



Effect of Non-Monetary Rewards on Employees' Performance in Mount Meru Referral Hospital in Arusha, Tanzania

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Abstract: The purpose of the study was to examine the effect of non-monetary rewards on employees' performance in Mount Meru Referral Hospital in Arusha, Tanzania. The sequential parallel design was employed to carry out the study. The target population was 355 while the sample size was 188 which included 8 managerial workers and 180 non-managerial employees of the hospital. Questionnaire and interview guide were used for data collection. The quantitative data was analyzed using both descriptive and inferential statistics while the qualitative data was thematically analyzed. The study established that non-monetary rewards such as employee recognition, training, development, employee independence and flexible work schedules have a positive effect on the employees' performance. The practice of flexible working schedules currently in place in the hospital needs to be retained for effective job performance to be realized. The management of the hospital should get employees trained and re-trained so as to enhance their performance in terms of service delivery to patients.

Keywords: Non-monetary rewards; recognition; training and development; independence, flexibility, performance.

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Introduction

Modern organizations in highly advanced technologies experience increased competition from the world market and productivity. Individuals who are good at management must take a proactive procedure in moving with the times especially in handling employees. Besides, some organizations' managers' roles of guiding, supporting and encouraging (motivate) employees have impacted on the employees' perception of the autocratic nature of managers at work places (Edlund &

Nelsson, 2007). Hence, to motivate workers in an institution, managers need to look for the superlative patterns that may orient and direct their employees' behavior.

Among public hospitals in Sub-Saharan Africa (SSA), health workers have been reported to lack motivation to execute their roles. Many of these workers have been lost through emigration to other countries, movement to the private sector and city areas. Besides, sub-Saharan Africa countries have

the smallest number of healthcare workers (Okanga & Kamara, 2017).

In the Tanzanian context, non - monetary rewards are given a little emphasis on boosting employees' performance (Mpembeni et al., 2015; Leshabari, Muhondwa, Mwangu and Mbembati, 2008). The key challenge in healthcare services has been identifying and rewarding workers for them to give their best services (Mpembeni et al., 2015; Leshabari, Muhondwa, Mwangu, and Mbembati, 2008). It is the same case with Mt. Meru Referral Hospital as a public healthcare service institution in Arusha City, Tanzania in terms of the challenge of identifying and rewarding workers for them to give their best (Maba, 2010).

Edward and Maba (2011) as well as Ibrahim (2021) found in their studies that hospitals in Tanzania have not accorded significant attention to non-monetary reward to employees which sometimes makes the employees not to value such when it is given. It is against this background that this study was undertaken to establish the effect of non-monetary rewards on employees' performance in public healthcare services in Arusha.

According to Hameed, Ramzan and Zubair (2014), talented employees may perform unsuccessfully if they are not well motivated in channeling their time, strength and effort to the job. It should still be noted that that which may motivate employees at any given time may not be easily recognized, mainly due to the stereotyped understanding that money is the only motivator. For most workers, financial rewards seem to be the highest reason people choose to go to work.

From the studies conducted by Sanka (2016), Mpembeni et al. (2015) and Leshabari Muhondwa, Mwangu and Mbembati, 2008), it was found that employees in the public healthcare services in Tanzania are not well motivated and are not satisfied with their working environment and bonuses they received. Besides, Mpumu (2017) stated that health workers at Igunga District Council Hospital in Tanzania believed that the motivating factor in their job performance was their monthly salary compared to other non-monetary rewards.

Studies conducted in Kenya such, as Imbahale (2016) and Ngatia (2014) exemplified the paramount importance of such non-monetary rewards like appreciation, professional progress, employee impartiality and flexible work planning on

servant performance. However, such studies seem scant in Tanzania, particularly with focus on Mount Meru Referral Hospital of Arusha. This study therefore explored the extent to which non-monetary rewards such as employee recognition, training and development, employee independence and flexible work schedules affect employees' performance of the Mount Meru Referral Hospital of Arusha.

Specifically, the study sought:

1. To determine the perceived effect of recognition on employees' performance at the Mount Meru Medical Hospital in Arusha.
2. To establish the perceived effect of training and development on employees' performance and productivity at the Mount Meru Referral Hospital in Arusha.
3. To determine the correlation between the Independent and dependent Variables.

Literature Review

The study was anchored on the content theory which focuses on the substance of motivation which non-monetary reward is part of it. It focused on how motivation affects performance and it states that the content of motivation is capable of affecting performance of employees in an organization. This theory supports this study on the ground that the study focused on non-monetary rewards and its effects on job performance.

The study reviewed empirical studies to establish the knowledge gap. In a study by Ngatia (2014) on the influence of non-financial gifts on workers' productivity in Muranga Water and Hygiene Company, it was established that recognition is part of essential rewards and it has a significant impact on employee's satisfaction and efficiency. The study showed that organizations exhibit a high level of effectiveness when a career development program is designed to promote workers' job performance. The study further revealed that a flexible working schedule improves the workers' flexibility on their duties execution by boosting their desire and morale and hence, a reduced level of stress and promotion of good health, happiness and commitment of the workers which in turn contributes positively to the organization's productivity.

Sajuyigbe and Bosede (2013) conducted a study on Employee Inspiration and Efficiency. Data was

collected from 100 workers of chosen fabricating organizations in Ibadan, Nigeria and results revealed that pay, execution reward, acknowledgment and recognition were serious motivations for effective job performance among the staff of selected organizations.

Namala's (2015) study on the Effectiveness of Motivation on Employee's Performance in Public Organizations in Lushoto District Council, Tanzania, used various data collection methods, such as interviews and questionnaires with a sample size of 90 employees. The study's findings revealed the working environment was conducive and employees' promotions were granted to encourage them to remain in the organization for long.

Otoo and Eric (2012) conducted an investigation on the impact of training and development on Employee Performance at Accra Polytechnic. The survey method was used to carry out the study while primary data was collected from a sample of fifty (50) senior staff through the use of self-administered questionnaire. The investigation uncovered that training and staff development significantly heralds good job performance among staff of the Polytechnic.

Even though previous studies have made relevant contributions on non-monetary motivation in various countries and organizations, there is no published work in Tanzania relating to non-monetary rewards, especially with four aspects of non-monetary rewards: employees' recognition, training and development, employees' independence and flexible work schedules in a single study such as Mount Meru Referral Hospitals in Arusha, Tanzania.

Some related studies have been conducted in Tanzanian public healthcare services (Mpumu, 2017; Mpembeni et al., 2015; Leshabari, Muhondwa, Mwangu and Mbembati, 2008; Sanka, 2016). But studies focusing on hospitals and particularly the Mount Meru Referral Hospital in Arusha seem unavailable. Thus, this study sought to fill this knowledge gap by establishing the effect of four aspects of non-monetary rewards such as employees' recognition, training and development, employees' independence and flexible work schedules on employees' performance in public healthcare services in Tanzania with particular reference to Mount Meru Referral Hospital in Arusha, Region.

Methodology

Research Design

This study adopted a mixed-method approach under which the sequential parallel design was used because it allowed the researchers to tap useful information left behind by a questionnaire or interview (Creswell, 2014).

Population and Sampling

The target hospital had a total number of 355 employees in different departments, including managerial and non-managerial employees. From the target population, a sample size of 188 was involved in the study through the Yamane's sample size formula with an error of 5% and with a confidence coefficient of 95% (Yamane, 1967). This included eight (8) managerial employees, such as 1 human resources director, 1 doctor in-charge and six departmental supervisors and non-managerial workers such as 6 administrative workers (accountant and procurement personnel), 104 medical nurses and doctors, 26 laboratory technicians and pharmacists, 6 laundry and Kitchen personnel, 35 emergency department and 3 IT personnel.

Data Collection Instruments

This study used questionnaires as a method of data collection. The questionnaires had a five-point Likert scale items whose possible responses ranged from (1) Strongly Disagree, (2) Disagree, (3) Neutral (4) Agree and (5) Strongly Agree.

Validity and Reliability

The researchers validated the instruments using content and face validity. In the content validity, the instruments were developed based on the research objectives. They were also submitted to the Faculty of Business Administration at a University and the supervisor for corrections, improvement and remarks for further improvement. In the face validity, the researchers provided the research instruments to the supervisor and research experts who looked at the correctness of the research instruments in terms of grammar, the word's arrangement and language used. Comments given were taken into consideration for further improvement.

The researchers ensured the reliability of the questionnaire by the use of the best commonly internal consistency measure known as Cronbach Alpha (α) that was generated by the Statistical Package for Social Sciences (SPSS) version 20 of

which the coefficient ranging from 0.70 to 0.802 implied acceptable prior to data collection (Jwan, 2010).

Data Recording and Analysis

Data was collected using questionnaires and was carefully checked and edited to ensure that all questionnaires have been completed and contain accurate information. The confirmed data were coded, entered and analyzed with the aid of the Statistical Packages for Social Sciences (SPSS). The analysis involved descriptive statistics and inferential statistics.

Ethical Considerations

The study obtained the consent of the management of the hospital for the study to be carried out in the hospital. Respective individuals who were included in the study were well informed about the purpose of the study and their willingness and permission were obtained. The identities of the respondents were kept anonymous while the information they provided were treated with utmost confidentiality.

Results and Discussion

The study sought to establish the effect of non-monetary rewards on employees' performance at Mount Meru Referral Hospital in Arusha Region, Tanzania. The findings are presented according to the study's objectives. The questionnaire was distributed to 180 respondents to fill. The response rate of the questionnaire was 81% in the sense that only 145 questionnaires were completed and returned.

Objective 1: To determine the perceived effect of recognition on employees' performance at the Mount Meru Medical Hospital in Arusha.

The first research objective sought to determine the perceived effect of employee recognition on employees' performance at Mount Meru Medical Hospital, Arusha. Table 1 provides a summary of results from the questionnaire respondents. The scale for mean scores interpretation was as follows: 4.50-5.0=strongly agree; 3.50-4.49=agree; 2.50-3.49=Undecided; 1.50-2.49=strongly disagree.

Table 1: Perceived Role of Employee Recognition on Employee's Performance (n = 145)

SN	Statement	Mean	Std. Dev.	Interpretation
1	Recognition for a job well done motivates me to do a better job.	4.06	.818	Agree
2	I take recognition as part of my feeling of value and appreciation.	4.18	.933	Agree
3	I am motivated to perform when recognized by the supervisor.	3.88	1.013	Agree
4	I get motivated when fellow workers are recognized.	4.09	.978	Agree
5	Recognition has positive effect on my performance	4.05	.900	Agree

Table 2: Perceived Role of Training and Development on Employee's Performance (n = 145)

SN	Statement	Mean	Std. Dev.	Interpretation
1	Training and development enhanced my knowledge and skills	4.03	.893	Agree
2	Training and development have improved my performance	3.94	.930	Agree
3	Training and development have a positive impact on performance	4.00	1.057	Agree

Table 1 records the mean score of 3.50 to 4.49 in all the items which falls within the range of agreement. This means that respondents agreed that **recognition for a job well done motivates them to do a better job, that they** take recognition as part of their feeling of value and appreciation, that they are motivated to perform when recognized by the supervisor, that they get motivated when fellow workers are recognized and that recognition has positive effect on their performance. This suggests that respondents considered that recognition plays a big role in motivating employees to perform. Through thematic analysis of the qualitative data regarding employee *recognition*, all eight interviewees converged on the fact that employee recognition has a very positive impact on the

performance as it gives employees more confidence and it increases their commitment to perform better, given that they are aware that their labor is not in vain (Interview, 12.10.2020). The results concurred with Burton (2012) who stated that employee recognition is a vital aspect in motivating employees to perform better. Similarly, Mpumu (2017) found in a study that adequate recognition of employees leads to improved job performance.

Research Objective 2: To establish the perceived effect of training and development on employees' performance and productivity at the Mount Meru Referral Hospital in Arusha.

The second research objective sought to establish the perceived effect of training and development on

workers' performance. Table 2 provides a summary of results from the questionnaire respondents. The scale for mean scores interpretation was as follows: 4.50-5.0=strongly agree; 3.50-4.49=agree; 2.50-3.49=Undecided; 1.50-2.49=strongly disagree.

Table 2 records the mean score of 3.50 to 4.49 in all the items which falls within the range of agreement. This means that respondents agreed that **training** and development enhanced their knowledge and improved their performance.

Thematic analysis for the interviewers' responses concerning training and development revealed that training and development benefited workers by helping them make healthier and valuable choices in problem-solving. Through interview, respondents agreed that training and development were instrumental in changing workers' attitudes, especially how to deal with patients after acquiring new knowledge and skills. For instance, an interviewee revealed that "Yes, through the help of the series of training and development programs, sponsored by the hospital, my performance rating has significantly improved. There is no doubt about it." Accordingly, Onyango and Wanyoike (2014) found that training facilitates the performance of

employees in an organization. More so, Sajuyigbe and Bosede (2013) discovered in their study that training serves as a lubricant that lubricates the flow of job performance for the better among employees.

Research question 3: To determine the correlation between the Independent and dependent Variables.

This objective sought to determine the correlation between the Independent and dependent Variables. Pearson's correlation coefficient denoted with (r) is used to measure the strength of the correlations that exist between variables. For the correlation coefficient to be considered sufficient, the value of the correlation coefficient should be between -0.1 and + 0.1. Cohen (1988) stated that the strength of correlation coefficient is perceived to be weak or small if its Pearson value lies between -/+ 0.10 and -/+ 0.29, moderate if it lies between -/+ 0.30 and -/+ 0.49, strong or high if its value lies between -/+ 0.50 and -/+ 0.69 and very strong or very high if its value lies above -/+ 0.69. However, the significance of these correlation values depends on the levels of p-value of 1% (p=0.01) or 5% (p=0.05). Results from Table 3 summarize the association matrix between the independent and dependent variables.

Table 3: Correlation Matrix of the Independent Variables and Dependent Variable

Variables	Employees Performance	Value recognition as a non-monetary reward (X1)	Training & Development programs (X2)	Employee independence (X3)	MMRH schedules flexibility (X4)
Employees performance	1.00	-	-	-	-
Value recognition as a non-monetary reward (X1)	0.67**	1.00	-	-	-
Training and Development programs (X2)	0.59**	0.48**	1.00	-	-
Employee independence (X3)	0.56**	0.51**	0.51**	1.00	-
MMRH schedules flexibility (X4)	0.38**	0.40**	0.43**	0.54**	1.00

*Significant at 1%, ** Significant at 5%.

Results in table 3 indicate a moderate correlation between employee performance and MMH schedules flexibility. This means that the more the schedules flexibility for the staff, the more the performance of employees at a moderate rate. The results further indicate a strong correlation between employee performance and the following variables: recognition as a non-monetary reward, training and development and employee independence. Therefore, schedule flexibility, recognition, training

and development and employee independence positively influences the performance of employees. This is in line with the finding of Imbahale (2016) which states that factors such as training, flexible work schedule and recognition of an employee have the capacity to herald improved job performance. A study by Amina (2014) also revealed that a sense of independence among employee serves as a motivation for better job performance.

Furthermore, multiple linear regression which estimates the causal relationship between employees' performance (Dependent variable =Y) and a group of independent variables (Xs) was employed. Morgan (2004) views multiple linear regressions as a means to prognosticate a dependent variable from a combination of several independent variables. Additionally, Pallant (2005) added that multiple regression permits researchers to comprehend which of the independent variables is the highest predictor the dependent variable. The correctness of the prediction of the multiple linear regressions can be measured based on the goodness of fit. Statistically, the goodness of fit can be determined by viewing the adjusted R2, F-test and T-test (Ghozali, 2011; Cooper and Schindler, 2011). According to Field (2005), adjusted R2 is used to ascertain how much variation in the dependent variable can be described using the multiple regression models' independent variables. F-test

discovers whether all independent variables involved in the multiple linear regression models concurrently and significantly affect the dependent variable. The T-test is used to explain whether each of the independent variables involved in the multiple regression model has any significant effect on the dependent variable (Ghozali, 2011).

From the model summary in table 4, the R square was almost 60 percent while the Adjusted R square was 0.543. The goodness of fit shows that about 54 percent of the employees' performance is explained by value recognition (X1), Training and Development (X2), independence (X3) and schedules flexibility (X4). This implies that only 46 percent of the variations in the dependent variable are unexplained in this model, indicating that some other variables that had not been considered in this study are essential in explaining the employee performance.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.771	.595	.543	.760

Table 5: Summary of Regression Results

Variable	Coefficients	Std. Error	t-value	Significance
Employees performance (Dependent variable)				
Constant	2.003	0.453	4.425	0.000
Value recognition as a non-monetary reward (X ₁)	2.134	0.409	5.218	0.012
Effect of T&D on employees performance (X ₂)	0.341	0.678	0.503	0.002
Effect of employee independence on employees performance (X ₃)	0.445	1.195	0.372	0.036
MMRH schedules flexibility (X ₄)	0.236	0.629	0.375	0.048

As presented in table 5, the regression results indicate that all the independent variables are statistically significant predictors since their p-values are lesser than the critical value (.05). Therefore, all the independent variables account for the dependent variable, which is employees' performance. This finding is related to the finding of Imbahale (2016) which states that factors such as training, flexible work schedule and recognition of an employee have the capacity to herald improved job performance. A study by Amina (2014) also revealed that a sense of independence among employee serves as a motivation for better job performance.

Conclusions and Recommendations

Conclusions

Based on the findings of the study, it is concluded that non-monetary rewards such as employee recognition, training, development, employee independence and flexible work schedules have a positive effect on the employees' performance in the organization under investigation. Furthermore, training and development contributed toward effective job performance. Therefore, workers are likely to perform better in their tasks once they receive non-monetary rewards.

Recommendations

The practice of flexible working schedules currently in place in the hospital needs to be retained for effective job performance to be realized. The management of the hospital should get employees trained and re-trained so as to enhance their performance in terms of service delivery to patients.

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