

Non-Financial Rewards, Motivation and Employee Performance in Ministry of Internal Affairs (MoIA) – Uganda

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Abstract

The success for any organization is implied in achieving its strategic objective and goal, which is mostly achieved while relying and focusing on motivation level of its employees, and it is non-financial rewards that increase intrinsic motivation within employees yet most organizations have been emphasizing extrinsic rewards such as money, which for one reason or the other don't energize or drives employees for better performance. Therefore, the current research study sought to examine the effect of non-financial rewards on motivation and performance in MoIA. The objective of this research was to examine how motivation out of non-financial rewards impacts employee performance in the MoIA, Uganda. The study adopted a descriptive survey design on a target population of 152 staffs of MoIA, Department of Citizenship and Immigration Control out of which a sample of 110 was drawn using stratified random and purposive sampling techniques. Data was collected from 100 employees by means of a questionnaire supplemented with interviews, descriptive statistics, correlation and regression analysis were used to examine the effects of the variables i.e., non-financial rewards, motivation and performance. The study results showed that, the correlation coefficient between non-financial rewards and motivation was 0.449 with p-value of 0.000 indicating statistically a positive significant relationship while the correlation coefficient between non-financial rewards and performance was 0.175 with p-value of 0.081 showing no positive significant relationship between motivation and performance. This therefore suggests that when there is effective non- financial reward management, motivation improves accordingly but motivation doesn't directly influence performance. The recommendations given for this study therefore, are to help MoIA to review its motivational policy in relation to performance.

Background

Taken as a whole the success for any organization either private or public like Ministry of Internal Affairs is implied in achieving its strategic objective and goals, this can be achieved while relying and focusing on the motivation level of its employees, motivation which is considered as an energetic intrinsic force and drives through our action and conduct, and it is non-financial rewards increase intrinsic motivation within employees. In other words, these types of rewards increase employees' motivation to work by raising their self-esteem. So, most workers join and stay with those organizations which provide non-financial rewards which keep them motivated to perform more than their ability to perform (Dzurain & Stuart, 2012; Glanz, 2002).

Torrington, (2010) defines rewards as any payments linked to the working of an individual or working group with prior arrangements while Krietner and Kinicki (2007), define a reward as the compensation for doing work given to a worker in form of both financial and non-financial incentives. They are programs that an employer uses to supplement employees' compensation, such as paid time off, medical insurance, company car, and more for a job well done, or good employee performance. It involves all the economics and psychological benefits supplied by the organization to the employee (Adoko, 2015). Reward can either be Monetary (Financial Reward) or Non-Monetary based (Non-Financial) according

to Luthans (2010). Non-financial rewards are non-monetary rewards that are given by management to employees to satisfy employees' needs to have recognition, achievement, responsibility, autonomy, influence and personal growth at the workplace. They incorporate the notion of relational rewards, which are intangible rewards concerned with the work environment such as quality of work life, the work itself as well as work life balance. The current study focusing on non-financial rewards, motivation and employee performance in the Ministry of Internal Affairs attempts to ascertain this in a Ugandan context.

Theoretical Background

This research builds on the Total Reward Model and Herzberg's Two-Factor theoretical frameworks. In the Total Reward Model according to Armstrong (2006), Total Reward is defined as the combination of all types of reward. This concept was further unpacked by Nienaber (2009), who made a distinction between Transactional Rewards (tangible rewards including pay and benefits) and Relational Rewards (intangible rewards such as recognition and status, challenging work, learning and development, employment security, work experience and work environment). Total reward therefore entails financial and non-financial rewards that are offered to employees. It is essentially everything an employee takes away from his or her relationship with an employer (Manas & Graham 2003).

Within the Public Service a total reward model is equally applicable. This suggests that whilst employees are compensated financially, they should also be provided with opportunities to learn and develop their careers and be appreciated and recognized for the work well done. The correct combination of tangible or financial rewards and intangible or non-financial rewards could therefore have a positive impact on staff retention. This is supported by Armstrong and Brown (2006) who maintains that relational rewards help deliver a positive psychological contract and position an organization as an "employer of choice". Similarly, it's argued that effectively recognizing employees and their contributions needs to be a priority in any business as it can contribute significantly to a positive organization culture and satisfied employees (Aguenza & Som, 2012; Giles, 2004).

On the other hand, the Two-factor Theory or Motivator-Hygiene Theory (Herzberg, 1987), is to explain the motivations of workers. The basic hypotheses of this theory are that there are two types of motivators, one type which results in satisfaction with the job, and the other which merely prevents dissatisfaction. The two types are quite separate and distinct from one another. Factors that result in job satisfaction are termed 'motivators' and those that simply prevent dissatisfaction are termed 'hygiene-dissatisfies. Accordingly, the factors that lead to job satisfaction (the motivators - sometimes called motivational factors) are; advancement and promotions, recognition, interesting work, responsibility and a sense of achievement, and these for the current study directly falls under non-financial rewards. On the hand, the factors which may prevent dissatisfaction (the hygiene - sometimes called maintenance factors) are; pay levels, fringe benefits, job security, working conditions, company policy and administration, supervision, interpersonal relations, money and status. For example, Grobler, Warnich, Carrell, Elbert, and Hatfield (2011) maintain that motivators are intrinsic in nature and reflect the content of the job, something which each employee controls and administers personally.

Conceptual Background

Green-berg (2006) holds the view that Non-monetary rewards increase intrinsic motivation within employees; in other words, these types of rewards increase employees' motivation to work by raising their self-esteem. While financial rewards encourage workers' externally, non-financial rewards can satisfy employees just as well by making them feel like a valued part of an organization and showing them that they are appreciated. People look at these things more in terms of information about their worth to the company and their ability to achieve and succeed with their goals. Examples of non-financial rewards include job security, personal development programs, praise or recognition and well as employee recognition programs. Non-financial reward can be extrinsic such as praise or recognition or intrinsic associated with job challenge or performance.

Furthermore, Armstrong (2011) maintains that non-financial rewards arise from work itself and work environment, and they can be categorized as inspirational and value (Quality of leadership, Organizational values & behaviour, Reputation of the organization, Recognition & Communication),

future growth (Learning & development beyond current job, Career advancement opportunities & Performance improvement & feedback), quality of work (Perception of the value of work, Challenging/interesting work, Achievement, scope to achieve/recognized, Freedom & Autonomy, Workload-manageable & pace of work, and Quality of work relationships), enabling environment (Physical environment-well office/places, Tools & Equipment, Job training, Information & processes, Safety, Healthy & personal security) and work/life balance (Supportive environment, Recognition of life styles, Security of income & Social environment).

Contextual Background

Non-financial rewards are also part of the performance management system used in management of employees in public institutions in Uganda, with the major aim of ensuring that performance of such organizations and individuals directly contributes to improved service delivery (Uganda Public Service Standing Orders, 2010). Guided by these standing orders, administration of the Ministry of Internal affairs also embraced non-financial rewards involving recognition and appreciation of the top performing staff members, promotion of staff members based on their seniority and performance and at the same time offers regular staff training opportunities to enhance their knowledge and skills. This notwithstanding however, the ministry of internal affairs – department of citizenship and immigration staff performance report (2016) revealed that most of the employees do not perform to the expected standards and indeed there are increasing cases of neglect of duty, late coming, irregular attendance and general laxity among most of the employees in this department.

Problem Statement

Accordingly, while extrinsic rewards such as money are important in the short term, intrinsic or non-financial rewards in the form of meaningful work tend to sustain motivation for performance in the long-term (Lawler, 1996). This shows that Money can only motivate to a certain extent, what matters is the impact the reward has on the individual as a whole. Unfortunately, in the Ministry of Internal Affairs, the major focus has been on financial rewards, which sometimes are not as high as in private firms and yet it is a known fact that financial rewards can only be utilized to a limited degree depending on the capability of the employer (Lawler, 1996). This has been illustrated in the recent strikes staged by various categories of the public servants and other workers demanding higher pay. Notable were the judicial officers in August 2017, prosecutors in October 2017 and Medical workers November 2017 (Mwesigwa & Kigonya, 2017). The causes of these strikes are not only synonymous with 3 mentioned categories but cut across the entire public service Ministry of Internal Affairs inclusive.

This shows that government is now struggling to motivate its employees in a cash strapped economy and has to dig deeper in its coffers to sustain the employees in their jobs. Sometimes, the money is not forthcoming leading to some of the workers leaving for greener pastures in the private sector or authorities. While it has been common for many staff members to resign and move on to other organizations, it is interesting to note that some would remain with their existing employers. Reasons for this unexpected behaviour emerged in a study by Adoko (2015) that found that 90% of the respondents identified job security, career growth, learning and development; exciting work and challenge; and meaningful work, making a difference and a contribution to the organization as the top three reasons why they stayed with their employers. The reasons for resignations that emerged in the study were that 46% of the respondents felt unappreciated, 61% felt that their bosses did not place much importance on them as people and 88% did not receive acknowledgement for the work they did.

The purpose of this study was to examine whether Ministry of Internal Affairs is utilizing the non-financial rewards as a competitive advantage in motivating its staff for better performance noting that government is now struggling to motivate its employees in a cash strapped economy where external factors impact the financial viability of government that can be reduced by the use of less costly, convenient and long term non-financial rewards.

The study aimed to investigate three specific objectives i.e., to establish the non-financial rewards being offered at Ministry of Internal Affairs, to examine the extent to which non-financial rewards offered by Ministry of Internal Affairs motivate the employees and to establish the relationship between non – financial rewards, motivation and employee performance in Ministry of Internal Affairs.

Research Hypotheses

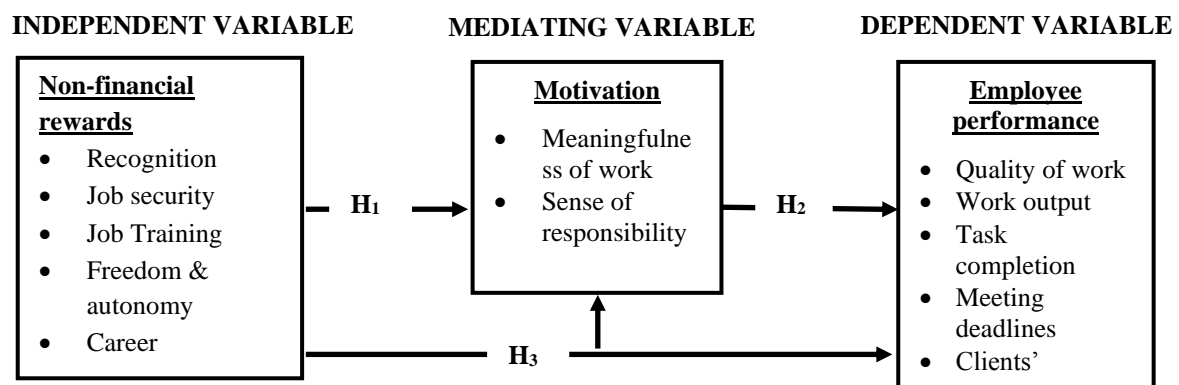
H₁ There is significant relationship between non-financial rewards and motivation

H₂ There is a relationship between motivation and employee performance

H₃ There is a relationship between non-financial rewards, motivation and performance.

Conceptual framework

According to Kothari (2004), the kind of relationships that exists between the variables in a study is normally depicted through a conceptual framework, and Figure 1 below demonstrates the perceived relationship between non-financial rewards, motivation and employee performance.



Source: Adopted from Khan, et al. (2017) and adapted by Researcher, 2018

Figure 1: Conceptual framework of non-financial rewards, motivation & performance

From the conceptual framework above, it is hypothesized that non-monetary rewards represented by variables of Job security, freedom and autonomy, career advancement opportunity, and job training increase intrinsic motivation within employees, which keeps them motivated to perform more than their ability to perform; in other words, these types of rewards increase employees' motivation to work by raising their self-esteem. Consequently, employees' ability to achieve and succeed with their goals influenced by motivation have an effect on employee performance, therefore, these aspects of non-financial rewards are important in bettering motivation for improved employee performance that would be manifested in the quality of work done, tasks completion, meeting deadlines, work outcomes and resultantly achieving clients' satisfaction.

Literature Review

This chapter reviews and presents the existing knowledge and literature about the study variables i.e. non-financial rewards as the independent variable, motivation as mediating variable and employee performance the dependent variable. Specifically, contains a review on the theoretical foundation rewards and non-financial rewards concepts, and components, theoretical review, motivation, and relationship between non-financial rewards, motivation and performance.

Theoretical Foundations for the Study

The theoretical literature reviewed helped establish an understanding around the importance of the concept of non-monetary rewards within organizations. To this effect, the study was grounded first on the concept of Total Reward and its three related models are revisited. Secondly, Herzberg's Two Factor Theory and Maslow's hierarchy of human needs theory are also worth mention.

In the Total Reward Model according to Armstrong (2006), simply defines Total Reward as the combination of all types of reward. This concept was further unpacked by Nienaber (2009), who made a distinction between Transactional Rewards (tangible rewards including pay and benefits) and Relational Rewards (intangible rewards such as recognition and status, challenging work, learning and

development, employment security, work experience and work environment). Total reward therefore entails financial and non- financial rewards that are offered to employees. It is essentially everything an employee takes away from his or her relationship with an employer (Manas & Graham 2003).

The total rewards concept can further be understood through a discussion of its three models. The first model is brought forth by the World at Work (2007) which is the largest global non-profit professional association dedicated to knowledge leadership in total reward. The model recognizes that total rewards operate in the context of overall business strategy, organizational culture and human resource strategy. The five core elements that make up this model are: compensation, benefits, work-life, performance and recognition and development and career opportunities. This model is extremely popular amongst reward practitioners in view of its integrated nature. It articulates the desired outcome of attracting, motivating and retaining satisfied and engaged employees who create business and performance results.

The second model that is named after its creators is called Armstrong and Brown (2006) who explained that the purpose of total reward is to create a cluster where all the different reward processes are connected, complementary and mutually reinforcing each other. In order to achieve internal consistency, the reward strategies should be horizontally integrated with human resource activities and vertically integrated with business strategies. In line with this approach, Armstrong and Brown (2006) identify five benefits of a total reward system which are: greater impact on the motivation and commitment of personnel; enhancing the employment relationship through the use of relational as well as transactional rewards; enhancing cost- effectiveness; flexibility to meet individual needs; and winning the war for talent by attracting and retaining talented employees.

Lastly, the Tower Perrin's model differentiates between relational (financial) and transactional (non-financial) rewards and further makes a distinction between individual versus communal rewards (Armstrong, 2007). Whilst the model acknowledges that financial rewards in the form of pay and benefits are essential to recruit and retain staff, it also cautions that financial rewards can easily be copied and improved upon by competitors. In contrast, relational rewards accentuate the value placed on the employee and are less easy to imitate by competitors (Armstrong, 2007).

Within the Public Service, a total reward model is equally applicable. This suggests that whilst employees are compensated financially, they should also be provided with opportunities to learn and develop their careers and be appreciated and recognized for work well done. The total reward theory indicates that consistent and proper utilization of non-monetary factors has an influence on staff motivation. It suggests that if an organization like Ministry of Internal Affairs wants to differ from the norm whereby financial rewards are the main source of motivation, it should follow this theory and its sub-models.

On the other hand, the Two-factor Theory or Motivator-Hygiene Theory (Herzberg, 1987), is to explain the motivations of workers. The basic hypotheses of this theory are that there are two types of motivators, one type which results in satisfaction with the job, and the other which merely prevents dissatisfaction. The two types are quite separate and distinct from one another. Factors that result in job satisfaction are termed as 'motivators' and those that simply prevent dissatisfaction are termed 'hygiene- dissatisfies. Accordingly, the factors that lead to job satisfaction (the motivators - sometimes called motivational factors) are; advancement and promotions, recognition, interesting work, responsibility and a sense of achievement (Steyn, 2002, Schulze, 2003), and these for the current study directly falls under non-financial rewards. On the hand, the factors which may prevent dissatisfaction (the hygiene - sometimes called maintenance factors) are; pay levels, fringe benefits, job security, working conditions, company policy and administration, supervision, interpersonal relations, money and status. For example, Grobler, Warnich, Carrell, & Hatfield, (2011) maintain that motivators are intrinsic in nature and reflect the content of the job, something which each employee controls and administers personally.

Finally, Grobler, et al., (2011) identified with Maslow hierarchy of Human needs theory, as a motivation theory that was propagated by Abraham Maslow, in 1943. According to Maslow, human needs are split into five levels namely physiological needs, safety needs social needs, and self- actualization needs. Accordingly, the low-level physiological needs crucial for survival include food, shelter, clothing and relief from pain. This can be met by a common strategy used by management to motivate employees

for example provision of money, job security, meals, annual and other leaves to motivate employees, this level is followed by safety needs.

This level of needs according to Schuler (2011) include being protected against physical and psychological harm, within a surrounding, and organizations may react to these needs by providing a safe, non-toxic and healthy working environment job security and reward packages that are in compliance with the legislative and regulatory framework. Grober et al. (2011) identified that in this level these social needs are evidenced by need for love and belonging, and also need to fit into an environment, connection with colleagues and superiors, support and recognition by others as well as social interactions. The organization could address these needs by using helpful support programs and providing symbols for recognition and including lower level-employees in strategic conversations. On level five hierarchy, Grober et al. defines self-actualization need as the need to realize one's potential and to nurture into exceptional individuals. Roberts, (2005) links organizations which recognize this kind of need as those that put emphasis on opportunities for employees to address personal growth matters. Grobler et al. suggest that organizations should, amongst others provide opportunities for personal development and reward exceptional performance. Maslow's theory highlights that organizations must identify the level of needs at which the employee is present at, and then the needs must be addressed as drive for motivation. Not all employees are directed by a similar set of needs, and thus it is through this realization that organizations are required to tailor reward programs that suit an employee's needs.

Torrington, (2010) defines rewards as any payments linked to the working of an individual or working group with prior arrangements while Krietner and Kinicki (2007), define a reward as the compensation for doing work given to a worker in form of both financial and non-financial incentives. On the other hand, Bratton & Gold (2007) defines rewards as referring to all monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Giles (2004) identifies non-financial rewards as psychological or intrinsic rewards that people do, and their working environment

They are programs that an employer uses to supplement employees' compensation, such as paid time off, medical insurance, company car, and more for job well done, or good employee performance. It involves all the economics and psychological benefits supplied by the organization to the employee (Adoko, 2015). Reward can either be Monetary (financial Reward) or Non-Monetary based (Non-Financial) according to Luthans (2010). Non-financial rewards are non-monetary rewards that are given by management to employees to satisfy employees' needs to have recognition, achievement responsibility, autonomy, influence and personal growth at the workplace. They incorporate the notion of relational rewards, which are intangible rewards concerned with the work environment such as quality of work life, the work itself as well as work life balance.

Armstrong (2006) observed that rewards can either be financial (transactional) or Non-financial (relational) (Nienaber, 2009). For him, financial rewards (transactional) include Base pay (basic salary or fixed), Variable pay (bonuses, allowances), Contingent pay (for performance, competence, contribution & skills), and Employee benefits (like insurance, pension, medical, company cars etc). On the other hand, non-financial (relational) arise from work itself and work environment, and they can be categorized as inspirational and value (Quality of leadership, Organizational values & behaviour, Reputation of the organization, Recognition & Communication), future growth (Learning & development beyond current job, Career advancement opportunities & Performance improvement & feedback), quality of work (Perception of the value of work, Challenging/interesting work, Achievement, scope to achieve/recognized, Freedom & Autonomy, Workload-manageable & pace of work, and Quality of work relationships), enabling environment (Physical environment-well office/places, Tools & Equipment, Job training, Information & processes, Safety, Healthy & personal security) and work/life balance (Supportive environment, Recognition of life styles, Security of income & Social environment) (Armstrong, 2011).

Furthermore, Dzurain and Stuart (2012) recommended that the level of organizational performance on employees can be raised by giving them both monetary and non-monetary rewards. Sammer (2011) supported this with the "Total reward" concept which he sated includes not only monetary incentives

and rewards but also employee training and development scheme, career enhancement opportunities, and non-financial recognition. Whereas non-financial gains are concerned, these create influence on employees of organization and in the form of giving more responsibilities, promotion, praise and recognition in front of the public (Stovall, 2003).

La Belle (2005) posit that different individuals have different perceptions of rewards and believes that such factors are the main driving force of satisfaction and that they help boost the employee to work harder and better, due to the motivation that it brings about. Some specific non-financial rewards are reviewed below; Job security is basically income security that can be derived from employment, either dependable employment or self-employment. The security is derived from the level of human capital of the individual on one hand and the functioning of the labour market on the other, Stovall (2003). Employment security generally refers to protection against unfair or unjustified dismissals, (Nienaber, 2009). According to the most commonly used definition, "employment security means that workers have protection against arbitrary and short notice dismissal from employment, as well as having long-term contracts of employment and having employment relations that avoid casualization" (ILO 1995). Dzurain and Stuart (2012) state that employment security is not only important for the purpose of providing income security but also that we should not neglect or underestimate "the non-pecuniary benefits of employment - the sense of social participation that it provides, and the psychological effects on self-confidence and self-respect that employment brings.

Career advancement: Since employees ought to have appreciation and recognition for the goal achievable effort he has done. Indeed, even the most experienced and knowledgeable employee desires that he should be notified that he is doing well (Shamsuzzoha & Shumon, 2007). Absence of real future job opportunity for advancement and promotion chances through pre-eminence or otherwise may bring about disappointment which results in dissatisfaction that simmers in an employee's mind until he finally leaves (Bratton & Gold, 2012; Friday & Friday, 2003) and that if there are ample opportunities for personal as well as professional growth for him, satisfaction level will be increased (Mosadeghrad, Ferlie & Rosenberg, 2008; Al-Ahmadi, 2002) because satisfaction with promotion provides opportunities for personal growth, more responsibilities and increased social status also that Promotional chances reduce turnover intention (Cascio, 2002).

Training and development to employees broadens their abilities and knowledge to perform more efficiently at individual and team level than those employees who do not get self-development training (Jun, Cai, & Shin, 2006). Career development is a workforce development and well thought out approach which is used to attain individual goals in compliance with organizational needs (Kerka, 1998). Employee development in any establishment causes enhanced employee's morale, confidence, motivation, lowering cost of production by better and economical using organizational resources and decreasing waste (Cole, McArdle, & Clements, 2005) in addition, he observed that training and development of employees reduce turnover.

Pitts (2009) explained that training has a direct relationship with employee retention. Training helps organization to increase employee retention and decrease turn over. When employees are undergoing a process of training, they feel that organization is interested in them and want to develop their career. They feel that that organization consider them so important and capable, that's why the employer is investing in them. According to Dzurain and Stuart (2012), human capital is made up of intellectual capital, social capital and emotional capital. Learning and development have often been hailed as a core organization strategy influencing both employee retention and human capital growth.

Recognition is the exhibition and revelation by appraisal of performance, in the contribution and achievement of an objective which is an influential and a commanding tool for any organization for motivation and retention of employees (Pitts, 2009). Such recognition can be formal or informal, expressed or implied. Individuals want to enlighten and celebrate their achievements with others and when this need is satisfied, it works as a tremendous motivator. In the same stream, Mason (Mason, 2001) found out in his study that motivation, retention of employee and recognition is influential and a commanding tool for any organization. Recognizing the efforts of highly qualified and talented employee is a very convenient and economical tool strategy, so organizations must adopt recognizing policy. Roberts (2005) on relationship between rewards, recognition and motivation at an insurance

company in the Western Cape, conducted by the US Department of Labor; in which main causes of turnover were highly enlighten. Their Study proposed that almost 47% of employees left their jobs because appreciation was not given to them.

Finally, Ngcobo and Naidoo (2015) noted that the working conditions within the banking industry suggest the need for financial organizations to adopt a total reward strategy. A total reward strategy is a combination of both tangible and intangible rewards. It highlights the importance of non-monetary rewards such as recognition, feedback, coaching, mentoring and career development. These non-monetary factors, if implemented correctly, lead to increased staff motivation, satisfaction and retention. It helps to make the organization become an “employer of choice” and this gives the organization the ability to attract and retain talented staff (Armstrong & Brown 2006).

Dessler (2008) defines Motivation as the force that energizes, directs, and sustains behaviour Employee Motivation is an employee's intrinsic enthusiasm about and drive to accomplish activities related to work. An individual's motivation is influenced by biological, intellectual, social and emotional factors. As such, motivation is a complex, not easily defined, intrinsic driving force that can also be influenced by external factors. Every employee has activities, events, people, and goals in his or her life that he or she finds motivating. So, motivation about some aspect of life exists in each person's consciousness and actions. Employee motivation is pegged on the motivation theory that is concerned with what determines goal directed behaviour and how behaviour is initiated by needs and expectations on achievement of goals which will satisfy the need. Pfeiffer (2009) views the process of motivation as being initiated by someone recognizing an unsatisfied need, a goal is then established which, it is thought will satisfy the need, and a course of action is taken to reach the goal and satisfy the need. Motivation is the intrinsic force and a psychological phenomenon that drives from the stimulation, direction, and persistence of behaviour (Luthans & Sommer, 2005).

Employee motivation at work can take place in two ways: Intrinsic motivation: It can be described as the process of motivation by the work itself for as it satisfies people's needs or at least leads them to expect their goals will be achieved. Rose (1998) views this motivation to being derived from the content of the job. Intrinsic motivation is itself generated in that people seek the type of work that satisfies them, but management can enhance this process through their values as well as employee empowerment, employee development and job design policies and practices. The factors affecting intrinsic motivation include responsibility, scope to use and develop skills and abilities, as well as challenging work and opportunities for advancement.

Extrinsic motivation: Armstrong (2006) views this kind of motivation as being derived from what is done by the management to and for employees to motivate them. It arises when management provides rewards to employees at work such as increased pay, promotion, recognition and even awards. Extrinsic motivation can have an immediate and powerful effect on employees but does not last for long as compared to intrinsic motivation.

Dessler (2008) holds the view that employers have to figure out how to inspire employee motivation at work, and to create a work environment in which an employee is motivated about work. This involves both intrinsically satisfying and extrinsically encouraging factors. Employee motivation is the combination of fulfilling the employee's needs and expectations from work and the workplace factors that enable employee motivation - or not. These variables make motivating employees challenging. Employers understand that they need to provide a work environment that creates motivation in people. But many employers fail to understand the significance of motivation in accomplishing their mission and vision. Even when they understand the importance of motivation, they lack the skill and knowledge to provide a work environment that fosters employee motivation. Factors that are present in a work environment that many employees find motivating include: management and leadership actions that empower employees, transparent and regular communication about factors important to employees, treating employees with respect, providing regular employee recognition, feedback and coaching from managers and leaders.

Accordingly, the essence of rewards is to establish linkage with desired behaviour and the outcome that makes the employee feel appreciated. Khan, et al. (2013) point out that Non-monetary reward plays a significant role in the perception of the employee regarding the reward climate in the workplace. When

organizations pay attention to non-monetary tools such as opportunity of increasing holiday and family benefits, the employee esteems the organization to be a supporting and caring organization. Rewards are important factors that explain certain job aspects that contribute significantly to the organization such as job satisfaction. Recognition is the most common and powerful tool that is being used in the organization to drive employee engagement. Sun, Aryee, & Law (2007) further identifies three conditions that are necessary for the effective use of a recognition tool. First recognition should be used frequently; recognition needs to be provided every one week to employees so that they can feel valued. Second, recognition should be specific, and identifying what is recognized makes it meaningful and critical. Third, rewards should be timely, that is, it should take place shortly after the employee action that deserves recognition occurs.

Organizational reward system has been found to play a critical role in enhancing employee satisfaction. Mondy (2008) claims that non-financial rewards can predict employee performance as the more challenging a goal is, the higher the performance level becomes and the higher the perceived satisfaction. Mondy argues that an employee's performance is determined by the degree to which available non-financial rewards are attractive, so as efforts lead to higher levels of performance (first-level outcomes) which in turn, leads to second level outcomes (praise, friendship, wages). People need non-financial rewards to ensure that they are always at their optimum working condition. In turn, this will absolutely lead to optimum productivity. According to Armstrong (2010) the value of human resource performance is a managerial concern. Employee motivation is the classic response on this matter. This has been utilized for ages by many different entities, small- and large-scale businesses alike. It fosters mutual growth in an employer-employee relationship. Indeed, non-financial rewards increase performance.

Deeprise (1994) argues that rewards have a significant impact on employees' motivation and productivity. He also further noted that an effective non-financial reward system improves employee motivation and increases employee productivity which contributes to better enhanced commitment. Effective use of rewards results in improved performance of the organizations. Employees take rewards as part of their feelings of value and appreciation and as a result it, increases employees' morale, which eventually increases efficiency of organizations. It is for that reason, Danish (2010) affirm that when rewards and recognition are properly implemented, a good working atmosphere is provided that motivates employees to achieve high performance. Alam, Shaheed, Sahabuddin, and Akter (2013) investigated the impact of employee recognition as a factor that predicts their contribution. The result shows a correlation between monetary reward and employee contribution.

The effect of non-monetary rewards on employees' job motivation has empirically been proven. Lewis, (2013) posits that praise and recognition are effective ways of motivating employee behaviour in the organization as they are considered the most important rewards. Aktar, Sachu, and Ali (2012) contend that non-monetary rewards which are represented by recognition, learning opportunities, challenging work and career advancement, have been found to be an effective tool in motivating workers and consequently increase their performance. This reward is highly appreciated probably due the opportunity it offers in terms of skill development of the workers which in the long run could be translated to higher monetary reward. Additionally, non-cash incentives like recognition can not only be cost effective, but also can contribute a lot to raising morale, increasing productivity, improving quality, safety standards and customer service (Wiscombe, 2002).

For instance, employees are likely to be motivated to improve their performance with non-financial rewards such as employee recognition (Mussie, Kathryn & Abel, 2013). Recognition is the acknowledgement, appreciation, or approval of the positive accomplishments or behaviours of an individual or team (Caligiuri Lepak, & Bonache, 2010). According to Gostick and Elton (2007), recognition refers to praise or a personal note acknowledging achievements including small gestures that are important to employees. Employee recognition programs cover a wide spectrum of activities. They range from a spontaneous and private "thank you" to broad and formal programs in which specific types of behaviour are encouraged and in which the procedures for attaining recognition are clearly identified (Robbins, 2005).

Ryan (2013) describes employee recognition in an organization as a non-financial reward that arouses inner feeling of satisfaction which gives him greater sense of belonging in the organization. Lotta (2012) posits that financial incentives are indeed a way of motivating the employees for greater performance but added that in comparing the effectiveness of financial and non-financial reward in inducing higher employee performance, the non-financial reward like recognition is more appreciated by the employees. Nelson (2014) also notes that praise and recognition are the most cherished intrinsic reward that enhances employee performance, especially in civil service where pay reward seldom comes. This idea is further reiterated by Buchanan (2004) who adds that the recognition of contributions towards the organization has a positive relationship towards increasing the commitment of the employee towards the organization and its objectives.

Also, motivating employees by promotion has been adopted worldwide and it is considered as one of the simplest forms of rewarding employees (Savych, 2005). It is defined as the movement of a person to a higher-level position in an organization (Mondy & Noe, 2005). Promotion also involves advancement of an employee to a better job - better in terms of greater responsibility, prestige or status, greater skill and especially increased rate of pay or salary (Subba, 2009). According to Armstrong (2006) the aim of promotion is to enable management to obtain the best talent available within the company to fill more senior posts and to provide employees with the opportunity to advance their careers within the company, in accordance with the opportunity available and their own abilities. Armstrong (2006) further stated that promotions encourage employees to do their best knowing that good performance will be rewarded. Consequently, government institutions must increase the effort to maximize the satisfaction and performance levels among employees by stressing on their promotional practices (Adnan & Mahazril, 2011).

Training is defined as the organized activity aimed at imparting information or instructions to get better the staff performance or attain a required level of skill or knowledge to help him or her (Adnan & Mahazril, 2011). According to Armstrong (2011) training can be used as a tool for developing knowledge and skills to enhance an individual's performance based upon the criteria of efficiency and effectiveness, besides achieving competitiveness and productivity. Apart from this, he added that personnel remoulding through training prepares individual employees to climb the organizational ladder. Therefore, staff development is strategic both for the individual employee as well as the organization. The main purpose of training is to acquire and improve knowledge, skills and attitudes towards work related tasks (Nassazi, 2013).

Ismail and Bongogoh (2007) posits that training and development programmes are strategic functions of human capital management which focuses on developing employee competencies in order to overcome daily, routine and short-term problems. Ismail and Bongogoh (2007) further stressed that opportunity to learn new things by means of training is a source of motivation for the employees and such motivation leads to positive outcomes such as up to date knowledge, skills, abilities and good moral values (attitude), commitment, trust and good work ethics. They pointed out that not having the skills to perform a job correctly can set up employees for failure and put the organization at a less-than-competitive disadvantage.

Sahinidis and Bouris (2007) established that there is a significant correlation between the employee perceived training effectiveness and their commitment, job satisfaction and motivation and high correlations were found between the latter three variables. In a research conducted by Haslinda (2009) on the effectiveness of training in the public service, it was found that public sector organizations have increased their concern with regard to the effectiveness of training and development since it is critical in enhancing on-the-job performance in order to achieve key performance indicators (KPI) for each employee. Thus, from the aspect of the evaluation and transfer of training elements, for effective performance, management must see the need to help workers develop skills and build new capacities necessary. In a related development, Kamal, Normah & Othman (2012) observes that giving employees opportunity for training in an organization does not only motivate them but also help them to further learn their required and expected task which increases their work performance and exposes them to believe that they are part and parcel of the organization. From the point of view of Ohiwerei and Emeti (2011), staff training is an indispensable strategy for motivating workers. According to them, training

gives employees' opportunities for self-improvement and development to meet challenges and requirements of new techniques for performing a task.

Empirical Studies

Numerous studies have been undertaken focused on non-financial aspects of reward in relation to motivation and performance. First, in a study conducted among government parastatals in Ogun State, South-West Nigeria, Olubusayo, Ibidunni, and Olokundun (2014), observed that non-monetary rewards play a significant role in enhancing employees' right attitudes to work. In Tanzania, a study conducted by Uronu (2011) revealed that the use of non-monetary incentives can be effective in motivating public employees, as a substitute or in addition to inadequate monetary incentives. Furthermore, in a study conducted among public servants in the Ministry of Education in Kenya, Ogutu (2014) observed that performance rewards play a major role in enhancing employee job performance. This idea is further reiterated by Adoko (2015) who carried out a study conducted about rewards in the public sector of Uganda and indicated that extrinsic and intrinsic rewards increase employee engagement and also increase public sector organizations' capacity to deliver services to the beneficiaries

Also, Zaman, Nadia, Shah, and Jamsheed (2011) examined the relationship between extrinsic rewards, intrinsic rewards and motivation among employees of three non-profit organizations in Mombasa County Namely Muslim for Human rights (MUHURI), CARE Kenya and I Choose Life (ICL). The results show that extrinsic rewards correlate directly with employee motivation while intrinsic reward does not make any significant impact on employee motivation. Studies involving non-monetary rewards and job motivation show positive relationships. Kamal, Normah and Othman (2012) investigated the relationship between non-financial rewards and job motivation and identified a positive relationship. This means that employees that are intrinsically motivated are more satisfied. Rast (2012) studied the factors (job characteristics) that have a significant impact on job motivation among three private airline employees. Tausif (2012) investigated the relationship between non-monetary rewards and job satisfaction among teachers in public schools in Kisii County.

According to Harvard Business School (2006) in a survey conducted amongst half a million employees from more than 300 companies, pay was found to be the least important factor in retaining staff. The most important factor identified was learning opportunities. Another top factor for high performers was coaching and feedback from supervisors. The findings also included leadership as an important retention factor. This suggests that while it is easy for competitors to lure talented employees with the promise of a better financial package this might however be outweighed by organizational values, culture and non-financial rewards.

While it is common for many staff members to resign and move on to other organizations during restructuring, it is interesting to note that some would remain with their existing employers. Reasons for this unexpected behaviour emerged in a study by Glanz (2002) that found that 90% of the respondents identified career growth, learning and development; exciting work and challenge; and meaningful work, making a difference and a contribution to the organization as the top three reasons why they stayed with their employers. The reasons for resignations that emerged in the study were that 46% of the respondents felt unappreciated, 61% felt that their bosses did not place much importance on them as people and 88% did not receive acknowledgement for the work they did. Clearly, these findings indicate that within a general organization, non-monetary factors can play a significant role in employee attraction and retention.

A study on non-monetary factors is further made important by the fact that most research in terms of reward focuses on the financial aspects (McArthur, 2009). For example, Saleem's (2011) study on the impact of financial incentives on employee commitment found that an increase in financial incentives, such as promotion and bonuses, enhanced employee loyalty and increased employee performance and reduced turnover. While such findings could be useful under normal financial circumstances, this cannot be said to be the case when banking organizations are struggling to survive.

In the analysis of research undertaken by Emmanue, Kominis, and Slapnicar (2008) it was evident that common patterns among managerial perceptions of desirable rewards existed across the three companies studied. In all three cases, intrinsic rewards appeared to be valued marginally higher than

the extrinsic rewards. In the same vein, Aktar et al. (2012) study of commercial banks of Bangladesh found that there is a positive relationship among intrinsic factors and employee performance and retention. The four intrinsic factors identified are recognition, learning opportunity, challenging work and career advancement. This suggests that intrinsic rewards may have a significant impact on motivation and performance of employees.

Several research studies have been conducted internationally and regionally with few locally on financial and non-financial rewards and employee performance. The problem with most of these studies is that they have not looked at the different demographics (levels) of the employees. They have generalized the employees and the rewards have not been specific to different individuals/levels. Also, they have not attempted to understand the value of non-monetary factors. Moreover, evidence from the available literature indicates that very few studies have been conducted in the Ugandan context and more specifically on financial rewards other than non-financial rewards, because money is viewed as playing an overly important role in motivating employees. This study therefore sought to fill this gap by including the different employee demographics/levels in the study because different employees have different needs. The study also brings in an aspect that, financial or non-financial rewards which may not necessarily mean that you are motivated to perform better unless less employees are actually motivated. Therefore, that is why the current study is bringing in an intermediate variable (motivation).

Methodology

The research adopted a descriptive survey design. According to Kothari (2004) research design is a blue print which facilitates the smooth sailing of various research operations, thereby making research efficient, and to Cooper and Schindler (2000), specifically a descriptive survey research design is concerned with finding out the; who, what, where, when and how much. The design was appropriate because the main interest was to explore the viable relationship and describe how the factors support matters under investigation. A descriptive research was also best suited to obtain information concerning the current state of phenomena as is the basis without changing anything from the respondents' response. Descriptive research design thus was applicable to obtain information from employees at Ministry of Internal Affairs about their perceptions on the relationship between non-financial reward, motivation and employee performance as is basis in their organization.

Study Population

The target population of this study was the employees of Ministry of Internal Affairs working at the Department of Citizenship and Immigration Control, totalling to 152. Target population traits will cover all employees of different sections and from every level.

After establishing the total population, the study used Yamane's formula (Yamane, 1973) for calculating sample size. According to him, for a 95% confidence level and $p = 0.5$, size of the sample should be

$$n = \frac{N}{1+N(e^2)}$$

Where, N is the population size and e is the level of precision. Let this formula be used for our population, in which $N=152$ with $\pm 5\%$ precision.

Assuming 95% confidence level and $p = 0.5$, we get the sample size as Assuming 95% confidence level and $p = 0.5$, we get the sample size as

$$n = \frac{152}{1+152(0.05^2)} = 110$$

The sample size for this study was 110. Samples from the different sections were selected using stratified sampling further supplemented with simple random sampling technique, which provided every member of population same and known chances of being nominated in each stratum hence stratified random sampling. For collecting data 110 respondents applied representing the study population of 152 employees as shown in table1 below;

Table 1: Showing the Structure of the Population, Sample Size and Sampling Techniques

Category	Population Size	Sample Size	Sampling Technique
Commissioners	6	6	Census
Senior immigration officers	15	14	Purposive sampling
Assistant immigration officers	121	90	simple random sampling
TOTAL	142	110	

The researcher selected a representative sample of 110 respondents using purposive and simple random sampling techniques. According to Amin (2005), purposive sampling is the sampling technique where the sample size is derived by use of judgment of the researcher. On the other hand, simple random sampling techniques was used to select assistant immigration officers in the study area. Table1 below further shows the study population, sample size and techniques.

The study was based on both primary and secondary sources. Primary data was collected from the Ministry of Internal Affairs - Department of Citizenship and Immigration Control employees with the use of structured questionnaires. Data was collected on the relationship between non-financial rewards, motivation and performance. On the other hand, secondary data was collected from both internal and external sources. From internal organisational sources, unpublished literature in form of annual, monthly and weekly Ministry of Internal Affairs' reports were accessed, and externally, government (Public service) reports and manuals, journals, textbooks, and theses as well as the Internet and web were instrumental for the study.

The study used self-administered questionnaire and interview data collection techniques;

The self-administered questionnaire was the main technique of collecting data administered to staffs. The questionnaire is preferred because they enabled the researcher to code the information easily for subsequent quantitative analysis hence reducing the error gap (Schraeder, Becton, & Portis, 2007). The questionnaire was structured into five sections, Section (A) dealing with the bio data of respondents to obtain information about respondents' department, years of service, employment status, and education level. Section (B) will deal with non-financial rewards and motivation, and sections C-E presenting questions related to the study objectives using a Likert scale of fifth continuum from 1 to 5. (1= strongly disagree, 2=disagree, 3= undecided, 4=agree and 5=strongly agree) in this questionnaire. A 5 - point Likert-type scale is used to increase response rate and response quality along with reducing respondents' "frustration level" (Babakus & Mangold, 1992).

Interviews supplemented questionnaire method in collecting data. It involved conducting oral questioning of respondents in order to keep the researcher focused, it was imperative for the researcher to have guidelines of questions (interview guide) in order to extract the needed information from the respondents. The questions were in-structured with a high degree of flexibility so as to let respondents to provide in- depth data.

Saunders et al. (2009) stated that, the validity of a questionnaire is concerned with the extent to which a questionnaire measures what it is designed to measure. Validity of the research instruments was obtained by presenting it to at least two experts in the area of research, including the researcher's supervisor because according to Krishnaswamy et al. (2009), the usual procedure in assessing the content validity of a measure is to use a professional or an expert in a particular field. A Content Validity Index was later used to compute using the formula below

$$CVI = \frac{\text{Agreed items by all judges as suitable}}{\text{Total number of items being judged}}$$

Reliability is the ability of the instrument to give consistent results after a number of repeated trials (Kerlinger, 2003). According to Cooper and Schindler (2003) the usual procedure for testing reliability of study instruments is carrying out a pilot study.

Qualitative data from interviews were analysed by extracting from the respondents' views through coding and arranging to the objectives of the study. The themes and sub themes were developed and

written as narratives to supplement the information from the questionnaires. Data analysis was done using descriptive perspective views of the respondents that generated the substantial findings. On the other hand, quantitative data was generated from the questionnaires and descriptive statistics included; frequencies, mean, and percentages, and furthermore correlation and regression analysis will be developed to show how independent and dependent variables are significant to the study. For example, there was analysis for relational statistics using Pearson' Product Moment Correlation Co-efficient to establish the relationship between non-financial rewards, motivation and performance.

Results

The response rate is the percentage of respondents in the sample who completed and returned questionnaires. The study adopted Westat (2007) definition and formula in determining the Response Rate (RR). A response rate measures the level of success or quality achieved in collecting survey data (Westat, 2007). In other words, response rate is a ratio of the number of people who respond to a study to the estimated sample size for the study. The response rate in this study was computed using the formula below:

$$RR = \frac{NR}{SZ} \times 100$$

Where;

RR = Response Rate; NR = Number of responses; and SZ = Sample size

A total of targeted one fifty-two (152) questionnaires were hand delivered to the respondents (staffs) but one hundred (100) questionnaires were returned, and arrived as;

$$RR = \frac{100}{152} \times 100 = 66\%$$

RR = 66%

Therefore, the response rate for this study is 66%. Accordingly, Babbie (2004) posits that return rates of 50% are acceptable to analyse and publish, 60% is good and 70% is very good. Based on the above, the response rate for this study was found to be very good, which is of great significance in making generalization and conclusions for this study.

Table 2: Demographic Feature of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	46	46.0	46.0	46.0
	Female	54	54.0	54.0	100.0
	Total	100	100.0	100.0	

Source: Primary data

According to table above, the majority of respondents were female, they were 54(54%) followed by male who were 46(46%). This implies that, female employees in internal affairs were interested in the study topic. could be the reflection of the National Population and Housing Census of 2015 that placed the population of male higher than that of their female counterparts in formal employment in Uganda.

Table 3: Standard Deviation for Non-financial Rewards

	N	Mean	Std. Deviation
Job security	100	3.63	1.433
Career development	100	2.89	1.302
Challenging job	100	2.50	.870
Freedom and autonomy	100	2.71	.998
Safe working condition	100	3.43	1.578
Valid N (listwise)	100		

Source: Primary data, 2018

Table 3 above presents findings related to the respondents' choice of statements relate to non-monetary rewards represented by variables of Job security, freedom and autonomy, career advancement opportunity, and job training increase intrinsic motivation within employees, which keep them

motivated to perform more than their ability to perform; in other words, these types of rewards increase employees’ motivation to work by raising their self-esteem. According to the results, the respondents were in agreement that job security with a mean of 3.63 influences performance most compared to other variables, followed by safe working conditions with a mean of 3.43, career development with a mean of 2.89, freedom and autonomy with a mean of 2.71 and lastly a challenging job with a mean of 2.50. This alone could be the same very reason why fewer employees had good knowledge on the financial rewards.

One of the senior managers who refused to disclose his name reasoned that,

job security is a key aspect of non-financial rewards in public service and of course it’s one of the reasons for ineffectiveness and efficiency. Majority of the employees have I don’t care attitude towards work because it is not easy to fire a public servant due to the long reprimanding procedures and once one gets a job in public service they relax until retirement.

Table 4: Hypothesis One: There is Significant Relationship Between Non-financial Rewards and Motivation

		NONFIN	MOTIV
NONFIN	Pearson Correlation	1	.449**
	Sig. (2-tailed)		.000
	N	100	100
MOTIV	Pearson Correlation	.449**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

It was found out that the correlation coefficient between non-financial rewards and motivation was .449 with p-value of .000. Since the p-value was less than .05, the relationship was statistically positively significant. This implies that there is strong relationship between non-financial rewards and performance. The results further indicate that, non-financial rewards parameters such as Job security, freedom and autonomy, career advancement opportunity, and job training increase intrinsic motivation within employees, which keeps them motivated to perform more than their ability to perform; in other words, these types of rewards increase employees’ motivation to work by raising their self-esteem.

A Manager alleged that, *“indeed the non-financial reward are a given in public service in Uganda. Job training follows identification of the skill gaps, specialization and line of duty which enhances motivation. Freedom of autonomy is clear and well documented”.*

Table 5: Hypothesis Two: There is a Relationship Between Motivation and Employee Performance

		NONFIN	PERFORM
NONFIN	Pearson Correlation	1	.175
	Sig. (2-tailed)		.081
	N	100	100
PERFORM	Pearson Correlation	.175	1
	Sig. (2-tailed)	.081	
	N	100	100

It was found out that the correlation coefficient between non-financial rewards and performance was .175 with p-value of .081. Since the p-value was greater than .05, the relationship was not statistically significant. The findings are very interesting in that, as non-financial rewards including Job security, freedom and autonomy, career advancement opportunity, and job training increase intrinsic motivation

within employees, which keep them motivated to perform more than their ability to perform; in other words, these types of rewards increase employees' motivation to work by raising their self-esteem, it does not improve performance consequently the quality of work does not improve just like work output, task completion, meeting deadlines and clients' satisfaction.

This justifies why there are long queues at Ministry of Internal Affairs, corruption and poor service which has led to dissatisfaction of their clients.

“Motivation is highly embraced whether directly or indirectly, and indeed while ministry tries its best to reward its employees with non-financial rewards, this has not improved the performance of the ministry and this hinders organizational effectiveness”.

Table 6: Hypothesis three: There is a relationship between non-financial rewards, motivation and performance

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1	(Constant)	.170	.720	.236	.814
	MOTIV	.479	.102	4.707	.000
	PERFORM	.190	.178	1.068	.288

a. Dependent Variable: NONFIN

According to the table above, the model can be written as:

$$Y = 0.170 + 0.479_{\text{MOTIVATION}} + 0.190_{\text{PERFORMANCE}}$$

The table shows that motivation 0.479 contributes and relies much on the non-financial rewards with 0.170 but performance 0.190 does not contribute much since p-value was greater than 0.05. The findings are very revealing since the employees within the Ministry of Internal Affairs (MoIA) confirms the public perception about their performance. Well as non-financial rewards including Job security, freedom and autonomy, career advancement opportunity, and job training increase intrinsic motivation within employees, which keeps them motivated to perform more than their ability to perform; in other words, these types of rewards increase employees' motivation to work by raising their self-esteem, it does not improve performance consequently the quality of work does not improve i.e., work output, task completion, meeting deadlines and clients' satisfaction. This confirms why people stand the whole day at Ministry of Internal Affairs waiting for service which justifies a poor service which has led to displeasure of their clients.

“Indeed, the effective non-financial rewards influence motivation of employees in the Ministry but this research has proved the theory that, non-financial rewards improve performance. Well as non-financial rewards improve motivation, performance remains constant this could be attributed to the lack of knowledge about the non-financial rewards among employees since less than 50% have knowledge on non-financial rewards in the MoIA hence motivation doesn't enhance performance. If non-financial rewards in an organization are bad, the organization is likely to under-perform. If it is good, however, the performance and overall effectiveness will as well be bad, unless the management of the MoIA has understood what really can enhance effective performance through carrying out research”.

One of the lower employees complained and urged that,

in MoIA top managers are very busy since they need to plan for the ministry. They mostly communicate to the lower managers to implement since they have both human and technical skills in ensuring organizational effectiveness. All directives are from the top with clear instructions to follow and failure to abide with them can lead to disciplinary action.

She further argued that, *“some top management thinks they lower cadres are useless who cannot give a positive contribution to be incorporated in the information to be passed on.”*

One of the staff who refused to disclose her name reasoned that, “employees in MoIA are all knowledgeable of the non-financial rewards and but some are just not mindful and do not put a lot of attention on them and they just take non-financial rewards as a given since they are part of compensation management.”

According to one of the lower-level employees, he said that,

Ideally freedom and autonomy and advancement opportunities are the most appropriate non-financial rewards in Public Services since the job descriptions are written down with specified levels of authority and government gets opportunities for career advancement abroad and the they are shared among the staff working in different ministries.

In Addition, another member of staff claimed that,

Some bosses utilize the opportunities and reward their relatives. There is no fair distribution of the career advancement. The Ministry has never given many staff free career advancements yet a few selective and connected individuals have got the opportunities to advance in their career.

Conclusion and Recommendations

The research study was to examine how motivation out of non-financial rewards impacts employee performance in the Ministry of Internal Affairs (MOIA) and it was found that, the variable of non-financial rewards has a significant and positive effect on motivation. The correlation coefficient between non-financial rewards and performance was 0.175 with p-value of 0.081. Since the p-value was greater than 0.05, the relationship was not statistically significant hence no relationship between motivation and performance. The multiple regression model showed that motivation relies much on non-financial rewards but not performance. There is no direct relationship between the independent variable (non-financial) rewards and dependent variable (performance) yet non-financial rewards induce peoples’ behaviour. “Effective non-financial rewards have a positive impact on employee motivation”. This therefore suggests that when there is effective non- financial reward management it improves motivation accordingly. The recommendations given for this study therefore, are to help MoIA improve its motivation and performance for better organizational performance.

Recommendations

This study’s recommendations will support MoIA, her employees and others to enhance their performance through non-financial awards and motivation by adopting the following; There are two common forms of motivation -non-financial rewards (freedom of autonomy, advancement opportunities and job security) used at MoIA more equally but much emphasis should be freedom of autonomy because it’s the one which ensures employees are self-sufficient, trusted, valued and also elicit commitment to the implementation of decisions taking in order to achieve set goals and objectives.

The current trend is that non-financial rewards are gaining prominence as a mode of motivation due to the economic situation that require cost cutting in many organizations including governments. This therefore propels organizations to think of alternative cheap ways of motivating employees outside the pocket hence emphasis should be put on recognition at MoIA. Therefore, the study recommends the Ministry to improve on the use of recognition as a means of non-financial rewards. MoIA must encourage open and candid non-financial reward systems because it is recommended that such outside pocket motivators come with courtesy and consideration, and without malice or prejudice.

Sensitize the employees of MoIA about compensation management especially non-financial rewards to enable them appreciate that they are not just given but the implication is to improve performance MoIA. Communication of the available non-financial rewards is a key successful factor that will enhance performance.

The study showed that non-financial rewards improve motivation but not performance and that non-financial reward have no positive relationship with performance. The MoIA should devise means to ensure that motivation enhances performance. Therefore, MoIA must improve non-financial rewards

by engaging employees further to know how effective implementation could lead to improved performance.

MoIA must ensure supervisors communicate with subordinates (employees) regularly to get feedback and convey suggestions in order to clarify how best the non-financial rewards can be implemented to ensure organizational performance.

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