirements like pay and conditions), relatedness (need for meaningful social relations, relationships with family and friends and at work with colleagues) and growth (need for developing one's potential, the desire for personal growth and increased competence).

The ERG model and Maslow's theory are similar. ERG theory is a simplified form of Maslow's hierarchy of needs theory but it added that all these basic needs can

motivate behavior at the same time and might not be activated in any hierarchical order. That is, any one need may take precedence over others regardless of whether the others are fulfilled or not. This implies that some individuals may prefer to have non-monetary incentives in an organization such as; training programs, social activities, public praise etc., rather than having monetary incentives in the first place. Moreover, contrary to Maslow who argued that when satisfied a need becomes less important to an individual, according to Alderfer, that relatedness or growth needs become more important when satisfied. This means that team - working arrangements can continue to motivate employees and are not necessarily superseded by growth needs. According to Alderfer's theory, existence needs generally respond to physiological needs and safety needs of Maslow's theory, while the relatedness needs respond to Maslow's social needs and growth needs respond to esteem and self-actualization needs.

However, the key difference is that the three human needs of Alderfer's theory (existence, relatedness and growth) can be motivated at the same time and might not be activated in any hierarchy order. This means that a person's need may take precedence over others regardless of whether the other needs have been fulfilled or not. This can be implied to some staffs in an organization who prefer to have financial incentives such as; bonuses or salary increases, whereas, some prefer non-financial incentives such as; a good working environment, flexible working hours, work autonomy, good working conditions, training programs rather than having monetary incentive in the first instance. In contrast, Maslow's pyramid needs need to

be in order from the lowest to the highest. This means that human basic needs must be fulfilled at the first level before reaching other needs.

This also implies that financial incentives are essential to cope with living costs and condition. In short, Alderfer ERG theory and Maslow's theory are quite similar, just the way Alderfer's approach activates is more much flexible and simpler than Maslow's approach. In addition, Alderfer's ERG theory has pointed out the need for businesses and organizations to find ways to fulfill the needs of not only employees' lower level needs (basic needs) but also higher level needs (social needs) by developing some group activities or social events like encouraging employees to participate in decision-making, recognizing higher performance of employees, offering more opportunities for development and growth (Semeone & Harackiewicz, 2000).

### **2.3.3 Motivation-Hygiene Theory**

Frederick Herzberg studied the factors in the workplace that cause satisfaction and dissatisfaction among employees. He found out that the factors causing job satisfaction are different from those causing job dissatisfaction and both factors do not contradict or oppose but complement each other (Herzberg, 1966). According to Herzeberg (ibid), two distinct factors largely contributed to an employee's work behavior. The first motivating factors or motivators which could lead to job satisfaction are associated with the nature of the work itself. They are job-related practices such as; achievement, recognition, responsibility, opportunities for promotion, job autonomy, and opportunities for development, growth and

advancement in the job. Herzberg also argued that when motivators are absent, employees are neutral toward work; in contrast, when motivators exist, employees are highly motivated to excel at their work.

The second factor is hygiene factors or dissatisfaction, which includes Organizational policy, administration and other procedures, pay and benefits, relationship with management and co-employees, physical work environment, direction and supervision, status, job stability or job security.

Based on Herzberg's theory, hygiene factors refer to the absence or presence of job dissatisfaction. When hygiene factors decrease, it could lead to job dissatisfaction. These factors have been considered as maintenance factors that are necessary to avoid dissatisfaction but they do not themselves contribute to job satisfaction. In-line with Herzberg's view, unsafe working situations or a poor working environment will cause employees to be dissatisfied with their job, but the removal of those negative factors will not lead to a high level of job satisfaction.

However, some studies have found out some contradictions to Herzberg's motivation theory (Bowditch, James, Buono & Anthony, 1997; Dubrin & Andrew, 2002). Based on Herzberg's theory, hygiene factors are related to dissatisfaction rather than satisfaction. Another contradiction with Herzberg's theory is that some employees show no particular interest in such motivators as an opportunity for development and advancement (Dubrin & Andrew, 2002). He also states that Herzberg's theory implication in real work life for supervisors or managers in the organization who

want to motivate their employees might provide their employees with flexible policies, be connected with their own employees, recognize the good work from their employees and give some opportunities for development and advancement. Based on Herzberg's theory, adequate hygiene factors should be provided to meet the basic needs of employees and to prevent dissatisfaction with the job. Furthermore, motivators that have a strong effect on the work should be integrated to the process to meet higher level needs and lead employees toward higher achievement and greater job satisfaction.

#### **2.3.4 Equity Theory**

Adams (1963) states that in order to satisfy employees, it is essential to ensure that equity exists among the employees in the workplace. Some key aspects like education, skills, experiences, job qualification are significant inputs to the job by every employee. The outcomes the employees receive from their jobs are pay, reward, benefits and other intrinsic rewards. Thus, whether a person's perceived input and outcome are balanced could determine satisfaction. The author suggests that when people perceive their input-outcome balance is favorable, and then equity exists and satisfaction will be the end result. In contrast, if the perception is that the input-outcome is unfavorable and inequity exists, then the end result would be that of dissatisfaction. Moreover, under the equity theory, either under-reward or over reward both can lead to dissatisfaction, although the feeling of the employees would be somewhat different. The theory suggests that under-reward leads to feelings of unfair treatment, whereas over-reward leads to feelings of guilt. Another important factor mentioned in the equity theory is that employees evaluate the fairness of their



own input-outcome balance by comparing it to the perceived input-outcome balance of the next person. If they recognize that their compensation is equal to what others receive for similar input, they will believe that the treatment from their workplace is equitable and fair (Adams, 1963).

The equity theory can particularly be observed in public organizations where public employees of the same knowledge, skills, experiences and status get the same amount of wage, no matter how hard they work, how much time and effort they spend, and how effective they are in developing desired outcomes. In this regard, in order to avoid any negative feeling including dissatisfaction among employees, managers should ensure that where several employees are doing the same job with the same requisite level of effort to achieve the desired results, the prospective outcome, rewards and recognitions should be equally and fairly be provided.

#### **2.4 Conceptual Framework**

The conceptual framework may be used in this study to show the role of incentives to employees. It justifies retention of employees at work as a system which begins with good leadership which leads to employees' hard working hence good results/performance and income, which letter results to employees and organization development hence retention of employees. The frame work indicates that incentive is a process which is succeeded and preceded by one and another in working organization. The management should be responsible to the determination and minimization of the impacts of the risk factors that may lead to employees shifting and poor performance among employees at Ushetu DC since the frame work show some possible incentives systems and roles of the incentives. Failure to meet them,

results its vise-verse “conflicts, laziness, poverty, underperforming, shifting” which are real Institutional conditions that indicate the need for incentives. The DED, HOD, HOWS and the Community have a great role on providing incentives.

**Figure 1.1: Conceptual Framework**



**Source:** Conceptual framework devised by the researcher, 2019

## 2.5 The Issue of motivation in public sector in Tanzania

According to Hawa Ghasia (2010), in 1994, the Government of Tanzania adopted Pay Reform as an integral component of the Public Service Reform Programme

(PSRP). This was because many of the problems associated with poor performance of the public service were related to lack of an appropriate compensation structure and weaknesses in the incentive regime. It ought to be said at the outset that Pay and Incentives problems in the public service go beyond salaries. Goals of the MTPP were as follows:

- i) Ensuring evolution of a rational and transparent compensation structure;
- ii) Ensuring development of appropriate and adequately competitive remuneration levels to allow public service to attract and retain the desired number and quality of Human Resource with appropriate requisite skills and experience;
- iii) Ensuring evolution of an incentive's regime with appropriate rewards (and sanctions) to adequately motivate public servants towards acceptable standards of performance; and
- iv) Facilitating wage bill determination, planning, and control.

### **2.5.1 Implementation of the Pay Reform**

Implementation of pay reform took place in two phases.

- i) The first phase covered the period 1994 – 1999 and its priorities were cost containment, rationalization of the public service salary and job-grade structure, and
- ii) The second phase covered the period 1999 to date, and its major priority was to enhance pay in order to ensure that the public service has the capacity to attract, retain and adequately motivate personnel with requisite skills to provide the desired public services and government strategic outputs.

Much was accomplished during the first phase of pay reform in terms of rationalizing the salary and job-grade structure, increasing transparency of the compensation system and improving wage bill management. However, the success did not automatically translate into significant improved performance and service delivery. Experience during the period showed that relying on wage-bill savings from employment reductions, particularly in a period where the wage bill is being reduced in relation to size, did not provide much in the way of salary enhancement.

The second phase of pay reform was implemented in a more comprehensive and systematic approach to pay enhancement. Measures adopted included:

- i) Public Service Medium-Term Pay Policy (MTPP), whose goal was to enhance pay levels for qualified technical, professional and managerial cadres; and
- ii) Medium -Term Pay Reform Strategy (MTPRS), whose objective was to provide a systematic and comprehensive approach to implementing the policy.

### **2.5.2 The Medium Term Pay Policy**

The MTPP was adopted for the purpose of ensuring that, the Government had a critical mass of appropriately skilled and experienced personnel to ensure efficient and effective management of the economy, and for designing and implementing programs to improve the quality of public services. As such, the short to medium term priority of the policy was to enhance remuneration levels for qualified technical, professional and managerial cadres of the public service.

### 2.5.2.1 Major Priorities Set Out in the MTPP

- i) **To develop a new job-grade and salary structure:** A new job grade and salary structure was to be developed on the basis of the outcome of the comprehensive job evaluation and re-grading exercise (JERG). While being simple and easy to administer, the new structure was expected to improve incentives by providing increased pay differentials within grades as well as between them.
- ii) **To enhance salary and wages for qualified technical and professional cadres:** A targeted public service salary structure that would attract, motivate and retain qualified technical and professional personnel was supposed to be adopted and implemented.
- iii) **To adopt a compensation structure where allowances do not feature prominently:** The transparency of the compensation structure was to be improved by consolidating and/or eliminating some allowances found to be remunerative.
- iv) **To develop a special (core) professional and managerial cadre:** In pursuit of the goal of professionalizing the public service, a framework was to be developed for a special professional and managerial cadre, comprising highly qualified, highly tasked and well compensated technical and professional officers.
- v) **To have a more equitable share of the wage bill between services group:** The total Government wage bill was to be maintained at levels determined in the medium-term expenditure framework and consistent with the macro-economic

stability benchmarks. A framework for ensuring equitable share of the wage bill among the various public service institutions was to be defined and implemented.

## **2.6 Challenges on Motivating Public Employees**

Robert Lavigne (2014) observed that managing the public sector is different from managing the world of business. Often the environments in which government managers operate can actually make it more difficult to succeed. In these highly-visible environments, managers need government workforces to be highly engaged if they are to succeed. This requires that public sector leaders understand and address the factors that make increasing engagement in the public sector a special challenge. Here are factors that make motivating government employees difficult:

**Prevailing negative attitudes about government and government employees.** Critics of government, including politicians and some media, portray public sector employees (that is “nameless and faceless bureaucrats”) as overpaid and underworked. Understandably, these images hurt employee morale and engagement.

**Frequent and abrupt changes in leadership.** CEO turnover might be more common than it used to be, but the private sector still has nothing on the public sector in this regard. Many government jurisdictions and agencies are led by elected or politically-appointed leaders (including legislators) with brief tenures, specific policy agendas, and short-term perspectives that make it difficult to sustain engagement.

**Hard-to-measure achievement.** Few things are more engaging than making important progress toward goals. However, the goals of public-sector organizations are

often hard to translate into objectively measurable units without clearly articulate long-term missions, values, goals, and impacts – and help employees see how their work connects.

**An older workforce.** The government workforce is more educated and more white-collar than the private-sector workforce. It is also older. Consider that, in 2013, 56.7% of federal workers were between the ages of 45 and 64, compared to 42.4% of full-time private sector workers. At the other end of the employee life cycle, it is crucial to recruit highly motivated new people to replace the departing baby boomers.

**Strong civil-service rules and employee protections.** Engagement suffers terribly when some employees are seen as getting away with not pulling their weight. The fact that public employees have stronger job protections, even in nonunion organizations, than their private-sector colleagues, makes it more difficult to deal with poor performers.

**Constraints on the use of financial incentives.** Government agencies usually can't provide performance incentives like large pay raises and bonuses; or perks like stock options, fitness center club memberships, and car services hence faced with limited ways to reward and recognize performance.

**Strong union influence.** Unlike in the private sector, where union membership has declined to an all-time low (less than 7%), union membership in the public sector remains stable (more than 35%).

**Public visibility of government.** The work of government is uniquely visible, due to open meetings/records laws that require agencies to meet in public and also provide, on request, meetings, minutes, memos, decision documents, emails, and even text messages.

**Different employee motivations.** Public servants find meaning in their work by making a positive difference in the lives of the citizens they serve. This is an advantage in building engagement. Many employees enter public service because they are already committed to the mission of government.

## **2.7 Research Gap**

Despite the efforts done by the government to ensure the presence of the motivations and incentives in public working areas, much emphasis was put on increasing the wages and paying the demands of the public employees. This shows that only monetary incentives were given much priorities though they were not yet totally solved. However, the non-monetary incentives are not dealt with anymore. Also, current researches are much concerned with the role of incentives in motivating employees to increase output without considering how it can help to maintain employees in their working stations and without a need of knowing the challenges that hinder the management in providing incentives to their employees. Therefore, this is where the researcher got the gap of dealing with the effects of incentives (both monetary and non-monetary) in retaining employees in public working stations, specifically at Ushetu District Council.



## **2.8 Chapter Summary**

This chapter presented review of the literature from other researchers concerning the problem of failing to retain employees in public institutions in Tanzania and worldwide by associating with the effects of incentives. Theories that helped the researcher to get in-depth understanding of the phenomenon was viewed. Empirical section described the risk factors that lead shifting of public employees, the issue of motivation in public sector in Tanzania, implementation of the Pay Reform, The Medium Term Pay Policy and the major priorities set out in the Medium Term Pay Policy as strategies done by the government in minimizing risk. The research gap also showed why the researcher put more emphasis on retaining public employees in their working stations rather than the role of incentives in motivating employees to increase organizational output.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with the research design and methodologies which were used in the study. It presents a picture of how the study was conducted. The chapter started by presenting the research philosophy, research design, study area and population. Thereafter, the chapter extended into discussing issues of sampling and sampling procedures and the sample, data collection instruments and data collection procedures that were used in the study, data processing and analysis plans as well as the ethical issues in the study area.

#### **3.2 Research Philosophy**

Research philosophy refers to the approach that is used to collect and analyze data. There are three research approaches in research which include; qualitative, quantitative and mixed research approach. Qualitative approach explores attitudes, behaviors, thoughts and experiences. It focuses on getting an in-depth information and understanding of the phenomenon, while quantitative approach deals with the values or knowledge that measures, describes, and explains the phenomena of the reality. A quantitative approach is often used in the natural science or when a research questions have a formalized structure (Yin, 1994). Mixed approaches combine both qualitative and quantitative ideas. According to Tashomes (1998) using both quantitative and qualitative methods at the same time is more advisable because quantitative data provide precise summaries and comparisons, while the

qualitative data provide general elaborations, explanations, meanings and relatively new ideas.

### **3.3 Research Design**

Research design is the arrangement of conditions for collecting and analyzing data in a manner that aims to combine relevance to the research purpose and economy in procedure (Kothari C.R 2004).

The researcher used survey design in this study because the study intended to explore the opinions of the respondents in particular the top council managers (HOD and DED), middle managers (HOWS) and the employees (OW) on the impact of incentive in improving employees' retention at the Ushetu District Council. These were obvious large sample which could be reached easily with questionnaire; hence the use of survey design was important as the questionnaire were used with easy less cost and quick to cover large sample in shorter time than other methods. Thus, data collection was based on the provision of questionnaires to 90 civil servants' respondents in Ushetu DC while for few respondents (14), the face-to-face interviewing method was applied.

### **3.4 Study Area**

The study was conducted at Ushetu District Council in Shinyanga Region, Tanzania Mainland. Drawing from the description made in the previous chapter regarding employees' retention problems, the District Council was considered a right case to use. Most employees at Ushetu Council had been asking for the permission to shift from their council to other councils or even to quit their jobs. For example, statistics

shows that since financial year 2013/2014, about 200 employees had shifted from Ushetu DC to other councils where 170 (13.046%) were teachers, 16 (6.639%) were health services providers and 14 (5.223%) were from other sectors.

### **3.5 The Population of the Study**

The quality of data depends much on the quality of the population in which the sample is drawn. Population, therefore, is the universe unity from which the sample is to be selected while the sample is the segment that is selected for investigation (Bryman, 2004). It can be only possible to assess how it is virtually a representative sample, only if the identification of the total population is done prior to the sample (Cohen, 2000). The population for this study was composed of employees who are Heads of departments in the Council HQ offices, Head of working stations and ordinary employees in Ushetu District Council working stations in villages. Since it was impossible and uneconomical to study the whole population, a sample of 104 respondents was drawn from the targeted population of 1808 employees.

### **3.6 Sampling Procedures and the Sample**

#### **3.6.1 Sampling Frame**

A sampling frame is defined as a list of items from which the sample is to be drawn (Kothari, 2004). When sampling units are taken together in the list they make or constitute a sample (Cooper – Schindler, 2003). Sample has been defined further as a complete list of all members or unity of the population from which each sampling unit is selected (Panneerselvam, 1999). For this study, the sample frame included; some Council stakeholders particularly the District Council heads of departments,

heads of working stations and representatives of employees from different sectors. These people were obtained from the selected area of study which is Ushetu District Council of Shinyanga Region in Tanzania Mainland at Ukune, Kisuke, Nyamilangano and Ushetu wards as well as at the council head office where four heads of departments were obtained.

### **3.6.2 Sampling Techniques**

Sampling techniques refer to the procedures that the researcher uses in obtaining the sample to be used in the study. Kothari, 2004, noted that, finally, the researcher must decide on the types of sampling techniques to be used. Both simple random (probability) sampling and purposive sampling (non-probability) techniques were used in selecting the sample for the study. A big number of teachers were enquired compared to other sectors because the study was educational oriented, the other sectors were involved to explore experience since both are under the same Council and employer. The reasons for selecting those two sampling techniques are explained below.

#### **3.6.2.1 Simple Random Sampling**

Patton, (2002), noted that the power of random sampling is derived from statistical probability theory and, thus, it permits confidence generalization from the sample to the larger population it represents. Simple random sampling is the most basic form of probability sample in which each member has equal chance to be included in the sample. With random sampling, therefore, there is no opportunity for human bias that can manifest itself. In this study, the simple random sampling was used to select

some human resources who were to be involved in the study. The reason for using simple random sampling was that it was simple to carry out and the appropriate technique that helped the researcher to avoid all kinds of bias as it provided equal opportunity for every member of the population to be selected as a sample.

### **3.6.2.2 Purposive Sampling**

Cohen (2000), observed that purposive sampling is a technique which enables the researcher to pick the members to be included in the sample with the possession of particular characteristics being sought. In the light of Cohen, the study included in the sample were the District council heads of departments, head of working stations, the representatives of employees at villages and ward level (teachers at schools, health workers, the Agrovets, community development officers, village and ward officials). In so doing, the technique enabled the researcher to collect rich and in-depth information related to his topic, especially by using the questionnaire instrument and face-to-face interviewing.

### **3.6.3 The Sample Size**

Sample size refers to the number of the items selected from the universe to constitute a small (Kothari, 2004). According to Kothari, the researcher must determine the desired accuracy in an accepted level of confidence for the estimation of the sample size.

To carry out the study successfully, a sample size was one hundred and four employees (104) and it was selected from different categories of respondents from

the study area. More than half of the respondents (69) were teachers that is 1 - DPEO, 1 – DSEO, 15 - HOWS and 52 - OW (classroom teachers) because the study was educationally oriented, the other sectors (35) were involved to explore their experience since both are under the same Council and employer. The data were collected from four wards which are Ukune, Ushetu, Nyamilangano and Kisuke whereby the HQ offices of the Ushetu Council was included. The selected Heads of Departments were included in the study because their responsibility affects employees in one way or another regarding incentives, that is education (DEOs), Council planning and budgetary (DPLO) and management of all council human resources (DHRO) as mentioned in the sample size below: -

**Table 3.1: Researcher’s distribution of the sample size**

<b>S/N</b>	<b>Respondents</b>	<b>Number</b>	<b>Sampling Procedure</b>
i.	Heads of Human Resource, Planning and Education Departments	<b>4</b>	Purposive sampling techniques
ii.	Heads of Schools and other Heads of Working Stations	<b>23</b>	Purposive sampling techniques
iii.	Ordinary classroom teachers	<b>52</b>	Simple random sampling
iv.	Health employees	<b>12</b>	Simple random sampling
v.	Village Executives, Agrovets and Community Development Officers	<b>13</b>	Simple random sampling techniques
<b>Total</b>		<b>104</b>	

**Source:** Researcher’s distribution of the sample size devised by the researcher, 2019

### **3.7 Data Collection Instruments**

Data collection methods can be briefly defined as the tools employed by the researcher to gather information from the field (Sekaran, 2003). In this research, data collection methods involved use of questionnaires and face to face interview.

### **3.7.1 Questionnaire**

Questionnaire refers to as an instrument that is used for gathering information from a large sample using a prepared set of questions designed by the researcher to obtain data needed to answer study questions (Omari, 2011). In this study, questionnaire method was used in preparing a list of organized questions relevant enough to collect required data by the researcher. The questions contained in the questionnaire solicited information the roles of incentives in maintaining human resources in public organizations. The questionnaire had an advantage of being less costly, collecting information from many respondents within a limited time and the respondents were free to offer information because they were assured of their anonymity. In this study, the researcher adopted questionnaires for collecting the general information from 90 respondents.

### **3.7.2 Interview**

Cohen (2000) has defined interview as an interchange of views between two or more people on a topic of mutual interest. It allows participants - be they, interviewers or interviewees - to discuss their interpretation of the world in which they live and express how they regard situations from their own point of view. The guided interviews were the main instrument used to obtain first-hand and in-depth information. Hence, the interview exercise was done based on a semi structured format in such a way that they provided solicit information to answer the specific question and meet the objectives of the study. The questions that were asked were semi-structured and allowed the researcher to be flexible to probe deep in order to clarify the misunderstanding of participants' response to questions asked.



Generally, semi-structured interview method was used because it allowed flexibility and provided opportunity to ask more questions, seek clarifications that allowed both interviewer and interviewee to raise and pursue issues that could not have been obtained through other methods like questionnaire. The DHRO, DPLO, DEOs and some HOWSs were interviewed.

### 3.7.3 Documentary Reviews

The study used documentary reviews as a secondary source. It involves identification and reviewing of various literatures along the predetermined sections. The reviews were done to see what other scholars have contributed globally, regionally and nationally on the subject. The reviews appear under the literature review section.

**Table 3.2: Analysis of the data collection methods and its sample size (N=14)**

S/N	Group of respondents	Interview method and Sample size	Questionnaire method and Sample size
1	District Human Resources Officer (DHRO), District Planning and Logistics Officer (DPLO) and District Primary and Secondary Educational Officers (DEOs)	4	0
2	Heads of Schools	8	7
3	Heads of other Working Stations (Health centers and Ward Executives)	2	6
4	Village Executives, Community Development Officers, Agrovet Officers and Health workers (OW)	0	25
5	Classroom Teachers (OW)	0	52

Source: Analysis of data collection methods and its sample size devised by the researcher, 2019

### **3.8 Data Collection Procedure**

The researcher used questionnaires and face-to-face interviews and visited all the sampled areas in Ushetu District Council to collect data from representatives of the District heads of departments, heads of working stations and ordinary employees from different sectors. Data were collected using a self-administered questionnaire. Nevertheless, where it was difficult for the respondents to complete the questionnaire immediately, the researcher left them with the respondents and went back to pick them up later. Ethical considerations such as confidentiality, anonymity and avoidance of deception were important issues in social research and the researcher observed them accordingly. For the purpose of this study, permission was first sought from the District Executive Director and a researcher permitted to carry out the research. Furthermore, the researcher explained the purpose of the study to the respondents and assured them of confidentiality of their responses and identities. The researcher adhered to an appropriate behavior in relation to the right of the respondents.

### **3.9 Pilot Testing**

The research instruments were piloted in one of the public sectors in the Council, that is Dakama Secondary School at Ukune ward. The aim of the pilot was to help to identify misunderstandings, ambiguities and inadequate items in the instruments. Through piloting, the researcher established some items in the questionnaires that were not clear to the respondents. The questions were rephrased to elicit required responses, some discarded because they didn't produce the required responses and very few others were added to meet the intended objectives. The pilot study helped to

address weaknesses and the challenges that were observed in the methods of data collection as well as in designing of the study.

### **3.10 Validity of the Study**

Kumar (2005) defines validity as the ability of an instrument to measure what it is designed to measure. Researchers are required to use valid criteria to judge knowledge claims to construct robust knowledge (Ramazanoglu, 2006). Cohen, L. and Manion, L. (2000) argue that the justification of the instruments is the production of documented evidence, which offers a high level of accuracy that a specific process consistently meets its objectives. To ensure the validity of the study, the researcher created an awareness to the respondents in their perspective areas about the research process which was in place. This created, among them, the freedom of mind to provide the appropriate information which was subjected to the study question. Moreover, the used tools in the study was tested before the actual time of data collection to check if they actually yield the intended results.

### **3.11 Reliability of the Data**

Reliability is concerned with the consistence of the measuring instruments (Ludico, 2001). In order to ensure that the instrument was used appropriately to measure the effects of incentives in maintaining public human resources in their working areas, different discussion with other professionals and comments were made before using the targeted sample. Through that, the instruments were improved for their quality. The pilot testing was also done for this purpose. Thus, the study determined the reality of the questionnaires and time to interview some respondents in the study.

After the pilot study, the questionnaires were improved accordingly by making corrections using the suggestions of the involved professionals.

### **3.12 Data Processing and Analysis Plan**

#### **3.12.1 Analysis Plan**

The process of making sense and meaning from the findings of a research study is called data analysis (Merriam, 1998). The most qualitative analysis is a relatively systematic process of coding, categorizing data to provide explanations of a single phenomenon of interest. The data analysis of this study contained interpretations of the information gathered with reference from the literature and past studies to indicate how the codes generated from the field worked in this study support or contradicted the prior studies. Data analysis began with the first data collection strategy, which involved the organization of data and making sense of it. The process of data analysis is iterative and not a linear process.

Since this study used mixed methods design in the whole process of analyzing the data collected from the field, Qualitative data analysis technique was used to analyze qualitative data. Thus, this analysis included the analysis of the information obtained from the employees' feelings with regard to the roles of incentives in improving staff retention in Ushetu District Council. Thematic analysis was used to analyses qualitative data as recommended by Patton (2009). Quantitative data analysis was used to analyze numerical data such as a number of questionnaires responded by individual employees regarding the roles of incentives in the respective area of study.

### **3.12.2 Data Processing**

The collected data were processed and prepared for analysis which involved editing of questionnaires, coding, data entry and editing/cleaning and verifying the collected data before analyzing them so that they were agreeable to analysis. Editing was used to identify some semantic, grammatical and spelling errors which emanated during the data collection exercise.

### **3.13 Data Presentation**

After processing and analyzing the collected information, the entire data were presented in an appropriate, reasonable and acceptable format in forms of tables and the discussions which was based on the presented results in the prescribed forms.

### **3.14 Ethical Issues**

Ethical issues are standard moral and ethical considerations to both respondents and the study itself (Omari, 2011). Ethical issues were observed from problem formulation, data collection, results and findings in order to make the study friendly. Some of the ethical issues that were considered are: informing consent, anonymity, integrity, honesty, deceptions and confidentiality. The respondents were assured that all the information would be kept confidential. In order to ensure ethical conduct in the study, all respondents were informed about the study in order to have their willingness to cooperate. Other ethical considerations included briefing the respondent about the purpose of the research, their relevance in the research process and the expectations from the research findings. Plagiarism, fabrication of data was avoided, privacy was maintained and anonymity of respondents was ensured.

### **3.14.1 Confidentiality and Anonymity**

Confidentiality means that the information from respondents were neither going to be divulged to the public nor made available to colleagues, subordinates or superior. In this study, all information about participants were treated with confidentiality and the participants were kept anonymous. A covering letter also was assured to the respondents that all responses would be treated with the utmost confidentiality and anonymity.

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## **CHAPTER FOUR**

### **4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the research findings from the field study and the findings basing on objectives of the study. The chapter presents the effects of incentives in retention of employees in public working stations at Ushetu District Council, Shinyanga Region. The study was based on identifying the incentives which are most effective in retaining employees in their working stations, assessing the institutional conditions that indicate the need for incentives systems and assess the challenges that hinder the management to provide incentives to their employees.

The study presents the findings of the three objectives by starting to analyze the response from the questionnaire whereby 90 respondents were involved, followed by the interview response from 14 respondents.

#### **4.2 The Most Effective incentive for Retaining Employees**

The first objective of the study aimed to identify the incentives which were most effective in retaining employees in their working stations. This section presents the findings for this objective. The themes for this section was to explore, from respondents the measures that have been taken by the heads of working stations and the Council to ensure that employees were retained at their working stations. In this objective, the researcher used question one of the questionnaires and question one of the interview questions to seek responses from the respondents of the study. Findings on this part are as summarized in Table 4.1.

**Table 4.1: Most effective incentives for retaining employees**

S/N	INCENTIVES	PARTICIPANTS' RESPONSE		
		High rank	Moderate rank	Low rank
1	Salaried loans	80 (89%)	10 (11%)	0 (0%)
2	Processing and provision of health insurance	71 (79%)	12 (13%)	07 (8%)
3	Salary advance arrangement	33 (37%)	47 (52%)	10 (11%)
4	Annual leave with payments	29 (32%)	42 (47%)	19 (21%)
5	Participation in decision making	20 (22%)	61 (68%)	09 (10%)
6	Effective communication channels in the work place hence feedback	14 (16%)	72 (80%)	04 (4%)
7	Recognition by the institution	12 (13%)	31 (34%)	47 (53%)
8	Profession/career development opportunities (workshops, seminars, conferences)	06 (7%)	65 (72%)	19 (21%)
9	Salary	6 (7%)	54 (60%)	30 (33%)
10	Best worker prize	03 (3%)	54 (60%)	33 (37%)
11	Promotion	03 (3%)	44 (49%)	43 (48%)
12	Housing accommodation	0 (0%)	05 (6%)	85 (94%)

Source: Field data, 2020

Further analysis of the findings that appears in Table 4.1 are summarized below in the order of high rank, moderate rank and low rank:

#### **4.2.1 Salaried Loans**

The study showed that 89% of participants said that provision of salaried loans was at high rank and the rest 11% said that it was moderate. This indicates that employees were motivated with loans through banks and other authorized financial services providers.

#### **4.2.2 Processing and Provision of Health Insurance**

The study showed that 79% of respondent gave the high rank to health insurance process and its provision to employees while 13% ranked it as moderate. This



indicated that employees were motivated to remain in their working stations since they receive health insurance hence health services immediately after employment.

#### **4.2.3 Salary Advance Arrangement**

Respondents revealed that the status of salary advance arrangement was at moderate rank for 52% and 37% at high rank respectively. At Ushetu Council, employees were freely allowed to make and take monthly salary advance from the banks whereby their salaries were channeled, hence motivating the employees to remain in their working stations since they are assured of money to solve immediate problems which are money related.

#### **4.2.4 Annual Leave with Payment**

Results from the study as displayed in Table 4.1 indicated that 47% of respondents said that annual leave with payments was at moderate rank and 32% said it is at high rank. Therefore, this motivated employees to visit their parents and relatives at their home origin annually with their families.

#### **4.2.5 Participation in Decision Making**

The findings as in Table 4.1 showed that 68% of respondents said participation in decision making was at moderate rank and 22% ranked it high. This symbolize that heads of working stations did involve workers in decision making, as the results, what is done at the working station is known and involved every staff member hence full support of the staff.

#### **4.2.6 Effective Communication Channels in the Work Place Hence Feedback**

The research results as in Table 4.1 showed that 80% of respondents said that effective communication channels in the work place was at moderate rank and 16% ranked it high. This justify that what is done at the working station is known and involved every staff member hence full support and commitment of the staff members, thus employee retaining at the station.

#### **4.2.7 Recognition by the Organization/Institution**

Research study indicated that 53% of respondents said recognition by the organization was low and 34% noted that it was moderate. This showed that the employer and heads of working organization had no tendency to recognize their workers when they did better as if nothing good is done to add value at the organization hence demoralized and unmotivated to retain in their working stations.

#### **4.2.8 Profession/career development opportunities**

The results as in Table 4.1 showed that 72% of respondents ranked profession/career development opportunities at moderate rank while only 7% ranked high. This symbolizes that there are some employees who are willing to up grade their skills, knowledge and educational level but they lack the chance. As the results, they seek other councils to work where they can get opportunities to develop their career.

#### **4.2.9 Salary**

From the findings, 60% agreed that government salary paid to the employees was of moderate rank. This could mean that employees were not moving from Ushetu Council because of salary since public employees of equal rank and level of

education were paid equal salaries throughout the country and, therefore, salary was not an incentive for employees to shift to other places.

#### **4.2.10 Best Worker Prize**

From the study, 60% of respondents said that best worker prize provision was at moderate rank and 37% ranked low. This indicated that best workers at Ushetu DC were not awarded, hence prizes provision were poorly administered to retain employees. Ushetu DC workers as other employees in public or private sectors seek for fringe benefits rather than a salary.

#### **4.2.11 Promotion**

The finding showed that 49% of respondents indicated that promotion by the organization was moderate and 48% noted that it was low. This could mean that promotions at Ushetu Council was not good since employees were to be promoted from one grade to another after every four years.

#### **4.2.12 Housing Accommodation**

From the findings, 94% of respondent indicated that employees' accommodation was at low rank, which meant that employees are renting or living away from their working stations something led them to incur renting cost and (or) transport cost, as a result, employees shifting. Also, the investigation was done by asking the participants to respond either YES or NO about incentives regarding situations which were most effective in retaining employees in their working stations. Their response through questionnaires where are as shown in Table 4.2:

**Table 4.2: Effective incentives and situations in retaining employees in their working stations**

S/N	STATEMENT	RESPONSE	
		YES	NO
1	Some of the Ushetu employees work in the remote areas where there is difficulty in transportation services,	87 (97%)	3 (3%)
2	The Ushetu employees work beyond normal working hours	62 (69%)	28 (31%)
3	Some of the employees have very long distance to work	81 (90%)	09 (10%)
4	Some employees come to work on weekend and on public holidays hence they need special allowance for extra duty	78 (87%)	12 (13%)
5	Some employees work in the field and in remote areas, for example the Agricultural Extension Officers, thus they need hardship allowance	84 (93%)	06 (7%)

Source: Field data, 2020

The study showed that, the majority of respondents (97%) indicated that some of the Ushetu employees work in the remote areas where there is difficulty in transportation services. As noted in the literature review, poor transportation is one of the problems that make it difficult for public employees in public sector. Thus, staff in such areas must be considered for various incentives including transport.

The study further indicated that 69% of the respondents were positive regarding Ushetu employees working beyond normal working hours which according to working rules and regulations they need overtime allowances. Working extra hours without any extra pay is a demotivating factor to employees in most public sectors including Ushetu District. Other factors that attracted attention and which seem to be key issues as far as public employees are concerned included; working on weekends and on public holidays without any extra pay as was noted in the other aspects of employees' work, the field works and in remote areas, for example the Agricultural Extension Officers.

**Interviewees' response:** On the interviewees' responses, the earliest question in this research was "which measures have been taken to ensure employees are retaining at their working stations and the Council at large?" This question was developed in an attempt to identify the incentives which are most effective in retaining employees in their working stations, that is capturing the general picture of applicability of incentives at works in the mindset of heads of working stations and heads of council departments.

Respondents expressed their thought about retaining of employees through examples or other means. When the answers were grouped, there were about 10 different responses. Among those responses, the three most frequently repeated by respondents were motivation, provision of basic employees' rights/benefits and encourage employees engage into various individual productive activities after working hours aimed at fulfilling employee's needs.

The other categories were: career development opportunities, promotion, department best worker prize, appreciation and recognition, respect, flexible working hours and improving working environment. These categories generally matched the characteristics of financial and non-financial incentive categories that prompt employees to retain at their working stations and the council at large.

Participants said that employees were promoted in several spheres like from a normal worker at the station to departmental supervisor or in charge. Also, workers were to be promoted by the government to increase their salaries from one grade to another

after every four years but unfortunately, most of employees are promoted after 5-7 years. If promotion could be done accordingly, employees couldn't ask for transfer hence retaining at their working stations.

The interviewees also said that each year the council put into its annual budget shillings 500,000/= at each council department for best worker prize though because of a big number of employees (1808) compared to revenue, the prize does not meet the requirements for many employees at each working station. Best workers must be recognized and appreciated by the heads of department and the employer. Participants proposed monetary incentives to be budgeted in the council annual budget to ensure at least a single best worker at each working station is rewarded/motivated.

Interviewees also said that, employees were given the annual leave with payments though such payments normally delayed and were insufficient. According to Tanzania Standing Orders for the Public Service (2009), leave should be respected as a right and when not granted by the employer, the employee shall be paid a salary in lieu thereof. In circumstances where a public servant had already taken part of his annual leave, the amount payable in lieu of leave shall be calculated in proportion to the number of days due. Leave shall be earned and calculated at an annual rate of twenty-eight days for all categories of public servants.

Again, working environment were improved by involving the society and the government on building houses for workers' accommodation as motivation since

ordinary employees and Head of working stations are not entitled to a free housing. According to Tanzania Standing Orders for the Public Service (2009) states that Where the Government fails for any reason to facilitate and provide housing accommodation to a public servant who is entitled to a free housing, the Government shall provide to the public servant such allowance to facilitate the payment of rent or part of the rent as may, from time to time, be determined by the Permanent Secretary. Interviewees also revealed that teachers at Ushetu DC have a very flexible working hours since they work from 07:30 to 14:30 hours instead of 07:30 to 15:30 hours. This also gives them a time to engage into various individual productive activities to fulfilling personal and family needs.

On the other side, public and private pharmacies should be initiated in every small township or centers in Ushetu council to enable public employees get medicine by using their Health Insurance especially when those medicine are not available in health service centers. Again, employees should be free to decide his/her (six) Health Insurance beneficiaries without being guided whom to involve since he/she is the one who knows his/her family. Also, the respondents proposed a Council or national campaign to ensure pleasant houses were built in the remote areas where there is difficulty in transportation services and the employees have very long distance to work from their rented rooms/houses. Again, the interviewees suggested that employees ought to be regarded and valued equally in terms of allowances. Respondents believed that they sometimes come to work on weekends, on public holidays and at over time but they were never be paid special allowance for extra duty, but those who are working at council head office are at least paid, therefore,

equal treatment of employees ought to be adhered.

### 4.3 The Institutional Conditions That Indicate the Need for Incentives Systems

Objective two of the study sought to assess the institutional conditions that indicate the need for incentives systems to employees at Ushetu district council. To answer this objective, the researcher used question number two of the questionnaire to explore answers from respondents. The study justified three major benefits of incentives in organizations to prevent employees' shifting.

When 90 respondents were asked to respond with Strongly agree, Agree, Neutral, Disagree or Strongly disagree to the indicators to the institutional conditions that indicate the need for incentives in the study area, all 90 respondents either Agreed or Strongly agree as displayed in table 4.3 below:

**Table 4.3: Institutional conditions that indicate the need for incentives systems**

STATEMENT	PARTICIPANTS' RESPONSE				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Incentives encourage people to work to attain organization goal	68(76%)	22(24%)	0 (0%)	0 (0%)	0 (0%)
Incentives create innovation in the organization	71(79%)	19(21%)	0 (0%)	0 (0%)	0 (0%)
Incentives encourage habit of hard working among employees	63(70%)	27(30%)	0 (0%)	0 (0%)	0 (0%)

**Source:** Field data, 2020



Results on Table 4.3 shows that majority of respondents were positive toward incentives, regardless of whether they are financial or non-financial positively influence the working behaviour of people, attainment of organization goal hence create innovation in the organization and encourage people to work to attain organization goal.

**Interviewees' response:** On the side of the interviewees' response, the research question in this study was "How do you think about working environment in the Ushetu District Council in general, and more specific about your organization/department?". Through this question number two of the interview, the researcher intended to assess the institutional conditions that indicate the need for incentives systems, that is exploring the effectiveness of incentives and their correlation with employees' retention and work performance.

All the interviewees said that Ushetu Council as a new council initiated on 01 July, 2013 and shifted her head office at Nyamilangano village on 01 July, 2016, all her stations/areas are at villages where there is lack of social services like health services centers, electricity, road, transport and water sources. They added that, for recent years, they are experienced somehow improvement on those social services. Due to lacking of those social services, the Council was experiencing insufficient employees by 46.62 percent compared to the needs or requirements that leads to huge work load hence employees' shifting.

**Table 4.4: Employees statistics at Ushetu District Council, year 2020**

S/N	Council Departments and Units	Required Employees	Available Employees	
			NUMBER	PERCENT
1	Information and Technology	03	03	100
2	Administration	153	147	96.07
3	Natural Resources	12	10	83.33
4	Finance and Business	11	09	81.81
5	Procurement Management	05	04	80
6	Health	325	241	74.15
7	Internal Audit	03	02	66.66
8	Secondary Education	458	277	60.48
9	Planning and Statistics	05	03	60
10	Beekeeping	02	01	50
11	Election	02	01	50
12	Legal	02	01	50
13	Primary Education	2061	1022	49.58
14	Environmental Health	21	10	47.61
15	Agriculture, Irrigation and Cooperatives	140	45	32.14
16	Works	10	03	30
17	Community Development	34	08	23.52
18	Livestock and Fisheries	140	21	15
<b>TOTAL</b>		<b>3387</b>	<b>1808</b>	<b>53.38</b>

Source: Human Resources office at Ushetu District Council (2020)

Again, Health Insurance can be used by the beneficiaries at any health service centers National wise. Ushetu Council had 112 villages, 22 public dispensaries and 3 public health centers while there were only two private dispensaries, still they did not receive Health Insurance to provide services. Long distance to service and transport cost were some of the hindrances pointed out by the respondents on the access to health insurance facilities.

In the workplace, incentives were usually developed among those who should be recognized and rewarded and thus encourage them to work toward the common goal of an organization, which can increase profitability, effectiveness and efficiency.

Incentives were designed to encourage individuals or groups to exert more effort, work harder, perform better and employees retaining.

#### **4.4 Challenges encountered by the Management in the provision of Incentives to Employees**

Objective number three of this study sought to find out , the challenges that hinder the management to provide incentives to their employees at Ushetu District Council so as to ensure that employees were motivated hence remaining at their working stations. In this objective, the researcher used question number three of the questionnaires and also question number three of the interview to explore answers from 104 respondents.

Through questionnaires, 90 employees responded from different sectors whereby 77 were ordinary employees and 13 were heads of working stations. Participant's responded in the order of strongly agree, agree, neutral, disagree or strongly disagree. Their responses are summarized in Table 4.5:

**Table 4.5: Challenges that hinder the management to provide incentives to their employees**

S/N	STATEMENT	PARTICIPANTS' RESPONSE				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The employees are not paid on time when they are shifted from one working station to another	75(84%)	11(12%)	04(4%)	0(0%)	0(0%)
2	Salary arrears are not paid to employees on time	74(83%)	12(13%)	09(4%)	05(0%)	60 (0%)
3	Employees are not promoted on time by the responsible authority	53(59%)	37(41%)	0(0%)	0(0%)	0(0%)
4	The employees attend on duty on extra hours or days but delayed to be paid or not paid at all	33(37%)	42(47%)	07(7%)	05(6%)	03(3%)
5	There are delays in disbursing the annual leave payments	57(63%)	20(22%)	07(8%)	06(6%)	0(0%)
6	The employees are many to the extent that the council cannot provide incentive to them	0(0%)	02(2%)	08(9%)	26 (29%)	54(60%)
7	The council fails to plan for staff incentives in its budget	15(17)	58(64%)	08(9%)	07 (8%)	02 (2%)
8	The Ushetu council has no culture of recognizing her employees	24(27%)	35(39%)	17(19%)	08(9%)	06(6%)
9	Best workers are not regularly recognized by the employer	28(31%)	38(42%)	24(27%)	0(0%)	0(0%)
10	Training opportunities are given on nepotism basis	11(0%)	09(10%)	08(9%)	25(28%)	48(53%)

**Source:** Field data, 2020

This section examined challenges encountered by the management in the provision of Incentives to Employees. Responses to this areas varied. However, majority of responses showed that factors that contribute to failure by management to provide incentives included; Council failure to plan for staff incentives in its annual budget.

Council failure to provide incentive to Employees probably because of lack of funds due to poor planning. Respondents were also asked as to whether staff were too many to the extent that Council could not pay them their various dues. Findings showed that majority strongly disagree on this aspect. This must be seen from the angle of staff planning that any government institution has a manning level that guides on the staff requirements and deployment. Other areas that respondents strongly agreed on the proposed options were; that the Ushetu Council had no culture of recognizing its employees, there were delays in disbursing the annual leave payments to maintain her employees, that best workers were not regularly recognized by the employer, that training opportunities were not given on nepotism basis, that the employees attended on duty on extra hours or days but delayed to be paid or not paid at all and that timely promotion of employees was the managerial problem facing the employees in the council.

Other areas that were studied was on the payment of staff where were transferred from one station to another. Respondents in this aspect strongly agreed that employees were not paid on time when they were shifted from one working station to another. These responses justify that the Council failed to plan in her budget on how to pay the employees when shifting which aggravate and agitate the employees.

Another area examined payment to new employees on time whereby respondents strongly agreed that salary arrears were not paid to employees on time.

**Interviewees' response:** On the side of the interviewees, the research question in this study was "What challenges hinder your organization or the council to provide incentives to the employees?". Through this question number three of the interview, the researcher intended to assess the challenges that hinder the management to provide incentives to their employees at Ushetu District Council, instead it explored on why some heads of working stations and heads of Council departments failed to provide incentives to workers.

One of the interviewees said that all 139 Council head office employees who shifted from the former council head office at Kahama town to new council head office at Nyamilangano – Ushetu were not yet paid even a cent and they are demanding a total of shillings 534,435,900/= since July, 2016.

The interviewed who is head of health station said, health workers were motivated through the money received from the Government known as Results Based Fund (RBF) where there is some amount budgeted purposely for employees' motivation. They further added that health workers tend to have a lot of motivations and incentives through seminars, workshops, conferences and other healthy projects.

Robert Lavigne (2014) says, managing in the public sector is different from managing in the world of business. Often the environments in which government

managers operate can actually make it more difficult to succeed. In these highly-visible environments, managers need government workforces to be highly engaged if they are to succeed. This requires that public sector leaders understand and address the factors that make increasing engagement in the public sector a special challenge. Lavigne mentioned some factors that make motivating government employees difficult include prevailing negative attitudes about government and government employees, frequent and abrupt changes in leadership, hard-to-measure achievement, an older workforce, strong civil-service rules and employee protections, constraints on the use of financial incentives, public visibility of government and different employee motivations.

## **CHAPTER FIVE**

### **5.0 CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study aim was to investigate on the effects of incentives in retention of employees in public working stations at Ushetu District Council in Shinyanga region, Tanzania. This chapter presents the summary of finding based on the objectives of study, implication of theories related with incentives, conclusion and discussion, recommendation for further action and recommendation for further researchers.

#### **5.2 Summary of Finding**

The discussion is derived from the findings in chapter four and based on the following objectives of the study: identifying the incentives which were most effective in retaining employees in their working stations, assessing the institutional conditions that indicate the need for incentives systems and assessing the challenges that hinder the management to provide incentives to their employees at Ushetu DC. Data of the study were collected at Ukune, Ushetu, Nyamilangano and Kisuke wards as well as at Ushetu council head office from a total sample of 104 respondents whereby 90 participants responded by using structured questionnaires and 14 were interviewed.

Objective number one focused on identifying the incentives which were most effective in retaining employees in their working stations. In this area the study concentrated on identifying most Incentive System in Retaining Employees at Ushetu District Council.



The data and discussion under this research question indicated that the employees at Ushetu district council were retained by several factors. They included; provision of health insurance whereby 76 percent ranked the item high among incentives system retaining employees at Ushetu district. Another item was the salaried loan where the employees ranked high by 89 percent as an incentive that retained employees at Ushetu District Council. The data indicated that the respondents ranked by 79 percent the annual leave to be the incentive retaining employees at Ushetu District Council. Furthermore, the data showed that participation in decision making was ranked high by 68 percent to retain employees at Ushetu district Council and lastly the affective communication around the council at Ushetu among employer, supervisors and employees was ranked high by 80 percent to retain employees at Ushetu District.

The second objective focused on the assessing the institutional conditions that indicate the need for incentives systems. Issues examined here intended to inquired on the Institutional condition that indicate the need for incentives system in retaining employees at Ushetu District Council. The data and discussion revealed that there were three conditions that call for the Ushetu District Council to require incentive to retain its employees. They included need for social services because some of the staff were located far from town centre, so incentives was the best way to retain them. Second condition that necessitated need for incentives at Ushetu employees was need for health services. The geography that many employees lived in Ushetu shows that there were no good health services. Therefore, even the National Health Insurance Funds (NHIF) services need more cost to access them, the incentive to facilitate the

employees travel to access the health service was rational. The last condition indicates that among 3,387 employees that Ushetu District Council needed for organisation to perform its objectives, only 1,808 were available and this is just 53.38 percent of the available cadres needed at the Council. As shortage of employees happens, it increased the burden of work load thus, to retain the employees, incentives were needed.

The third objective examined the challenges of the Ushetu District Council management failure to provide incentives to retain employees. Findings revealed the following challenges that the management faced in offering incentives to employees; no planning to give incentives to employees, the absence of recognition culture to employees, delayed disbursement of annual leave payments to employees, ignoring best workers' prize giving, delayed promotions, and non-payment of extra hours to dedicated employees.

The various aspects related to incentives as far as Ushetu District employees were concerned indicated highly that there was a relationship between provision of incentives and employees' retention. For examples respondents strongly agreed that the Ushetu Council had no culture of recognizing its employees, there were delays in disbursing the annual leave payments to maintain her employees, that best workers were not regulary recognized by the employer and that the employees attended on duty on extra hours or days but delayed to be paid or not paid at all.

### **5.3 Implication of Theories Related with Incentives to This Study**

Maslow's Hierarchy of needs theory is clear in the sense that the public employees at Ushetu Council first sought to satisfy their basic needs as mentioned in the literature review of Maslow's hierarchy of needs theory. After they had satisfactory financial compensation, they were likely to value non-financial incentives under the form of job-related characteristic supports and the council supports.

Alderfer's ERG theory implies that financial incentives are essential to cope with living costs and condition. The theory has pointed out the need for organizations to find ways to fulfill the needs of not only employees' lower level needs (basic needs) but also higher-level needs (social needs). As per the theory, employees at Ushetu Council are encouraged and participate in decision-making and offering more opportunities for career development and growth.

Herzberg's motivation-hygiene theory argued that when motivators are absent, employees are neutral toward work; in contrast, when motivators exist, employees are highly motivated to excel at their work; and when hygiene factors decrease, it could lead to job dissatisfaction. In-line with Herzberg's view, poor working environment at Ushetu council has caused employees to be dissatisfied with their job hence shifting. Therefore, employees might be provided with conducive working environments with employees' houses, health services, transport and social services.

Equity theory states that in order to satisfy employees, it is essential to ensure that equity exists among the employees in the workplace. When people perceive their

input-outcome balance is favorable, and then equity exists and satisfaction will be the end result. The theory is applicable at Ushetu council in the sense that salary, annual leaves, provision of health cards and services, salaried loans and career development opportunities are provided equally without any biasness. Also, the equity theory is observed to public employees at Ushetu council where public employees of the same knowledge, skills, experiences and status get the same amount of wage, no matter how hard they work, how much time and effort they spend, and how effective they are in developing desired outcomes.

In this regard of implication of the theories, it can be concluded that Ushetu District Council and other public institutions would benefit from financial incentives in the motivation of employees through salary, allowances, annual leave payments and salaried loans; and from non-financial incentives particularly in the form of recognition, rewards/prize, career development, effective communication channels and participation in decision making hence feedback were evident in the review of literature and during the data collection, therefore, they should not be ignored by the line managers or supervisors.

#### **5.4 Conclusion**

The study concluded that the public employees at Ushetu Council value meaningful jobs with more opportunities for promotion, more responsibility, more flexible working hours, variety of tasks and opportunity to use a variety of skills and knowledge. Enabling more opportunities for participation or involvement in decision-making processes are also good examples of job-related support. In this

regard, subordinate staff and superiors could be encouraged to participate in decision-making and make any suggestion through the establishment of formal means such as; regular meetings, discussion and employees' feedback in the organization. It is also a need to focus on a culture to institutionalize recognition of employee achievement, to allocate training and development opportunities in a fair and transparent manner, to fulfill employees' needs for learning and acquiring new skills and new knowledge. This series of actions will require changes in individual characteristics and organizational culture hence employees will fill Ushetu council a nice place to work.

However, the study has revealed that the council, that is; the employer (DED), heads of Council Departments and heads of working stations do not perform effectively in preventing the risk factors that lead to employees' shifting through incentives because of financial constraints.

## **5.5 Recommendations**

### **5.5.1 Recommendation for Action**

In order for the employees to retain at their working stations and the Council in general, the following recommendations must be adhered to;

- i) The heads of working stations, heads of council departments and the employer (DED) should promote incentives systems at work to retain employees (since some of them are non-monetary). These includes recognition and appreciation by the organization, promotion, best worker prize, annual leave with payments, housing accommodation, profession/career development opportunities,

participating in decision making and effective communication channels in the work place hence feedback.

- ii) The community, heads of working stations and the employer (DED) should understand that working environments of the whole Ushetu Council is not very attractive and conducive to public employees due to poor social services and human needs. Therefore, incentives are to be designed to encourage employees to exert more effort, work harder, perform better and retain.
- iii) The Central Government should take measures to pay the employees' debts which include transfer allowances, annual leave payments, salary arrears and referral medicals. This is because the Ushetu Council (and the same others in the country) have low income to afford the debts payment.
- iv) The Ministry of Health should initiate public and private pharmacies in every small township or grown centers in Ushetu Council to enable public employees get medicine and other potential health service by using their Health Insurance especially when those medicine are not available in health service centers.

### **5.5.2 Recommendations for Further Studies**

This study investigated “The Effects of Incentives in Retention of Employees in Public Working Stations at Ushetu District Council.” Therefore, it could be well to conduct:

- i) A study on how to retain rural employees is recommended as a new study in the District Councils of other regions;
- ii) A study on how to improve health services to better service rural based employees is required in other regions;

- iii) A study on how other councils with low income do motivates its employees through incentives.

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## APPENDICES

### APPENDIX 1: Questionnaire for Ordinary Public Employees and Heads of Working Stations

I'm Chamo Mashauri, a student of The Open University of Tanzania pursuing Master Degree of Education in Administration, Planning and Policy Studies (MEDAPPS). Kindly, I am requesting you to answer all the questions appearing in this questionnaire so that I can accomplish my Research about "The Effects of Incentives in Retention of Employees in Public Working Stations". I assure you that the information collected will be kept confidential and anonymous, will be used for academic research purpose only, and you will remain safe since I'm officially permitted by your employer, The Ushetu District Executive Director, to conduct this research in the Council. Still, you have the right to withdraw from participating in this study.

Thanks in advance.

*Which job characteristics are applicable at your work and how effective do you think each of them would be in positively affecting your motivation to retain at your working station hardly working?*

**QUESTION 1: (A) Put a tick (v) to show applicability of the statement in your organization or institution**

S/N	STATEMENT	HIGH RANK	MODERATE RANK	LOW RANK
i.	Salaried loans			
ii.	Processing and provision of health insurance			
iii.	Salary advance arrangement			
iv.	Annual leave with payments			

v.	Participation in decision making			
vi.	Effective communication channels in the work place hence feedback			
vii.	Recognition by the institution			
viii.	Profession/career development opportunities (workshops, seminars, conferences)			
ix.	Salary			
x.	Best worker prize			
xi.	Promotion			
xii.	Housing accommodation			

**QUESTION 1 (B): Put a tick (v) to indicate YES or NO according to the statement**

S/N	STATEMENT	YES	NO
i.	Some of the Ushetu employees work in the remote areas where there is difficulty in transportation services, thus they need special incentives		
ii.	The Ushetu employees work beyond normal working hours thus they need overtime allowances		
iii.	Some of the employees have very long distance to work thus they need transport allowance		
iv.	Some employees come to work on weekend and on public holidays hence they need special allowance for extra duty		
v.	Some employees work in the field and in remote areas, for example the Agricultural Extension Officers, thus they need hardship allowance		

**QUESTION 2: Indicate your answers with SA, A, N, D or SD whereby  
SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree;  
SD=Strongly Disagree**

S/N	STATEMENT	SA	A	N	D	SD
i.	Incentives encourage people to work to attain organization goal					
ii.	Incentives create innovation in the organization					
iii.	Incentives encourage habit of hard working among employees					

**QUESTION 3: Indicate your answers with SA, A, N, D or SD whereby  
SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree;  
SD=Strongly Disagree**

S/N	STATEMENT	SA	A	N	D	SD
i.	The employees are not paid on time when they are shifted from one working station to another					
ii.	Salary arrears are not paid to employees on time					
iii.	Employees are not promoted on time by the responsible authority					
iv.	The employees attend on duty on extra hours or days but delayed to be paid or not paid at all					
v.	There are delays in disbursing the annual leave payments					
vi.	The employees are many to the extent that the council cannot provide incentive to them					
vii.	The council fails to plan for staff incentives in its budget					
viii.	The Ushetu council has no culture of recognizing her employees					
ix.	Best workers are not regularly recognized by the employer					
x.	Training opportunities are given on nepotism basis					

**Thanks for your cooperation**

**APPENDIX 2: Interview Questions for Heads of Council Departments and  
Heads of Working Stations**

I'm Chamo Mashauri, a student of The Open University of Tanzania pursuing Master Degree of Education in Administration, Planning and Policy Studies (MEDAPPS). Kindly, I am requesting you to respond to all the questions so that I can accomplish my Research about "The Effects of Incentives in Retention of Employees in Public Working Stations"

I assure you that the information collected will be kept confidential and anonymous and will be used for academic research purpose only, and you will remain safe since I'm officially permitted by your employer, The Ushetu District Executive Director, to conduct this research in the Council. Still, you have the right to withdraw from participating in this study.

Thanks in advance.

**Questions:**

1. Which measures have been taken to ensure employees are retaining at their working stations and the Council at large?
2. How do you think about working environment in the Ushetu District Council in general, and more specific about your organization/department?
3. What challenges that hinder your organization or the council to provide incentives to the employees?

**Thanks for your cooperation**

**APPENDIX 3: Request for Field Practical**

**USHETU DISTRICT COUNCIL**  
(All correspondence to be addressed to DED)

**Shinyanga Region.**  
E-Mail: ded@ushetudc.go.tz  
Website: www.ushetudc.go.tz  
**In reply please quote:**



District Executive Director Office,  
Nyamilangano – **USHETU**,  
P.O. Box .50,  
**KAHAMA**

Ref. No. UDC/P.20/1

06 April, 2020

The Open University of  
Tanzania,  
Directorate of Post Graduate  
Studies,  
P.O Box 23409,  
*DAR ES SALAAM.*

Dear Sir/ Madam,

**Re: REQUEST FOR FIELD PRACTICAL TRAINING ATTACHMENT  
FOR MASHAURI CHAMO**

Your letter dated on 20<sup>th</sup> of March 2020 with reference number PG201702711 that describes the heading above is highly considered.

I am very delighted to inform you that *Mir Chamo* is accepted by the Council to collect Reseach Data on a tittle Effect of Incentives in Staff Retention a case of Ushetu District Council.

*He* will collect data to the Ushetu District Council employees at the working Stations at Ukune, Kisuke, Nyamilangano and Ushetu wards as well as at the Ushetu Council Head of Departments/Units from 06<sup>th</sup> April, 2020 to 15<sup>th</sup> May, 2020.

Yours in cooperation.

  
Glory Mtika

**FOR: DISTRICT EXECUTIVE DIRECTOR**

**C C:**  
THE DEPUTY VICE CHANCELLOR FOR ACADEMIC,  
THE OPEN UNIVERSITY OF TANZANIA,  
P.O BOX 23409,  
**DAR ES SALAAM.**





**APPENDIX 4: Research Clearance**

**THE OPEN UNIVERSITY OF TANZANIA**  
**DIRECTORATE OF POSTGRADUATE STUDIES**

P.O. Box 23409  
 Dar es Salaam, Tanzania  
<http://www.openuniversity.ac.tz>



Tel: 255-22-2668992/2668445  
 ext.2101  
 Fax: 255-22-2668759  
 E-mail: [dpgs@out.ac.tz](mailto:dpgs@out.ac.tz)

**Our Ref: PG201702711**

**20<sup>th</sup> March 2020**

**District Executive Director (DED),**  
 Ushetu District Council,  
 P.O. Box 50,  
**SHINYANGA.**

**RE: RESEARCH CLEARANCE**

The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup> March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup> January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr. MASHAURI, Chamo Reg No: PG201702711** pursuing **Master of Education in Administration, Planning and Policy Studies (MED APPS)**.

We here by grant this clearance to conduct a research titled *Effects of Incentives in Staff Retention A Case of Ushetu District Council*". He will collect his data at your area from 23<sup>rd</sup> March 2020 to 30<sup>th</sup> April 2020.

In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820. We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours Sincerely,

Prof. Hossea Rwegoshora  
**For: VICE CHANCELLOR**  
**THE OPEN UNIVERSITY OF TANZANIA**