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PLAGIARISM DECLARATION

I hereby declare that the Research Report submitted for the B Com Honours Degree to the independent Institution of Education is my own work and has not previously been submitted to another University or Higher Education Institution for degree purposes.

Signature

Date

Acknowledgement

I want to thank God, first and foremost, and I would also like to thank my supervisor Aarifah Razak and my lecturer Dr Stellah Lubinga

ABSTRACT

The objective of this study was to find investigate the impact of employee motivation on organisational effectiveness. The study focused on identifying the most important indicators of motivation, defining the motivation concepts and methods, and the linkage of employee motivation with an organisation's productivity and effectiveness. In addition, suggestions to increase employees' level of motivation and direction for further study were also discussed. To gain deeper understanding of the research topic, different motivation theory models were reviewed. However, the attention was on analysing the two motivation theories; Herzberg's Two-Factor theory and Self-Determination Theory. A close-ended questionnaire was used as the foundation for collecting the data from the participants, which comprised of twenty customers. In addition, quantitative method was used in order to acquire data due to the fact that it is time-efficiency and cost saving. In conclusion, the study pinpointed that personal growth, and challenging tasks are most influential motivation factors for employees. Nonetheless, the research also revealed the factors that motivate employees were not the same as the factors that retain employees at work. While there might still other ways to increase employee' level of motivation, the practice of combining both financial incentives and non-financial was proved to be the most effective

Table of Contents

1.1 Introduction and Background

Motivation plays a critical role globally in achieving goals and business objectives and is equally as important for companies that work in a team-based environment or in a workplace comprised of workers who work independently. Making sure each employee's workplace goals and values are aligned with the organisation’s mission and vision is important for creating and maintaining a high level of motivation that can lead to higher productivity, improved work quality and financial gain across all departments. Moreover, increasing motivation, commitment and engagement levels are key organisational aspects nowadays (Bhat, 2020).

The responsibility of managers is to ensure that their employees are motivated in such a way that organisational goals will be met in order to get a competitive advantage over their competitors. Both public and private organisation need employees who are motivated so that they can be effective and efficient in the accomplishment of their various task and duties. Motivated employees work with enthusiasm toward the achievement of organisational goals (Korth, 2007). However, many of the problems associated with poor performance of the employees are related to lack of an appropriate compensation structure and weaknesses in the incentive regime. The challenge is whether firms are equipped with sufficient knowledge to effectively and efficiently make use of financial and non-financial rewards, so that they can perform their task of motivating, retaining, committing and attracting new employees.

The development of compensation policies has an important role in motivating workforce to deliver high levels of performance, discretionary effort and contribution (Cat, 2020). While not every employee will be motivated by the same thing, focusing on a list of key motivating programs can help. Firms should implement all sorts of compensation policies from monetary incentives, rewards and recognitions, building programs that support work-life balance, to simply creating a fun, relaxed office environment. The opportunities are endless and the reward substantial (Helepota, 2005)

Employee incentive programs are one of the easiest ways to incentivise employees. While not every program needs to be monetary in nature, should firms have limited budgets, the end results are the same; employees become more motivated when they are recognised and rewarded for good work. These types of programs could include anything from bonus pools, rewards recognitions such as "Employee of the Month", to spotlighting employees on corporate websites or internal intranets. All will make employees feel connected and part of the success of the business (Frey, 2002).

This paper will critically explained the concept of employee motivation and the various advocated theories used to motivate employees towards helping the organisation to accomplish its goals. Theories of employee motivation such as self-determination theory: intrinsic and extrinsic motivation Herzberg's two-factor suggest that there are many variables influencing how employees perceive their work and are motivated to achieve a high level of performance. Concepts of fairness, hierarchy, motivational effects and external motivational factors all give tools to help to analyse motivational influences and come up with strategies to increase levels of motivation at a workplace. Furthermore, this will also provide ways in which both financial and non-financial incentives can be used in the workplace to get the most out of employees.

1.2 Rationale

All organizations, regardless of size, market, and technology, want to be successful and maintain a constant progress even in a current highly competitive business environment. In order to achieve those goals and objectives, strategies must be developed and well-implemented with the effective utilization of all capable resources. A few companies believe that their employees are an important asset that can lead them to overcome difficulties, exceed their limits and reach prosperity. In contrast, companies that put their personnel in the centre of the business, maintaining a positive and strong relationship with its employees, persuading them towards task fulfilment are proved to result in higher effectivity and productivity (Adi, 2000, Anka, 1988, Rothberg 2005).

However, today, companies are facing challenges of motivating employees. By acknowledging the important role of employees and the huge influence they bring towards organisational success, companies are trying to retain employees by creating motivation and a healthier workplace. This is very important because if the personnel are not well motivated, it associates with a decline in business productivity. Unless and until the employees are motivated and satisfied, an organisation cannot foster to success (Matthew, 2009). Furthermore it is crucial that firms find effective and efficient ways to rewards its workforce with both financial and non-financial incentives without making some employees feel like they are being unfairly treated. Mismanagement of these incentives could have disastrous consequences for the firm, such as the lose of good employees, wastage of resources and holding back the entire company from producing work to the highest standards or meeting important target.

Many researches have shown that motivated employees perform work better than demotivated ones. Motivated employees are more innovative as they are always looking for better ways to complete a task. They are self-direct and goal-oriented, and they can produce high-quality work with more or maximised efficiency and productivity (Boundless, 2017) which also leads to maximisation of profits (Matthew, Grawhich & Barber 2009). Gallup's 2017 survey on employee engagement shows that "the ratio of disengaged to actively engaged employees is 2-to-1, meaning that the vast majority of workers (67%) are not reaching their full potential." Research has shown that companies with higher ratios of engaged employees experience higher earnings per share (EPS) compared with their competition (Gallup, 2017). Adi (2000) argues that the effects of disengaged workforce or poor motivation in the workplace are well-attested: higher employee turnover, lower levels of engagement, poor communication, and diminished productivity are just a few of the issues that may proliferate and lead to your workplace become a toxic environment.

1.3 Problem statement

In a highly interconnected, globalised and rapidly changing business environment it is crucial for organisations get the most out of their employees in order to achieve competitive advantage. In their pursuit of getting the most out of their employees, firms often make use financial and non-financial incentives. However failure to fully understand the effectiveness of these incentives, often results in detrimental outcomes for the firm such as lose of good employees or lag behind competitors. Furthermore the management of both financial and non-financial incentives is a very critical issue that should not be over looked, as its neglect can lead to unhappiness of employees, disruption of work process, sales and service delivery loss and consequently financial losses. The challenge is whether firms have the required knowledge to make effective use of financial and non-financial incentives in their pursuit of motivating, retaining and committing current employees as well as attracting new employees (Armstrong et al, 2010). This study therefore seeks to identify the effect financial and non-financial incentives have on employees' motivation in a financial institution in Sandton.

1.4 Purpose Statement

Keeping employees motivated and engaged can help boost morale, reduce turnover and create a more dynamic and profitable operation. While different things motivate different people, there are several demotivating practices that can negatively impact the organisation. Recognizing and correcting these issues can help improve organisations on numerous fronts (Mcquarrie, 2018). The purpose of this study is to investigate how financial and non-financial incentives act as motivator for employees in a financial institution in Sandton. It furthermore discusses ways in which employers can make use of such incentives to maximise employee's motivation within the work environment.

1.5.1 Research Questions

- Which financial incentives are most significant in motivating employees?
- What are the most important indicators of motivation?
- What role do financial and non-financial incentives play in motivating employees within the workplace?

1.6 Hypothesis

- Non-financial incentives is most important motivation tool for employees.

1.6.1 Sub-Questions

- Does age influence employees' level of motivation?
- What is the role played by work environment in motivating employees?

2 Literature Review

2.1 Theoretical Foundation

2.1.1 Self-determination Theory

Self-Determination Theory (SDT) is a motivational theory that has been refined and tested for the past 40 years, in a variety of life contexts such as sports (e.g., Hagger & Chatzisarantis, 2007), education (e.g., Niemiec & Ryan, 2009), and work (Gagné & Deci, 2005). According to this theory, motivation to engage in a specific activity ranges from being controlled to autonomous (Ryan & Deci, 2000). Individuals are said to have autonomous motivation when they feel that the activity they are pursuing is genuinely interesting or that it is congruent with their personal goals and identity (Deci & Ryan, 2002), whereas they are said to have controlled motivation when their participation is externally driven and instrumental in avoiding punishment, obtaining rewards, alleviating feelings of guilt, or satisfying their ego (Ryan & Deci, 2000).

While people are often motivated to act by external rewards such as money, prizes, and acclaim (known as extrinsic motivation), self-determination theory focuses primarily on internal sources of motivation such as a need to gain knowledge or independence (known as intrinsic motivation). This theory argues that financial incentives don't play much of a role in motivating employees within an organisation, much research has found that offering financial incentives hinders the quantity and quality of motivation (Ryan & Deci, 2000). For instance, cueing individuals with extrinsic such as money leads them to work in isolation, without asking or providing help to their colleagues, and subsequent withdrawal of such cues leads them to be less motivated in their work (Murayama, 2010). It thus appears that using money as incentive can backfire and bring unwanted consequences, such as diminished autonomous motivation, as individuals come to believe that their main source of motivation is money. Their motivation appears to shift from being autonomous and driven by internal factors like authentic enjoyment, to being controlled and driven by external factors like financial incentives (Krug & Braver, 2014). Studies indeed show that individuals experience not only lower autonomous motivation to pursue a task, but also greater controlled motivation when promised financial incentives in exchange for their performance (Gagné & Deci, 2005).

Many proponents of SDT have thus emphasised the potential risk of using financial incentives to motivate individuals to perform in any given context (Ryan & Deci, 2000).

Deci & Ryan (2008) also suggested that employees are better motivated when they are offering non-financial incentives such as gaining mastery over challenges and taking in new experiences. However this situation can only take place once the need for competence (employee need to gain mastery of tasks and learn different skills. When people feel that they have the skills needed for success, they are more likely to take actions that will help them achieve their goals), connection (employees need to experience a sense of belonging and attachment to other employees), and autonomy (employees need to feel in control of their own behaviours and goals) are fulfilled. Offering unexpected positive encouragement and feedback on a person's performance on a task can also increase autonomous motivation. This type of feedback helps people to feel more competent, which is one of the key needs for personal growth. Individuals are said to have autonomous motivation when they feel that the activity they are pursuing is genuinely interesting or that it is congruent with their personal goals and identity (Deci & Ryan, 2002).

Managers and leaders can foster the sense of self-determination by allowing team members to take an active role. Offer employees responsibilities, provide meaningful feedback, and offer support and encouragement. Employers should be careful not to overuse extrinsic rewards. Too many rewards can undercut intrinsic motivation (a phenomenon known as the over justification effect), yet too few can cause employees to feel unappreciated.

2.1.2 Herzberg's Two- Factor Theory of Motivation

Herzberg (1959) proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. Herzberg termed the source of work satisfaction 'motivator factors'. These include the work itself, achievement, recognition, responsibility and opportunities for advancement and growth. These factors relate to job content (what employees actually do at work) and are associated with positive feelings about their work (Brevis and Vrba, 2016).

Herzberg termed the sources of work dissatisfaction ‘hygiene factors’. These are factors in the job context, including salary, interpersonal relations (supervisor and subordinates), company policy and administration, status and job security (Brevis and Vrba, 2016). If the organisation provides adequately for hygiene factors, there will be no dissatisfaction. However, if they are not in place, it will cause dissatisfaction. Herzberg found that hygiene factors are associated with employees’ negative feelings about their work and these factors do not contribute to employee motivation (Smith, 2011).

An interesting aspect of Herzberg’s theory is that he classifies salary as a hygiene factor, which will not motivate people. According to his theory, employees work to earn salaries, it is part of the job context and they will be extremely dissatisfied if they do not receive salaries (Herzberg, 1959). However, if the organisation links a monetary reward to performance, such as merit bonus or promotion, it provides recognition of the employee’s performance and is, therefore, a motivator (Brevis and Vrba, 2016). Herzberg’s theory differs from Maslow’s hierarchy of needs in that Herzberg assumes that most employees have already satisfied their social and psychological needs (lower-order needs) to such an extent that only Maslow’s high order hierarchy can motive them (Herzberg, 1959). However, they must continue to satisfy their lower-order needs in order to maintain the present situation (Brevis and Vrba, 2016).

The two-factor theory’s contribution to the firm’s understanding of motivation in the workplace is, Herzberg focus on the importance of the work itself in the motivation of employees. He also explained the limited influence of more money, fringe benefits, and better working conditions (hygiene factors) on motivation, and the strong influence of factors such as achievement, recognition, responsibility, and opportunities for advancement and growth (motivator factors) (Brevis & Vrba, 2016).

2.2 Literature Review

2.2.1 Employees Motivation

In the increasingly competitive business environment of recent years, finding ways to motivate employees has become a pressing concern for many managers. In fact, a number of different theories and methods of employee motivation have emerged, ranging from monetary incentives to increased involvement and empowerment (Kinni, 1994). Bhat (2019) argues that motivated employees are often enthusiastic, energetic and committed and often do more than what it is required of them as well take initiative which is beneficial for the organisation. Bhat (2019) further argues that motivated employees are an asset to an organisation, they are directly proportional to the organisation's success. Motivation is intangible, difficult to measure and extremely difficult to control, but very easy to facilitate if done right. It's all about intention, intensity, and perseverance.

Moreover, employee motivation is an integral part of Human Resource Management and it plays a crucial role in the long-term growth of an organisation. Employees motivation can be used in directing employees' behaviour and actions for a constructive vision or goal. Proper motivation turns an employee into a loyal asset and helps in maintaining the retention rate (Bhat, 2019). In the modern management system many methods of motivation have been put into practice to enhance productivity of the employees. Apart from various methods of motivation, there are certain well-acknowledged motivators such as job design, nature of job and system of incentives and rewards for the employees that play a decisive role in ensuring employees' longevity, productivity and efficiency (Bhat, 2019).

Employee motivation can sometimes be particularly problematic for businesses, where the owner often has spent so many years building a company that he/she finds it difficult to delegate meaningful responsibilities to others. Employee motivation is the level of energy, commitment, and creativity that a company's workers apply to their jobs (Cat, 2020). However firms should be mindful of such pitfalls, for the effects of low employee motivation on such businesses can be devastating (Herzberg, 1968). Some of the problems associated with unmotivated workers include complacency, declining morale, and widespread discouragement. If allowed to continue, these problems can reduce productivity, earnings, and competitiveness in a small business (Bhat, 2019).

Furthermore the effects of poor motivation in the workplace are well-attested: higher employee turnover, lower levels of engagement, poor communication, and diminished productivity are just a few of the issues that may proliferate and lead to your workplace become a toxic environment (Andriotis, 2017). Therefore, one of most important functions of a manager is to find a way to motivate its workforce.

One approach to employee motivation has been to view "add-ins" to an individual's job as the primary factors in improving performance. Endless mixes of employee benefits—such as health care, life insurance, profit sharing, employee stock ownership plans, exercise facilities, subsidised meal plans, child care availability, company cars, and more—have been used by companies in their effort to maintain happy employees in the belief that happy employees are motivated employees (Armstrong, 1999).

On the academic front, Turner and Lawrence (1965) suggested that there are three basic characteristics of a "motivating" job:

1. It must allow a worker to feel personally responsible for a meaningful portion of the work accomplished. An employee must feel ownership of and connection with the work he or she performs. Even in team situations, a successful effort will foster awareness in an individual that his or her contributions were important in accomplishing the group's tasks (Turner and Lawrence, 1965).

2. It must provide outcomes which have intrinsic meaning to the individual. Effective work that does not lead a worker to feel that his or her efforts matter will not be maintained. The outcome of an employee's work must have value to himself or herself and to others in the organisation (Turner and Lawrence, 1965).

3. It must provide the employee with feedback about his or her accomplishments. A constructive, believable critique of the work performed is crucial to a worker's motivation to improve (Turner and Lawrence, 1965).

Overall, the success of any organisation depends to a great extent upon people working there, including both top managers and employees. Top managers define the policy of organisation, the direction of its development, organisational environment and work conditions for their employees. However it is the employees whom contribute to general efficiency and development of the organisation via their high performance and company commitment. Work performance of employees is directly dependant upon their job satisfaction and their motivation, this is the reason, why so much attention is usually paid to these aspects (Brevis and Vrba, 2016).

2.2.2 Extrinsic Motivation and Intrinsic Motivation

Motivation may be identified in two forms, specifically, intrinsic motivation and extrinsic motivation. In a competitive market where the greatest asset an employee can offer an organisation is their intelligence, experience, problem solving ability and change-savvy persona, intrinsic rewards are especially important to workers. In fact, Frederick Herzberg, who is one of the leading theorists of workplace motivation, found intrinsic rewards to be much stronger than financial rewards in increasing employee motivation. This is not to say that employees will not seek financial rewards in addition to intrinsic rewards, rather it just means that money is not enough to maximise motivation in most employees. People want to feel like their contributions matter (Herzberg, 1959).

Coetsee (2002) states that intrinsic motivation is not driven by an increase in compensation and rewards but by feelings of gratification, significance, interest, and achievement. Furthermore, he maintains that intrinsic rewards cannot be given to individuals by their employers because the rewards are internal to everyone. In other words, each worker grants it to himself or herself because of good performance. Although the company cannot provide the employees' intrinsic rewards, it can create a work environment that facilitates individuals' experiencing these types of rewards.

Extrinsic motivation is the external dynamics that influence a person to do something. According to Coetsee (2002), the following external factors may possibly have an effect on extrinsic motivation: salary, work environment, policy, security and safety, company benefits and relationships. In support of this, Hoewlett's Hierarchy of work motivators shows that extrinsic motivational factors such as salary, work environment, policy, security and safety, company benefits and relationships impact on externally motivational needs. These external factors form part of the first three levels of Howlett's Hierarchy. When the external needs are attained, level four and five of the Howlett's Hierarchy may be realised, (Hill and Howlett, 2013). Failure to achieve the first three levels will result in job dissatisfaction.

Job dissatisfaction could result in employees being less productive and this results in job losses through employees resigning or being laid-off. The subsequent last two levels of Howlett's Hierarchy are the internal factors or intrinsic factors, specifically factors like achievement, recognition, development, responsibility, and the nature of the job. These intrinsic factors emerge when individuals are self-motivated after the external needs have been satisfied. The organisation that achieves all five levels will have motivated employees and increased productivity (Hill and Howlett, 2013).

While Parker and Wright (2001) state that increasing what people earn will make them more loyal, motivated and productive, extrinsic reward is therefore believed to be a better method of motivation. This is specially true for blue-collar workers, workers with low paying jobs. However, Herzberg (1966) argues that intrinsic motivators and extrinsic motivators have an inverse relationship. That is, intrinsic motivators tend to increase motivation when they are present, while extrinsic motivators tend to reduce motivation when they are absent. This is due to employees' expectations. Extrinsic motivators (e.g., salary, benefits) are expected, so they won't increase motivation when they are in place, but they will cause dissatisfaction when they are missing. Intrinsic motivators (e.g., challenging work, growth potential), on the other hand, can be a source of additional motivation when they are available. This mostly applies to white-collar workers such as CEO whom are well paid, extrinsic does not play a big role in their motivation. Such individuals are more interested in the work itself, achievement, recognition, responsibility and opportunities for advancement and growth (Brevis and Vrba, 2016).

Roberts-Lombard (2008) reiterates that a supportive internal environment must be created for employees. He suggests that the internal environmental development needs of employees should be supported by the company with internal training and development policies. Moreover, the internal environment can be improved by the company, by accurately defining what a specific job requires, how the task relates to the larger scheme of things and how it links with the tasks of co-workers with the clear indication that it is up to the individual to determine how the job will be executed

(Roberts-Lombard, 2008). Allied to this, is feedback to individuals about their work performance and the outcome of all the tasks.

Frey and Osterloh, (2002) added that although there is a difference between intrinsic and extrinsic motivation, they are not “independent of one another”. Naturally, people have intrinsic and extrinsic needs. This indicates that intrinsic and extrinsic motivations may merge as workers are made a part of the company and benefit from its accomplishments. For example, an employee may be motivated intrinsically when the job is made more interesting and may be motivated extrinsically when assured a high bonus or promotion (Frey and Osterloh, 2002). Therefore, to satisfy employees in an organisation, firms must create a working environment where employees feel like they can realise their full potential to motivate employees intrinsically and provide fair salaries and bonuses to motivate them extrinsically.

2.3. Conceptualisation of key terms

2.3.1 Motivation

Halepota (2005) defines motivation as “an employees’ active participation and commitment to achieve the prescribed results”. Halepota further presents that the concept of motivation is abstract because different strategies produce different results at different times and there is no single strategy that can produce guaranteed favourable results all the times (Halepota, 2005).

2.3.2 Intrinsic rewards

Intrinsic rewards are commonly defined as the rewards which are generally obtained from an employee’s involvement in tasks and activities (Byars & Rue, 2011). Intrinsic rewards constitute of rewards such as praise and recognition which are associated with personal and inner fulfilment that employees’ experience when they achieve something (Van Aswegen et al., 2009). They are intangible and self-generated in that they are psychological, positive, meaningful and encompass an emotional, work-related experience which individuals obtain from their work (Stumpf & Smith, 2013).

2.2.3 Extrinsic rewards

An extrinsic reward is a tangible and visible reward given to an individual or an employee for his/her achievements. Furthermore extrinsic rewards are concrete rewards that employees receive, external to the job, and come from an outside source, such as management. Extrinsic rewards include things like money, promotions, and fringe benefits (Brevis and Vrba, 2016). From a traditional perspective, Porter and Lawler (1968) defined extrinsic rewards as the tangible benefits that employees receive for conducting their work.

2.3.4 Fringe Benefits

Fringe benefits are the additional benefits offered to an employee, above the stated salary for the performance of a specific service. Some fringe benefits such as social security and health insurance are required by law, while others are voluntarily provided by the employer (Kanga, 2019). Examples of fringe benefits include free breakfast and lunch, gym membership, employee stock options, transportation benefits, retirement planning services, childcare, education assistance, etc. Some fringe benefits are given universally to all employees of a company while others may be offered only to those at executive levels. Some benefits are awarded to compensate employees for costs related to their work while others are geared to general job satisfaction. In any case, employers use fringe benefits to help them recruit, motivate, and keep high-quality people (Sushmita, 2017).

2.3.5 Employees' performance

Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work and cooperativeness (Gungor, 2011). Macky and Johnson (2000) pointed that improved individual employee performance could improve organisational performance as well. They pointed out that, employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's paten of performance over time. In the organisational context, performance is usually defined as the extent to which an organisational member contributes to achieving the goals of the organization (Ying, 2012).

3. Research Methodology

3.1 Research Paradigm

A research paradigm can be seen to be a cluster of beliefs and orders of what should be studied, how the research should be conducted and how to interpret the data (Sahifa, 2017). In other words, a research paradigm is a common understanding of reality. There are 3 types of research paradigms being positivists, interpretive and critical realism. Since, this study is of quantitative nature, it is best fitting to use positivism as the research paradigm.

Positivism is defined as an evidence-based reality whereby all the findings can be mathematically interpreted (Panhwar, 2017). As a philosophy, positivism adheres to the view that only “factual” knowledge gained through observation (the senses), including measurement, is trustworthy. In positivism studies the role of the researcher is limited to data collection and interpretation in an objective way (Collins, 2010).

Previous studies have use of positivism as a their research paradigm because of its unique ability to allow researchers to discover a relationship in order to predict and control events. This study aims to discover the relationship between incentives (both financial and non-financial) and employees' motivation. In this type of studies research findings are usually observable and quantifiable. Positivism depends on quantifiable observations that lead to statistical analyses. It has been noted that as a philosophy, positivism is in accordance with the empiricist view that, knowledge stems from human experience (Crowther, 2008). It has an atomistic, ontological view of the world as comprising discrete, observable elements and events that interact in an observable, determined and regular manner (Cohen, 2007). Alternatively, positivism paradigm helps researchers clearly understand the objects by empirical tests and methods as sampling and questionnaire. This suggests that insights provided by researchers may have high quality standard of validity and reliability and be generalised to the large scale of population (Johnson & Onwuegbuzie, 2004).

Moreover the aim positivism research is to find valid and reliable casual relationships and to further objectivity and precision (Du Plooy-Ciller et al, 2018, p27). This is the perfect fit for this study since the researcher is trying to explore the relationship between financial and non financial incentives and employees' motivation.

Given its advantages, the researcher is also fully aware of the shortcomings that come with positivism paradigm. The first concerns of using this paradigm in social research projects is that it could be impossible to measure phenomena related to intention, attitudes, thoughts of a human because these concepts profoundly may not explicitly be observed or measured with sense experience or without evidence (Hammersley, 2013). Since the objective of positivism aims to generalise the result of the research at the large degree, there should be a risk that individuals whose understanding and interpretation related to any events, phenomena or issues can reveal a lot of truth about reality may be neglected (Du Plooy-Cillers, 2018).

3.2 Research Approach/Design

As mentioned by Kothari (1985), there are many types of research e.g. Descriptive vs. Analytical, Applied vs. Fundamental, Conceptual vs. Empirical, and so on. However, in fact, all of these are all classified into two basic forms of research methods which are the quantitative method and the qualitative method.

The quantitative method is used to examine the research problem by collecting number-based data and converting into applicable statistics. It is fundamentally a deductive process to test a pre-specified concept or hypothesis and to provide researchers possible effects which drive from the problem observation. Researchers use statistical data, which is concluded from a large sample of population, for analysis. Therefore, the results are considered to be more generalizable and have higher level of validity and reliability. Quantitative research is a structured respond option since it mainly supports fixed answers. However, the form of data collection is varied, for instances, questionnaires, paper survey and online survey (Wyse 2011).

The qualitative method, on the contrary, gathers information on a text-based format. Unlike the quantitative method, it is an inductive process used to propose or develop a theory or concept. it aims to answer not only the question of what, where, when, and who but also to examine the human's behaviour and the reasons that administer such behaviour, which stands for the why and how in a decision making. Since the qualitative method collects the in-depth information based on a few specific cases of which the problem is described on personal point of view, it is objective and the level of validity and reliability has to depend on the scale of population. Qualitative research offers an unstructured or semi-unstructured respond options, and the popular methods are case study, face-to-face interview or in-depth interview (Alasuutari 2010, Stake 1995 & Yin 1989).

As the main purpose of the research is to study employees' motivation of which is concluded to be affected by different intrinsic and extrinsic factors, it is difficult to observe or done by only observing. Thus, the quantitative method and specifically cross-sectional survey was chosen as the research method for this study. Quantitative research design not only provides everyone an opportunity to answer the questions and give reflection with confidentiality but it is also cost-saving and time-efficiency which makes it more fitting for this study. a cross-sectional survey design is used to create an overall of a phenomenon at one point in time (Maree, 2007). This survey was chosen, because the participants are only required to answer the questionnaire once. In addition to this reason, previous studies also made use of this survey, which makes it more convenient.

3.3 Population

3.3.1.Population

This is the total group of people or entities from whom information is required (Wiid & Diggines, 2013). The artefacts of the study are the employees working in financial institution in Sandton.

3.3.2 Target population is everyone or everything that falls within the population parameters (Plooy-Cillers et al, 2018: 133). The target population of this study is workforce in a financial institutions around South Africa.

3.3.3 Accessible population, refers only to the section of the population that can actually be included in this study (Plooy-Cillers et al, 2018: 133). The accessible population of this study are the employees working in financial institutions in Sandton.

3.3.4 Population parameters, this refers to the nature, size and unique characteristics of the population (Plooy-Cillers et al, 2018: 133). The population parameters of the study will include race, age group, tenure within the specific organisation and level within the organisation. For population parameters, the researcher has opted to include employees performing different roles in the organisation such as the executive role, managerial role and production and operational role, both males and females have been chosen as participants of this study. Furthermore, the researcher has also opted to include participants with qualifications between higher certificate to masters degree, from the ages 23 to 60. The researcher has chosen to include the above characteristics in this study because it is relevant to the study given that previous studies (Barongo, 2013; Winnaar, 2008) of this nature have made use of the same population parameters.

3.4 Sampling

When interested in a population, the researcher study a sample of that population rather than attempt to study the whole population (Martínez-Mesa, 2016). Sampling is defined as the process of selecting "a subset of a population that is considered to be representative of the population". The reason for the inclusion of the sampling is in this study is because sometimes the accessible population has too many elements to reach or analyse, many more than the time and resources will allow for in order for the researcher to finish the research (Du Plooy-Cilliers et al., 2014: 135).

3.4.1 Unit of analysis – refers to the object being measured, counted or observed with respect to the random variable under study (Wegner, 2012). It was assumed that based on their status in the workplace, there would be a significant difference in the motivation, job satisfaction and commitment levels of employees who received an financial-incentive payment those who received non-financial incentives. Therefore respondents were asked to identify their status in the workplace. Another reason for the inclusion of employees status in the organisation lies on the fact that, previous studies shows that non-financial incentives is more effective when used to motivate while financial incentives is more effective when used to motivate blue-collar workers (Sousa-Poza, Sousa-Poza, 2000).

3.4.2 Sampling Methods

Broadly speaking, there are two groups of sampling technique: probability sampling techniques and non-probability sampling techniques (Martínez-Mesa, 2016). Probability sampling is where every unit in the population has an equal chance of being chosen to be part of the sample, whereas in non-probability sampling every unit does not have an equal chance of being selected (du Plooy-Cilliers 2014, p. 136). For this study the researcher has chosen to make use of probability sampling, in the sampling methods belonging to this class, each element in the population has a known, non-zero probability of being selected (Martínez-Mesa, 2016). Also, the selection of elements is completely random. This means that an objective mechanism is used in the selection procedure. There should be no human or subjective interference in this process (Maree & Pietersen, 2019).

3.4.3 Sampling Techniques

There are four probability sampling techniques namely; simple random sampling, systematic sampling, stratified sampling and cluster sampling (Crowther & Lancaster, 2008). Given the nature of the research problem, the availability and lack of availability of a good sampling frame, money, time and the characteristics of the population of this study, the researcher has chosen to use simple random sampling as the most appropriate sampling technique for this study. Simple random sampling techniques use random selection to help the researcher to select units from the sampling frame to be included in the sample. These procedures are clearly defined, making it easy for the researcher to follow them. Simple random sampling is a method used to cull a smaller sample size from a larger population and use it to research and make generalizations about the larger group. The advantages of a simple random sample include its ease of use and its accurate representation of the larger population (Depersio, 2018). It is also a reliable method to eliminate sampling bias (Martínez-Mesa, 2016). Moreover, since it is cost effective and less time consuming, simple random sampling is most suitable approach when dealing with quantitative study, because of its large population (du Plooy-Cilliers 2014, p. 136). Furthermore, the researcher has also opted for this technique because previously studies (Barongo, 2013; Winnaar, 2008) have made of the same technique.

3.4.4 Sample Size

The sample size is a term used in market research for defining the number of subjects included in a sample size. Sample size, mean a group of subjects that are selected from the general population and is considered a representative of the real population for that specific study (Collins, 2010). The researcher hoped to gain access of the employees working in a financial institution in Sandton because this is the researcher's accessible population. It would not have been possible gaining access to all employees at every financial institution in Johannesburg and IIE requires that researchers focusing on studies that are quantitative, use 20 participants. The researcher has therefore chosen to present his close-ended questionnaire to **20 employees** that will be present at a financial institution in Sandton in order to gain an in-depth understanding of the research problem being explored in the research study. From the data that will be gathered in the close-ended questionnaires that will be asked to the **20 employees**, the researcher was able to gain an in-depth understanding of employees views and opinions on the role financial and non-financial incentives play in their motivation.

3.5 Data Collection Method

3.5.1 Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcome (Bhat, 2020). Data collection is considered one of the most important aspects of a research study due to the impact it has on the final result. If the incorrect data is collected or the data collection method is unethical, it will cause the results of the study to be invalid (du Plooy-Cilliers 2014, p. 147). Since this study is quantitative in nature, the best method to gather all the required data is to conduct an close-ended questionnaire. A questionnaire is defined as a research instrument that consists a set of questions or other types of prompts that aims to collect information from a respondent (Bhat, 2020). The objective of a close-ended questionnaire is to collect information and data by asking various close-ended questions and likert scales on the topic of financial and non-financial incentives, that then will be analysed. Furthermore, since the researcher is dealing with 20 respondents, using closed-end questions, facilities the data collection and data analysis process. This is because close-ended are easier and quicker for respondents to answer, the answers of different respondents are easier to compare and less articulate or less literate respondents are not at a disadvantage (Cohen, 2007).

Another reason for opting for a close-ended questionnaire lies on the fact that it is relatively easy to analyse, large sample of the given population can be contacted at relatively low cost and information is collected in a standardised manner (du Plooy-Cilliers 2018). However the problem with making use of questionnaires is, often questionnaires may require follow up research to investigate issues in greater depth and identify ways to solve problems highlighted. Respondents also may misunderstand questions because of poor design and ambiguous language (Bhat, 2020). To address the first limitation, the researcher will do a follow up research to investigate the other factors that play a role in motivating employees in the workplace. As the second limitation, it is important that the researcher avoids the use of ambiguous language so there is no confusion and questions are not misunderstood.

The researcher’s close-ended questionnaire also includes different type of questions, from questions regarding participant’s demographics and qualifications to questions regarding their managerial positions and experience levels. Making use of different type of questions have not only assisted the researcher in answering all the research questions and objectives, but they have also assisted researcher in understanding the link between employees from different race and age groups, with different experience levels and status, and financial and non-financial incentives. For example, one of the main objectives of this study is to assess the effectiveness of financial and non-financial incentives on employee's motivation in financial institutions. In order to assess this effectiveness, the researcher has asked close-ended questions regarding employees' salaries increase, bonus and their views on recognition and praises for their performance

3.5.2 Application of Data Collection

On the 12th August, the questionnaires were drawn using the word application, google form was not used for this study. As a way of protecting the brand and the reputation of IIE, the researcher provided the respondents with consent forms explaining the purpose of the study and how the study was conducted. A consent form may be defined as a form that is signed by a participant, in which the participants have an understanding of the research, what it entails and its possible risks (Saunders, 2007). Before answering the questionnaire, participants were required to fill in the consent form to ensure that they were aware of what they were agreeing to do and of any risks or costs that may have existed.

Due to the current pandemic (Covid19), online method of data collection has become more relevant and effective. For health reasons, there was a need to employ social distance, therefore the questionnaires were sent to participants via emails and participants were given 7-10 days to answer these questionnaires. The attached ethical clearance certificate, the questionnaires and the consent form were emailed to the CEO of the financial institution whom agreed to participate in this study. The CEO then after explaining to his team what was required from them, distributed the consent form and the researcher's questionnaire to his team.

After the allocated 10 days were up, participants were required to send back their answers to the researcher via email, and this took place around the 22nd of August. Although the researcher believes that 20 participants is a good representation of the population to get reliable and accurate data. The researcher found it to be effective if 25 questionnaire were sent to the CEO of the financial institution involved in this study, in case some questionnaires got lost in the distribution process. Furthermore, the researcher also asked 5 additional participants from another financial institution to answer the same questionnaires emailed to staff members from the main financial institution that is participating in this study, as contingency plan in case some participants end up withdrawing from the study. After this procedure was completed and the questionnaires were answered, all the questionnaires were combined then analysed whereby a conclusion was drawn from the following results**.**

3.6 Data analysis

3.6.1 Data Analysis

Data Analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data (Durcevic, 2020). According to Shamoo and Resnik (2003) various analytic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data”.

In quantitative data analysis the researcher is expected to turn raw numbers into meaningful data through the application of rational and critical thinking. Quantitative data is defined as the value of data in the form of counts or numbers where each data-set has an unique numerical value associated with it (Saunders, 2007). A quantitative approach is usually associated with finding evidence to either support or reject hypotheses that the researcher has formulated at the earlier stages of your research process (Robson, 2011). There are two kinds of statistical data analysis in quantitative research. These are descriptive statistics and inferential statistics (Saunders, 2007). Due to the nature of this study, the researcher has chose to make use of descriptive statistics, specifically frequency distribution, for data analysis.

Descriptive research is a quantitative research method that attempts to collect quantifiable information to be used for statistical analysis of the population sample. It is a popular market research tool that allows researchers to analyse numerical data (Robson, 2011). The researcher has opted for descriptive statistics because it is considered one of the better methods for analysing data that describes relationship, this suits the study perfectly since the main objectives of this study is to describe the relationship between financial and non-financial incentives and employees’ motivation.

Furthermore descriptive statistics are also very helpful when dealing with quantitative study because it allows the researcher to simplify large data in a sensible way.

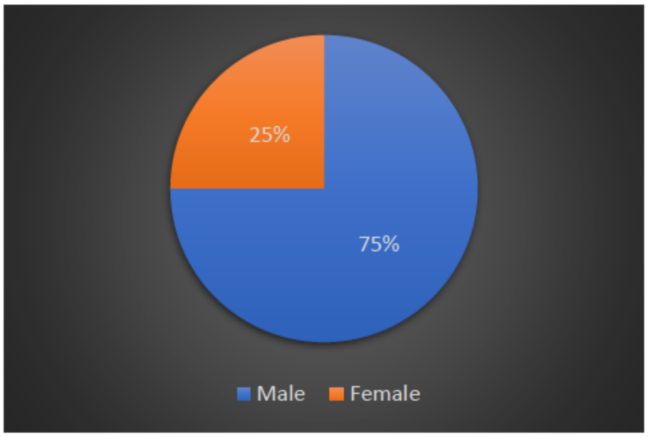
Once the close-end questionnaire were all answered, the transcripts were analysed using frequency distribution. Frequency distribution is a tabular representation of a questionnaire set used to summarise and organise the data . These include histogram, tables and pie charts (Lavrakas, 2008). Frequency distribution helped the researcher to analyse and interpret the data gathered from the questionnaires. The data gathered from the questionnaires were converted into percentages then these percentages were used to draw a pie chart. By making use of a pie chart the researcher was able to transfer the data gathered into findings and come up with the final results. By analysing the final results, the researcher decided on whether he rejects or accepts the hypothesis that was formulated earlier.

3.6.2 Application of Data Analysis

A total of 25 employees at operational, managerial and executive levels were involved and given questionnaires at 2 different financial institutions in Sandton. Out of the 25 questionnaires emailed to the CEO's of these institutions only 21 were returned with a response rate of 84%. Each questionnaire from each employee was inspected and corrected during the during the data analysis procedure. This made the data from respondents to be inspected to detect the most obstructive omissions and inaccuracies in the data. Before drawing up the pie charts, questionnaire from one employee was dropped because it was improperly filled and had incomplete answers which reflected either lack of interest or inadequate time. Thus, questionnaires from 20 employees suited the data analysis with a response rate of 80%.

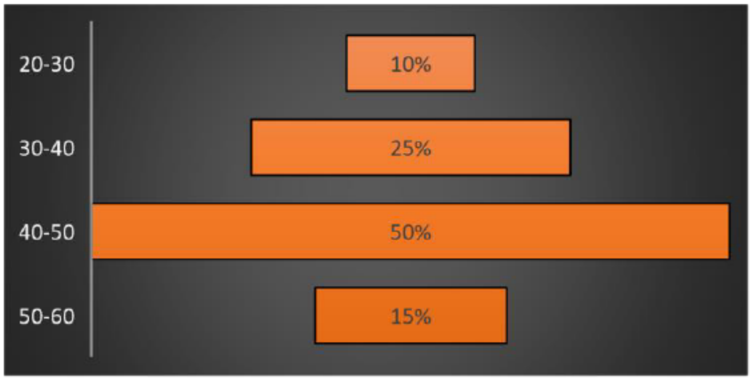
The descriptive statistics of completed and returned questionnaires was compared to the population, to establish whether the responses received were representative of the population. This allowed for inferences to be made to the population as well as for avoiding sampling error. These also served as independent variables to explain the dependant variables. The independent variables in this survey were: gender, age, race, incentive received, type of employment contract and hierarchical level within the organisation. The dependent variables were general attitude statements toward pay-for performance, commitment, job satisfaction, motivation, team work and performance appraisal. The statements were grouped in the categories mentioned and then analysed using frequency distribution.

Figure 1: Specify your gender.



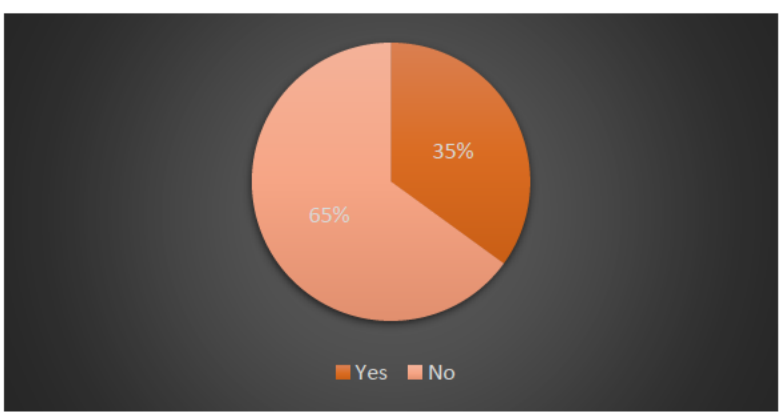
Based on the figure above, majority of the respondents that took part in the survey are male with female workers making up 25% of the entire workforce. Vasková (2005) argues that from a gender perspective, male workers place a higher value than female workers do, on the so-called ‘extrinsic rewards’ (salary increase, bonuses, etc.) as motivational factors in their work performance. Female workers, on the other hand, place more importance than male workers do on ‘extrinsic rewards’ (recognition, self-actualization, etc.) as motivational factors in their work performance. Although this workforce is mainly dominated by male workers, Vasková’s argument clearly indicates that firms spend effort and time in developing a depth understanding of how to make effective use of both financial and non-financial incentives in their pursuit of motivating its employees (Vasková, 2005). Furthermore the management of both financial and non-financial incentives is a very critical issue in this organisation and it should not be over looked, as its neglect can lead to unhappiness of employees, disruption of work process, sales and service delivery loss and consequently financial losses.

Figure 2: Specify your age group.



Following from figure 2, one can conclude that, this is a very diversified organisation, with majority (50%) of the workers being between the ages of 40-50. According to Kalleberg and Loscocco (1983), studying age differences in job satisfaction among work is necessary as they lead to changes in role outcomes. In addressing the first sub-question, Avolio and Waldman (1994) argue that age plays a crucial role in describing how employees change over time, and that age influences the performance of employees over time thus their level of motivation. Furthermore, Rhodes (1983) adds that there is a positive relationship between age and non-financial rewards, implying that non-financial incentives increase with age. Rhodes (1983) also suggests that financial incentives decrease with age, suggesting that older employees become less motivated by financial incentives.

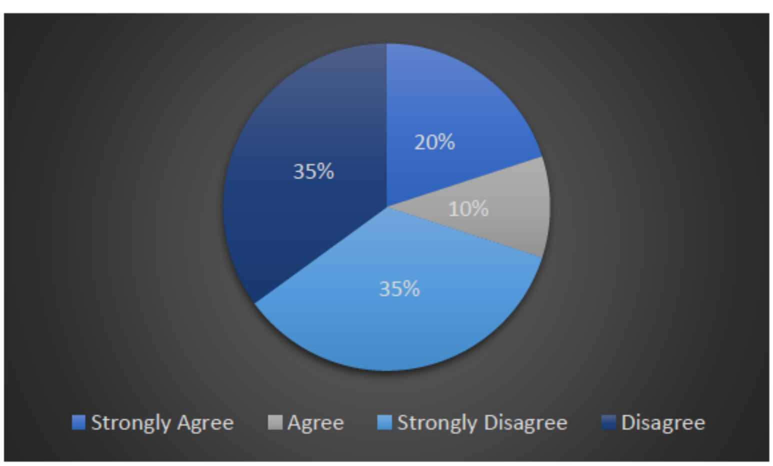
Figure 3: Do you feel the amount of work allocated to you is reasonable in relation to your monthly salary?



According to the above figure, 65% of the respondents feel that the work allocated to them by management is simply too much in comparison to the salary they receive. In other words, 65% respondents do not feel as they are being fairly compensated. Only 35% of the respondents are happy with their salaries and feel that the salary, they receive is reasonable in relation to the amount of work they are required to do. According to Maslow's Hierarchy, individuals need to satisfy lower level deficit needs before progressing on to meet higher level growth needs (Maslow, 1943). In line with this theory, the 65% of the respondents who are unhappy with their compensation, are most likely to be motivated by a salary increase or higher commission and bonuses (financial incentives). It can then be concluded that, at this point of these respondents' careers and lives, financial incentives play a bigger role in motivating them than non-financial incentives would, because it allows them to satisfy their security needs. Whereas, according to Maslow (1943), the other 35% of the respondents whom are happy with their compensation are most like to progress on to meet higher level growth needs. These higher level needs are satisfied by non-financial incentives.

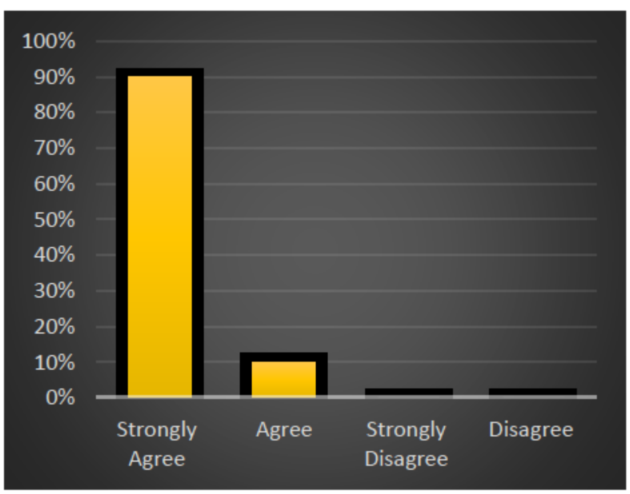
In line with this argument, the respondents were also asked whether if they felt empowered in their work environment or not. Results shown that the same respondents who are unhappy with compensation, do not feel empowered in their work environment. Dlamini (2017) argues that there is positive relationship between empowerment towards job satisfaction and compensation, suggesting it is nearly impossible for employees who underpaid to feel empowered within an organisation.

Figure 4: Salary increase is enough to motivate you.



The above figure shows a divided opinion among the respondents, while 35% of the respondents agree that salary increase is enough to motivate them, the same percentage of respondents (35%) also strongly disagree that salary increase is enough to motivate them. Results from previous question show 65% respondents were unhappy with their compensations, however, it is important to mention that not all of them feel that salary increase is enough to motivate them. Firms should be careful when using salary increase as motivational tool, because It can backfire and bring unwanted consequences, such as diminished autonomous motivation, as individuals come to believe that their main source of motivation is money (Ryan & Deci, 2000). Their motivation appears to shift from being autonomous and driven by internal factors like authentic enjoyment, to being controlled and driven by external factors like financial incentives (Krug & Braver, 2014). Gagné & Deci (2005) argue using salary increase as a motivation tool may lead to individuals experiencing not only lower autonomous motivation to pursue a task, but also greater controlled motivation.

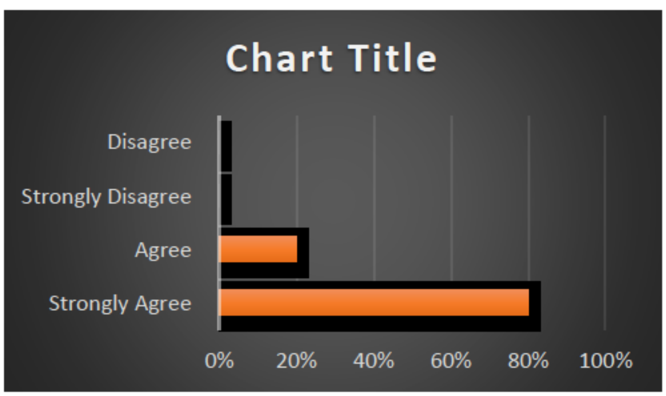
Figure 5: You are motivated by performing tasks that are challenging.



Based on the figure above, majority of the respondents that took part in the survey are motivated by performing task that are challenging, with 80% of the respondents strongly agreeing that performing task that challenging is a factor that can certainly motivate them. These results align with Alderfer's ERG theory, whom suggested that more than one level of needs can motivate employees at the same time, for example, the need for security (financial incentives) and the need for self-actualisation (non-financial incentives) can simultaneously influence the motivation of an individual. Furthermore, the results obtained in this particular question contradicts Maslow's theory, which states that individuals will not be motivated by non-financial incentives if they have not yet satisfied their lower-order needs, in this case their need for salary increase (Maslow, 1943). However, this is certainly not true, as shown in figure 3, most of the respondents are unhappy with their compensation in relation to the workload but none of them disagree with the fact that they are motivated by performing task that challenging.

In addition to this argument, when the respondents were asked whether, they are motivated by the opportunity to attain international training and development programmes or not, all 20 respondents answered 'yes'. This further supports the ERG theory; employees strive to satisfy various needs and if the lower-order needs are not met, employees may progress to satisfying higher-order needs (Brevis and Vrba, 2016).

Figure 6: Work environment plays an important role in motivating employees.



From the above figure, it can be determined that most respondents (80%) strongly agree that work environment does have a role to play in motivating employees. In addition, the fact that not a single respondent disagreed with the above statement further places a burden in firms to create a work environment where employees feel respected, empowered, like they have a purpose and are contributing to a greater cause. As mentioned in the problem statement section, It is crucial and at the same time a challenge to determine what motivates employees to come to work every day and what they need to succeed. Solomon (2019) adds that no two people are motivated by the same things, so it is important for firms to know their teams and understand what push they need to reach a little higher. This is where work environment plays a role, studies have shown that a positive working environment can help to improve staff engagement and motivation, generating better results and a healthier atmosphere to work in (Cat, 2019). Some studies (e.g, Arnold, 2007) have also highlighted that a positive work environment make it easier to motivate employees. Furthermore, Solomon (2019) argues that success starts at the top, it is the responsibility of a leader or a manager to create a positive work environment where employees feel appropriated and valued.

4. Findings and Interpretation of Findings

Findings 1: Demographic has a role when comes to understanding the role that financial and non-financial incentives play in motivating employees. Work environment that are dominated by males, are most likely to be biased towards financial incentives. According to Vasková (2005) from a gender perspective, male workers place a higher value than female workers do, on the so-called ‘extrinsic rewards’ (salary increase, bonuses, etc.) as motivational factors in their work performance. Female workers, on the other hand, place more importance than male workers do on ‘extrinsic rewards’ (recognition, self-actualization, etc.) as motivational factors in their work performance. However, Avolio and Waldman (1994) argue that age plays a crucial role in describing how employees change overtime, and that age influences the performance of employees over time thus their motivational levels in relation to financial and non-financial rewards. Furthermore, Rhodes (1983) adds that there is a positive relationship between age and non-financial rewards, implying that non-financial incentives increase with age. Based on the fact majority (50%) of the workforce’s ages lie between 40-50, one can conclude that this workforce is most likely to be motivated by non-financial incentives despite being a male-dominated work environment.

Findings 2: it is possible to be motivated by both financial and non-financial incentives at the same time. For example, figure 3 shows that most of the respondents (65%) are unhappy with their compensation in relation to the workload but, none of them disagree with the fact that they are motivated by performing task that challenging, when asked about it. Furthermore, there is a positive relationship between financial incentives and non-financial incentives. Dlamini (2017) argues that there is positive relationship between empowerment toward job satisfaction and compensation, suggesting it is nearly impossible for employees who underpaid to feel empowered within an organisation. Results shown that respondents who are unhappy with compensation, do not feel empowered in their work environment.

Findings 3: Work environment plays a role in motivating people, this further justified by 100% response rate from the participants whom all agree that work environment indeed does play a role in motivating them. Studies have shown that a positive working environment can help to improve staff engagement and motivation, generating better results and a healthier atmosphere to work in. Some studies (e.g, Arnold, 2007) have also highlighted that a positive work environment make it easier to motivate employees. Furthermore, Solomon (2019) argues that success starts at the top, it is the responsibility of a leader or a manager to create a positive work environment where employees feel appropriated and valued.

5. Validity And Reliability

Validity is defined as the extent to which a concept is accurately measured in a quantitative study (Heale & Twycross 2015). In other words, a research is valid if it measures what it is supposed to measure. According to the American Educational Research Association, Psychological Association and National council on Measurement in Education (1999), a high validity research transpires when the evidence and literature support the interpretations of the results. In order to keep the research in a high valid level, a theoretical review was done to acquire understanding on different motivational types and factors and the effects it has on personal work performance and organisational effectiveness. The questionnaire was created based on the theory to ensure the consistency of the findings. Before conducting the questionnaire, it was tested on 5 persons in furtherance of detecting errors and possibly improving the quality of questionnaire.

Reliability, on the other hand, refers to the precision and consistency of the study findings. When the answers of the questionnaire generate a similar result, the finding is said to be reliable. The amount of error existing in the findings also indicates how reliable the research is. If the degree of error is low then the level of reliability is high and vice versa, high degree of error results in low reliability research (Heale & Twycross 2015). For this study, the questionnaire was conducted on a large sample size of 20 employees working in a financial institution in Sandton. All the respondents were collected individually and anonymously, hence increasing the objectivity of the research. With 20 respondents, the data gathered is considered reliable.

6. Conclusion

6.1 Summary of Findings, addressing Research Questions, Problem, and hypothesis

The researcher through the first research question intended to determine the most significant financial incentives in motivating employees. The researcher was guided by the following research question: which financial incentives are most significant in motivating employees? On answering this question respondents were given statements and on each statement they were asked to state whether they 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree). Findings revealed 17 (85%) of respondents agreed that bonus and commission were the most significant financial incentives in motivating employees.

The study through the second research question has identified salary, promotion, autonomy and perform jobs that are challenging as the most important four indicators of motivation. On a five point Likert scale with 1= strongly disagree, 2= disagree, 3= neutral, 4=agree and 5= strongly agree, 12 (60%) of the respondents either agreed or strongly agreed that salary was an indicator of motivation, 2 (10%) either agreed or strongly agreed promotion was an indicator of motivation, 4 (20%) either agreed or strongly agreed that it was autonomy and lastly 2 (10%) either agreed or strongly agreed that performing jobs that a challenging was an indicator of motivation.

As mentioned in the problem statement section, It is crucial and at the same time a challenge to determine what motivates employees to come to work every day and what they need to succeed. Solomon (2019) adds that no two people are motivated by the same things, so it is important for firms to know their teams and understand what push they need to reach a little higher. This is where work environment plays a role, studies have shown that a positive working environment can help to improve staff engagement and motivation, generating better results and a healthier atmosphere to work in (Cat, 2019). Some studies (e.g, Arnold, 2007) have also highlighted that a positive work environment make it easier to motivate employees.

Hypothesis:

- Non-financial incentives is most important motivation tool for employees.

Basing on the study findings, it can be concluded that not all extrinsic motivation rewards appeal to employee, there are those employees who are motivated by inner factors like need for recognition, career development and control over people. Although majority of respondents (65%) are unhappy about their compensation, results obtained from this study are clear enough to conclude that non-financial incentives is the most important indicator of motivation. For example, most of the questions addressing non-financial incentives got a positive response rate of 70% and above.

Financial incentives can be a major factor in an individual choice of work or performance, but beyond that, other incentives are often more important when it comes to motivating him or her at the workplace. Non-financial incentives are the types of rewards that are not part of an employee's pay. They are physical or perceptible incentives, and associated element which are used in an organisation to encourage workers devoid of direct financial incentives (Armstrong, 2009). While the concept of the financial incentives as a strong a motivator seems solid, the truth of the matter is that many people do not necessarily consider financial incentives such as money to be the top motivator at all. (Wiesen, 1999) states that non-financial incentive has the prospects to encourage workers devoid of extrinsic rewards. Work related non-financial compensations have the probability to induce workers inherently.

Jobs with different duties, accountability, independence, empowerment and career development prospects are very essential in gratifying workers particular wants and may arrive at a situation that makes the employee feel that the work in itself is noteworthy of putting more energy devoid of the necessity of any outside compensation (Aktar, 2012).

6.2 Anticipated contribution of study

The purpose of this research is to add to the current body of knowledge and help firms to be better at motivating their employees as well as to find ways to motivate every employee, regardless of their status in the organisation. Moreover this study will contribute towards broadening the researcher's understanding on various financial and non-financial variables influencing employees' motivation. It also benefits the management of the financial institution in Sandton and its entire workforce in understanding how financial and non-financial incentives can be used in motivating employees to make a positive contribution towards their performance in their jobs. Findings of the study also benefits other stakeholders like commercial banks, other government agencies and the general public in understanding the sort of impact financial incentives and non-financial incentives have in the work environment. Furthermore previous studies of this sort have all been qualitative, this being a quantitative study gives a new of view and provides more options for future researchers who might be interested in studying the role that financial and non-financial incentives play in motivating employees within an organisation.

6.3 Ethical Considerations

Ethics provides the researcher with guidelines in terms in terms of what can be considered acceptable and unacceptable behaviour (Du Plooy-Cilliers, et al., 2018). It refers to methods, procedures or perspectives that tells the researcher how to act and analyse complex problems and issues (Resnik, 2011). Both the methodology and the morality of research should be sound and defensible in the broad research design (Saunders et al., 2009:183). The data of this study will be analysed in an honest manner so that misrepresentation of the results or selectively reporting the data are avoided, thereby ensuring and maintaining the objectivity of the research conducted

(Saunders et al., 2009:199). Furthermore, the researcher guarantees that the participants identities will remain secret and will not be revealed to anyone else. The data or information provided by the participants will not be used for any other reason but the study. The researcher will number the participants on a list the researcher keeps confidential and give each participant an anonymous questionnaire with their corresponding number. The researcher also promises that the research participants will not be subject to harm in any ways whatsoever and full consent will be obtained from the participants prior to the study.

6.4 Limitation of the Study

As open ended questions were not included in the questionnaire, respondents did not have the opportunity to expand and explain the reasoning for their choice of answer. The finer nuances relating to the topic was therefore not identified as it is not supported by using this type of questionnaire. The survey is conducted within one organisation, resulting in the opinions of the respondents being specific to one organisation as well as being biased towards the specific incentive scheme and can therefore not be used for incentive schemes in general. Teams are not identified individually, which does not allow for identification for problems that can be experienced as a result of the management style of specific individuals, which plays a large role in the experiences of employees. Furthermore another limitation of this research study is the sample size. In order to acquire a more concreted result, the survey should have been carried out in a larger sample size, thus involving more financial institutions. However, due to the time, resources, and financial limits, the research was restricted to only of one financial institution. Additionally, it would have been useful to carry out in-depth interviews to reach a thoroughly exploited data and a more generalised outcome is received.

Recommendations

The following recommendations were provided by the researcher in order to provide implications of the findings to South African organisations, Government and Policy makers.

Policy makers in South Africa should design and make adjustments to existing policy frameworks and incentives schemes to ensure that workers are well motivated both intrinsically and extrinsically. When these workers are well motivated in any organisation, their values will not conflict with values of their organisations. Special attention should be put at increasing public workers' salaries because majority of them complain about the inadequacy of their salary to meet their needs. Increasing their salaries and offering them other allowances will increase their morale to work hard and this will enhance the way they also attend to the general public. Financial security is an important type of safety need. So organizations to motivate their employees need to make them financially secured by involving them in profit sharing of the organisation.

There should be promotion of basic need factors in order to attract and retain high calibre employees. Respondents in this study placed high emphasis on salary and other non-salary factors, which were largely of basic in nature. Therefore organisations in South Africa both public and private ones should provide such enabling environments, facilitate and tirelessly promote these basic need factors in order to attract and retain high calibre employees.

The South African government should redesign organisation strategies for each public office and make jobs more interesting and challenging and ensuring the availability of the primary motivational factors identified by this thesis as well as ensure they address intrinsic motivation of their employees. It should be noted that it is not only important for satisfying workers ' needs but also it is very necessary to maintain productivity and ensuring the long term survival of the public organisations. There should be mutual balance between motivation through monetary rewards and other incentives with performance, organisations should stop motivating workers using financial incentives if they see that performance or their productivities are very low. In addition these managers should be time conscious if effective work productivity is to be enhanced from the employees. Human resource managers should be well informed that work motivation, leadership effectiveness and time management as required for any organisation to succeed.

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Annexure A

Consent form for participants

Consent form for participants I, ____,
agree to participate in the research conducted by Kelson Valdir Mendes Dicko about the role that financial and non-financial incentives play in motivating employees within an organisation. This research has been explained to me and I understand what participation in this research will involve. I understand that:

1. I agree to be interviewed for this research.
2. My confidentiality will be ensured. My name and personal details will be kept private.
3. My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.
4. I may choose not to answer any of the questions that are asked during the research interview.
5. I may be quoted directly when the research is published, but my identity will be protected.

________________________ ________________________

Signature Date

Annexure B

Kelson Valdir Mendes Dicko

17001179

VC Sandton

The role that financial and non-financial incentives play in motivating employees within an organisation

1) Specify your gender

☐ Male ☐ Female

2) What role do you play in your organisation?

☐ Executive role ☐ Managerial role

☐ Operational and production role

3) Do you feel the amount of work allocated to you is reasonable in relation to your monthly salary?

☐ Yes ☐ No

4) Do you feel empowered in your work environment?

☐ Yes ☐ No

5) Salary increase is enough to motivate you.

☐ Strongly agree ☐ Strongly disagree

☐ Agree ☐ Disagree

6) Are you motivated by bonuses and commission?

☐ Yes ☐ No

7) Are you motivated by paid holidays?

☐ Yes ☐ No

8) Are you motivated by fringe benefits such as transportation benefits, retirement planning services, childcare, education assistance?

☐ Yes ☐ No

9) Are you motivated by the idea of wanting to be promoted?

☐ Yes ☐ No

10) You are motivated by performing tasks that are challenging?

☐ Strongly agree ☐ Strongly disagree

☐ Agree ☐ Disagree

11) Do you see a positive career growth in your organisation?

☐ Yes ☐ No

12) Are you motivated by getting recognition and being praised for your performance?

☐ Yes ☐ No

13) Do awards such as “employee of the month” motivate you?

☐ Yes ☐ No

14) Are you motivated by receiving more autonomy and responsibility in the workplace?

☐ Yes ☐ No

15) Are you motivated by the opportunity to attain international training and development programmes?

☐ Yes ☐ No

16) Are you motivated by achievements such as Identifying a problem and solving it, coming up with a new idea that improved things Developed or working on special projects?

☐ Yes ☐ No

17) Work environment is also important for motivation.

☐ Strongly agree ☐ Strongly disagree

☐ Agree ☐ Disagree

18) Relevant need satisfaction leads to high motivation.

☐ Strongly agree ☐ Strongly disagree

☐ Agree ☐ Disagree

Annexure C

DECLARATION BY THE RESEARCHER			
1. I declare that all statements made by myself in this application are true and accurate.			
2. I accept the conditions associated with the granting of approval to conduct research and undertake to abide by them.			
Signature:	*Kelson Dicko*		
DECLARATION BY SUPERVISOR / LECTURER / ETHICS COMMITTEE			
I declare that: (Name of Researcher)………………………			
1. Is enrolled at the institution/ employed by the organisation to which the undersigned is attached.			
2. That the research proposal and or study has been approved by the Ethics Committee of The Independent Institute of Education.			
3. The questionnaires / structured interviews / tests meet the criteria of: • Educational Accountability; • Proper Research Design; • Sensitivity towards Participants; • Correct Content and Terminology; • Acceptable Grammar; • Absence of Non-essential / Superfluous items.			
Surname:			
First Name/ s:			
Institution/ Organisation:			
Faculty/ Department (where relevant):			
Telephone:		*Email:*	
Signature:		*Date:*	