

Use of Non Monetary Incentives to Improve Service Delivery in Public Institutions In Tharaka Nithi County

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Abstract: Service delivery is of critical importance for the organisations which are offering services as their core product. It is what the clients pay for and determines their retention as well as growth and profitability of the organization. For public institutions, the quality of the service offered by them has not been of very keen interest due to the monopolistic nature of the services they offer and lack of incentives. Thus this study focused on use of non monetary incentives to improve service delivery in public institutions. The study will be useful to the public institution as well as other private and non-governmental institution in enhancing quality services. Descriptive research design was used. The study targeted 236 university employee and 28 managers. Stratified random sampling was used with a sample size comprising of 59 employees arrived at by using 25% of 236 employees and 50% of the managers (14) hence a total sample of 73 respondents. Questionnaires and interviews were used to collect data which was analyzed using both descriptive and inferential statistic. The findings revealed that the institution did not apply the non monetary incentives however recognition was used to a limited extent but was not necessarily aimed at improving service delivery. Work place opportunities, tangible rewards and job flexibility were lacking. The study recommended that job flexibility and recognition could easily be applied at the minimum cost to improve service delivery. Tangible rewards had cost implication however the benefit override the cost and lasted longer. Use of workplace opportunities is limited however where applicable it can still work as an incentive.

KeyWords: non monetary incentives, service delivery, tangible rewards, work place opportunities, job flexibility, recognition

I. Introduction

Public learning institutions are the backbone of education in Kenya due to the fact that most of the people cannot afford to attend to the private learning institutions. Maximum productivity in these institutions is relatively not achieved. The employees' capacity is not utilized to the optimal. Optimal productivity enables organizations to cut cost and be able to provide good services. At times the public learning institutions may have laxity in teaching and content coverage, [1]. The learning institutions end up producing graduands who are not fully trained and equipped with the relevant skills and knowledge. This result in what [2] refers to as the multiplier effect; however the effect will be retrogressive.

Public higher education institutions are continuously recognizing that they are in the service industry and are so far focusing on putting greater emphasis on the service provided to their clients, the students [3]. [3] Further adds that "this becomes even more important in the states where universities utilize tuition based model and there is rapid expansion of colleges and universities" hence posing heavy competition. With the intense today's competitive education market forces, higher learning institutions need to embrace a market orientation strategy to differentiate themselves from the competitors. With the learning institutions having more or less the same infrastructure, the clients (students) may not base their decisions on the infrastructure. Thus the best way of differentiating one institution from the others is by gauging the service delivered. From the marketing perspective the 'people' aspect is a major determinant of success of service institutions. Hence for learning institutions to achieve excellent service they need to ensure that the service deliverers do it to the best of their capability. Therefore the study focused on how non monetary incentives can be used to improve service delivery in public institutions.

The study aimed at the following objectives:

- i. To establish the effect of tangible rewards on service delivery in public institutions
- ii. To find out the extent of employee recognition on service delivery in public institutions
- iii. To investigate how workplace opportunities enhance service delivery in public institutions
- iv. To examine how job flexibility affect service delivery in public institutions

The study contains five parts starting with the introduction, literature review concerning non monetary incentives and service delivery, the research methodology, then research findings and finally conclusion and the recommendations of the study.

II. Literature Review

Research has shown that a business's ongoing success depends; to a large extent on having employees who are productive and creative to deliver superior services. To achieve quality services, an organisation does not have to be costly consuming so much money, but rather can make use of non monetary incentives which are less costly. This calls for the need to understand the connection between non monetary incentives and service delivery, [4].

Two theories were applicable in this study. One of them is the Self-determination theory by Edward Deci and Richard Ryan. According to [5], since the early seventies Edward L. Deci and Richard M. Ryan conducted studies which finally led to the formation of the self-determination theory (SDT). This theory focuses on the degree to which an individual's behavior is self-motivated and self-determined. SDT identifies three innate needs that, if satisfied, provide best functioning and growth. These innate needs are autonomy, competence and relatedness. These psychological needs make one to portray a certain behavior and mental perception which are good for mental health and well-being. When these needs are satisfied, there are positive consequences, such as well-being and growth, leading people to be productive, happy and give the best service ever. When thwarted; people's productivity and service delivery is poor, [5]. The theory brings out three essential elements which are: humans are innately optimistic with their potential and mastering their inner forces; they have an inner tendency to growth, develop and integrate functioning; optimal improvement and actions are intrinsic in humans but they do not happen automatically. The employees in any institution have an inner potential that when developed through training and job rotation can yield competence hence high quality services. Relatedness can be attained through recognition and rewards whereby a reward after a good service is delivered or recognition will enable an employee to relate the two. Flexible working hours gives employees freedom, and with freedom employees are excited to give quality service, [5]. Employees are able to achieve autonomy by working at their own time of choice and being their own bosses especially when they are free to work from their homes, [6].

Another theory is the acquired needs theory by McClelland and Atkinson. The theory looks at need for achievement; need for affiliation and need for power to control others, [7]. [7] Argues that those who have a high need for achievement prefer moderate levels of risk, seek feedback, and are likely to immerse themselves in their work. The theory is referred to as Need for Achievement because these individuals are theorized to be the most effective employees and leaders in the workplace, offering high quality service. These individuals struggle to meet their goals and progress in the organization. They tend to be dedicated to their work and work hard to succeed. These people also have a craving to expand their knowledge and receiver opinion with regard to their performance by being evaluated occasionally. The theory is applicable since the non financial incentives can work best in individuals who have higher level needs such as the need for achievement since they will feel highly satisfied after delivering good services, [7].

2.1 Tangible rewards and service delivery

Tangible rewards played an important role when work was routine and bureaucratic, and adhering to rules and policies was critical. The nature of work left employees with very limited intrinsic rewards, hence extrinsic rewards were often the main incentives organizations could embrace to improve service delivery, [8]. Wages and salaries are necessary for most workers in accepting a job, and unfair compensation can be a major de-motivator directing employees to deliver poor services. However, after people have taken a job and issues of unfairness have been settled, the extrinsic rewards become less effective in achieving service delivery hence the role of intrinsic rewards becomes strongly announced, [8].

2.2 Employees recognition and service delivery

Researchers have found that while some tangible incentives will influence people's behaviour to some point, additional effort is necessary to ensure continued effort by staff to deliver good services to the clients. For example, when people receive their pay they do not suddenly commit themselves to providing quality services. This is because they have become acquainted to the pay and despite the quality of their service the pay is guaranteed. So too do things like end of year bonuses, which often fail to yield better services since they will automatically be forth coming, [4]. Creating a work environment that includes a range of incentives is more likely to result in improved and sustained quality services by employees. Recognition has no monetary value and can actually be done at zero expense yet it is a very effective motivator which is particularly valued by employees. Employees want their efforts to be noticed and valued and this encourages them to provide better service to the employer's clients, [9]. [10] Further explains that planning a surprise achievement celebration for an employee or a team of employees can be as simple as providing some music and snacks for the employees to be recognized. The employees recognized are delighted since their work was noticed and appreciated hence they are likely to put more effort.

According to [11], recognition is essentially positive feedback that lets employees know they are valued and appreciated by their coworkers and the organization. Recognition activities should also focus on and encourage work that helps employee, departmental, or the organisation as a whole achieve their objectives and generally their goals; and this way they will ensure a bigger impact. While the organisation or various departments separately are responsible for providing the necessary resources and programs for recognition, recognizing employees is basically creating a good relationships with employees and gaining their loyalty and commitment. Employees want their contributions and efforts to be approved by those they work with on regular basis and not the top management alone. They want their peers and direct line managers to approve of their deeds.

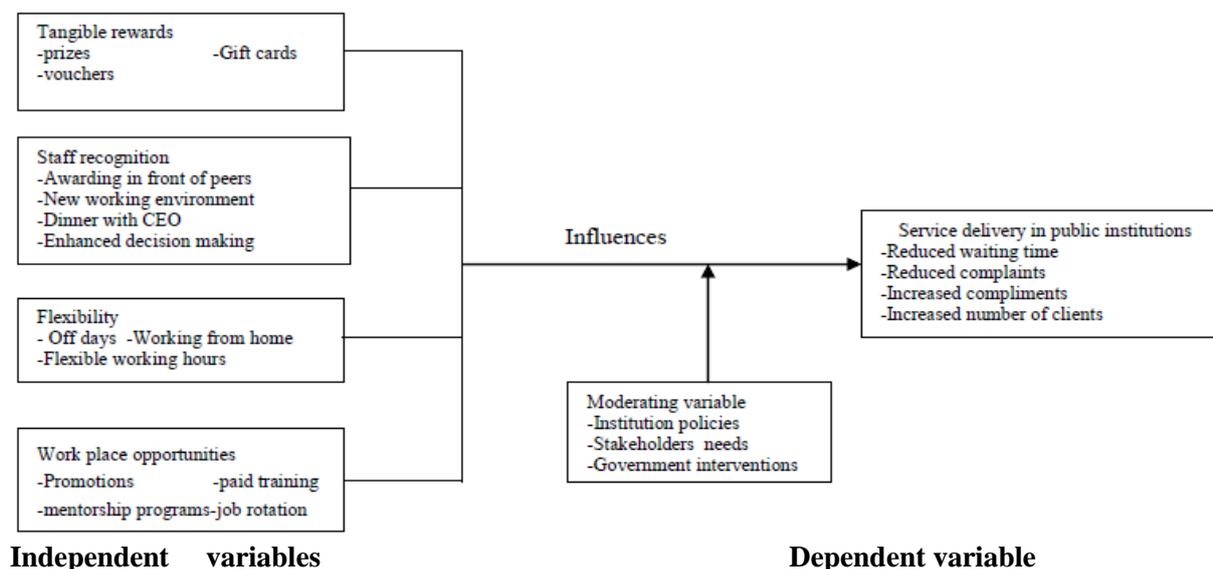
2.3 Workplace opportunities and service delivery

Workplace opportunities include job rotations, promotions, opportunity to attend important trainings among others. Promotions to positions that include more responsibility or authority are among the tools managers use to motivate workers. Employees can be encouraged to deliver high quality services to the organization’s clients since they are aware of a possibility of a job promotion.[12] further explains that even when an organisation understands the effects of promotions on service delivery, it is mandatory to put in place policies and procedures that will support fair promotions and job advancements. The immediate managers can be given the mandate to discuss and advice their juniors on the possible job opportunities and career advancement opportunities and the required input to get there. Some opportunities may be purely dependent on the employees’ effort while others may even require some skills and experience which the employee must accompany with the effort. This may make it impossible to promote from in-house, but a consistent policy for considering internal candidates before sourcing from outside will ensure that promotions have a motivational value, [12].[13] Notes that Herzberg's theory suggests that opportunities for promotions and actual promotions are more likely to motivate higher performance than regular pay structures. This is supported by Maslow's theory of needs, which puts self-esteem and self-actualization in the higher-order needs compared with physiological needs, which are pay, as lower-order needs. Promotions do usually increase pay, but the motivational influence stems from recognition, increased responsibility, more challenging work and a personal sense of accomplishment; all of which are incentives to provide quality services, according to Herzberg, [13].

2.4 Job flexibility and service delivery

Research shows a positive relationship between flexible work arrangements and service delivery. [14] argues that, though some studies have been done, and show flexibility in work does not necessarily improve productivity. Some of the explanation for this disparity is that although flexible work arrangements are available, employees may not be okay to take advantage of such. When it is possible to make use of job flexibility opportunities, employees will take advantage and their level of job satisfaction will go up hence quality delivery of services. Even the presence of formal or informal work-family policies is significantly associated with higher quality of services, although this relationship is stronger where there are possibilities of using them, [14]

Conceptual framework: Conceptual framework



Variable description and measurement

Tangible rewards such as gifts, vouchers and other kind of prizes are useful in making employees feel appreciated thus their morale is increased. This can be witnessed in terms of the kind of service they provide to the public and the number of clients attended to. When employees are aware of a possibility of earning a tangible reward after a job well done, they are likely to put all the effort in their work.

Staff recognition is intrinsic in nature. By recognizing staff, the employer makes them have an inner drive to do even more and better thus the nature of the service they deliver is improved. Staff recognition include Awarding presentation in front of peers, new working environment, dinner with CEO and enhanced decision making among others

Employees will feel trusted when allowed job flexibility and to ensure that this trust is maintained, they will feel obliged to give their best when at work. This in turn leads to an aggregate improved service delivery to the institution. Job flexibility can be achieved by working from home, choosing the working hours and break hours for each individual employee, having off days after prolonged working hours among others.

Work place opportunities involve creating training opportunities, job rotations and promotions to the employees. Employees will be motivated to give good services when they are aware that their good performance can give them an opportunity to move to doing a task they have desired or attend a training needed or better still get a higher rank. As the employees work towards achieving this personal goal at the end of the day they improve their service delivery thus that of the organization.

The service delivery is how the client perceives the attention he gets from the institution. It can either be good, bad or just meet the expectation. Service delivery can be measured in terms of the time spent waiting to be attended to, the time between start and completion of the service, the number of compliments and complaints received within a given period of time. Also service delivered can be measured by evaluating if the number of clients are either increasing or diminishing. The reasoning behind is that if the service is poor, the clients will take off and if it is good, more are likely to turn up.

III. Research Methodology

The study employed descriptive research design. [15] defines descriptive research design as a process of collecting data in order to answer questions concerning the current status of the subjects in the study. Descriptive design was chosen for the study since it captured raised opinions and views held at the time of the research. The target population for the study was all (236) employees of Chuka university main campus. The middle and senior management totaling to 28 were also considered in the research. Stratified random sampling method was used to stratify the institution into 12 departments and came up with a sample of 59 employees and 14 managers. As [16] puts it, the goal of stratified random sampling is to achieve desired representation from various subgroups in the population. Questionnaires were administered to employees while the managers were interviewed. After data was collected, it was presented and analyzed using both qualitative and quantitative methods and then presented in percentages and frequencies. The researcher also used regression analysis to establish the causal-effect relationship between the variables under study.

IV. Findings

4.1 General Information on Service Delivery

The majority (42.3%) indicated having experienced three cases of poor service delivery in the last six months. this was followed by those who had experienced two cases of poor service delivery at 25% while those who had encountered one case came next at 5.8%. All the top managers interviewed accepted having experienced cases of poor service delivery by the employees. Seven out of ten felt that this was due to the fact that the employees were not given incentives to perform better, while two urged that the employees were not trained accordingly. Only one was for the opinion that the employees were careless hence the poor service delivery. Most (78.8%) of the respondents felt that the institution was not using non monetary rewards to reduce cases of poor service delivery. The remaining 21.2% was of the otherwise opinion. Out of the respondents who felt that non monetary incentives were used, the highest percent (36.4%) felt acknowledgement was mainly used followed by those who felt training was used at 27.3% while those who felt promotion was mainly used came next at 18.2% of which tied with the tangible rewards. One out of the two managers who had used non monetary incentives claimed to have been praising the employees who did exemplary while the other manager (50%) claimed to have given simple rewards to performing employees, however both said that it was done randomly and not regularly. About the preferable non monetary incentive, four out of ten managers preferred tangible rewards while three preferred work place opportunities, and two preferred staff recognition and only one preferred job flexibility. A majority who were for the tangible reward argued that the effect would last for a longer period while those preferring work place opportunities felt it was not very frequent. Those in support of recognition felt that it was easy to implement and used minimal cost while the person in favour of job flexibility felt that the employees preferred it.

4.2 Tangible Rewards

Eighty eight point five percent felt that there was no system of cross rewarding while 11.5% felt there was a system of cross rewarding. The majority who formed 69.2% strongly agreed with the statement that employees should be given tangible rewards to improve service delivery, followed by 13.5% who agreed. Those who were uncertain came next at 7.7% which was closely followed by those who disagreed at 5.8%. Those who strongly agreed came last at 3.8%. The employees indicate that if given tangible rewards, the level of service would definitely improve. Seventy five percent strongly agreed with the statement that for an organization to maintain enthusiastic employee, it should reward frequently. This was closely followed by those who agreed at 9.6%. Those who strongly agreed and those who agreed tied at 5.8% while those who were uncertain came last at 3.8%. fifty three point eight percent felt that the short term effect of rewarding is employee excitement while those who felt it was improved morale tied with those who felt it would lead to low staff turnover at 23.1%. Employee excitement is probably the most short lived effect of rewarding, while improved morale will be a little long lived while low staff turnover can be regarded as long-lived.

4.3 Staff Recognition

A majority (55.8) of the respondents claimed not to be recognized in their department even when they perform well. While the remaining 44.2% said they were recognized in their departments. With regard to the departments the majority who were not recognized were from the academic department. However out of those who claimed to be recognized a majority 37.5% said they were acknowledged while those who said they were praised came next at 33.3%. Those who were given more responsibility came next at 16.7% while those who were given letters of recommendation followed at 8.3%. Others came last at 4.2%. Fifty five point eight percent felt that the process of recognition was somewhat complex while another twenty five percent felt the process was very complex. Another 11.5% felt it was simple and a 7.7% felt it was very simple. A good majority (80.8%) strongly agreed with the statement that building good relationship between employees and management minimizes cases of poor service delivery in the organization. This was followed at far by those who agreed having 15.4% of the respondents while those who were uncertain and those who strongly disagreed tied at 1.9%. No one disagreed.

4.4 Job Flexibility

Eighty point eight percent of the respondents felt that the institution did not have job flexibility programs while only 19.2% felt that the institution had job flexibility programs. The issue of how flexibility affected service delivery had 36.5% who argued that there was the ability to make up for the unproductive time, while 30.8% felt that there was improved work morale. The remaining 32.7% argued that the employees had the willingness to work at odd hours. Out of 52 respondents, 37 strongly agreed with the statement that ability to choose working hours and free hours help individual employee become more motivated hence reduced poor service delivery, twelve agreed while one disagreed and two strongly disagreed. Fifty one point nine percent strongly agreed that Job flexibility leads to low career related problems such as being workaholic while twenty three point one percent agreed. Those who were uncertain tied with those who strongly disagreed at 9.6%. Those who disagreed came last at 5.8%. Job flexibility enables employees to balance off their work life, social life and family life. Hence employees are able to live a holistic life without spending all their time at work but still able to deliver the expectations.

4.5 Work Place Opportunities

The issue of whether the institution has a good promotion program for staff received the following responses. Fifty percent of the respondents strongly disagreed followed by a twenty five percent which disagreed while 15.4% agreed. Seven point seven percent strongly agreed while only one point nine percent was not sure. The issue of whether workplace opportunities received good support from the management had a majority disagreeing at 57.7% and 17.3% strongly disagreeing. The issue of training programs being of help to employees in their professional competence had 57.7% disagreeing while 19.2% strongly disagreed. Those who agreed came next at 15.4% while those who were uncertain had 5.8%. The researcher was further interested in finding out the extent use of workplace opportunities influenced service delivery in Chuka university. A majority forming 48.1% felt it was to no extent while 21.2% felt it was to a small extent. Another 11.5% felt it was to a large extent while those who argued it was to a large extent tied with those who were undecided at 9.6%. The work place opportunities did not have much influence on service delivery since they were not adequately applied as a tool to improve service delivery. The issue of job rotation was also of interest to the researcher. Out of a total of fifty two respondents, twenty claimed that the institution practiced job rotation and thirty two claimed that the institution did not practice job rotation

4.6 Testing of hypothesis

The researcher further tested the following hypotheses using chi square:

- i. H01 There is no relationship between tangible rewards and service delivery in Chuka University
- ii. H02 Employee recognition has no effect on service delivery in Chuka University
- iii. H03 Workplace opportunities do not affect service delivery in Chuka University
- iv. H04 There is a relationship between job flexibility and service delivery in Chuka University

The results are summarized in table 4.1.

Table 4.1: Chi square for reward system and service delivery

	Service delivery		
	Pearson Chi-Square	df	Significant level
Tangible rewards	10.836	1	0.003
Employee recognition	9.332	1	0.009
Work place opportunities	9.881	1	0.125
Job flexibility	8.132	1	0.029

The data shows that the chi square for tangible rewards and service delivery was 10.836 ($p = 0.003$). This implies that there was a statistically significant relation between tangible rewards and service delivery because the p-value was less than 0.05. Thus the H01 null hypothesis was rejected. The data shows that the chi square for employee recognition and service delivery was 9.332 ($p = 0.009$). This implies that there was a statistically significant relation between employee recognition and service delivery because the p-value was less than 0.05. Therefore, H02 null hypothesis was also rejected. Chi square for workplace opportunities and service delivery was 9.881 ($p = 0.125$). This indicates that there was no statistically significant relation between workplace opportunities and service delivery because the p-value was greater than 0.05. Thus, H03 null hypothesis was accepted. Chi square for the relation between job flexibility and service delivery was 8.132 ($p = 0.029$). This indicates that job flexibility and service delivery were statistically related. Thus, the H04 null hypothesis was rejected.

V. Conclusion

Achieving quality service in public institutions remains a major challenge to the management. However despite the need to reduce cost, these institutions have to focus on their key assets which are the employees. Non monetary incentives may cost however the relative cost is minimal compared to other monetary incentives. Most departments reported having encountered cases of poor service delivery however the academic department had the majority reporting three cases and more. Also from the respondents point of view the institution did not apply non monetary incentives to minimize cases of poor service delivery. Likewise a majority were in strong agreement with the statements which indicated the use of non monetary incentives as a lead to improved service delivery.

From the research findings, the institution lacks the appropriate programmes that ensures employees from all departments have an equal chance of getting an incentive for good performance. Recognition is used to some extent in the institution however other incentives like job swaps are not easy to implement. Being a learning institution, the tutors in specific fields may find it impossible to swop with other workers in other departments and like wise, a driver or cook will find it impossible to lecture the students. However the institution can apply work place opportunities which were concluded to be absent such as promotions. Job flexibility can be applied to some limited extent since it is lacking according to the research findings.

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