

Derleme Makalesi / Review Article

WHICH ONES ARE MORE PERSUASIVE AND PROMOTIVE FOR PUBLIC EMPLOYEES: FINANCIAL OR NON-FINANCIAL INCENTIVES?

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ABSTRACT

Inefficiency and unproductivity have been among the most prominent issues in the public sector for a few decades. According to the general perspective, to increase public employees' working performance, their motivation should be increased. There are many motivation theories suggesting many incentives and rewards for getting higher motivation in the literature. Furthermore, many scholars also preferred to list a set of reward types or to mention incentive classifications.

Despite the popularity of financial incentives, non-financial incentives also play an important role in increasing level of employees' motivation and performance. Therefore, the issue of non-financial rewards and incentives is also another important area, which has been delved and explored by scholars studying on individual motivation and performance around the world. Certainly, financial rewards are among the "preferable" and significant motivators but they should be used carefully in the public sector, especially in some countries having a strict personnel management system and more social-equalitarian labor relations such as Turkey. Therefore, it also needs to regard non-financial incentives when a study on higher motivation for public employees.

Keywords: Rewards, Non-financial Incentives, Motivation, Public Employees, Performance.

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HANGİSİ KAMU ÇALIŞANLARI İÇİN DAHA İKNA EDİCİ VE TEŞVİK EDİCİDİR: FİNANSAL TEŞVİKLER Mİ FİNANSAL OLMAYAN TEŞVİKLER Mİ?

ÖZ

Etkinsizlik ve verimsizlik son yıllarda kamu kesiminde en çok öne çıkan meseleler arasındadır. Genel bakış açısına göre, kamu çalışanlarının iş performanslarının artırılması için motivasyonları yükseltilmelidir. Literatürde yüksek motivasyona erişebilmek için çok sayıda teşvik edici araç ve ödül öneren motivasyon teorisi bulunmaktadır. Ayrıca birçok bilim insanı da sadece bir takım ödül türlerini listelemeyi ya da güdüleyici sınıflandırmalarından bahsetmeyi tercih etmiştir.

Finansal tabanlı teşvik edicilerinin yaygın kullanımına rağmen, parasal olmayan teşvikler de çalışanların motivasyonunun ve performans seviyelerinin yükseltilmesinde önemli bir oynamaktadır. Bu nedenle finansal olmayan teşvik ediciler ve ödüller meselesi, bireysel motivasyon ve performans konularında çalışan bilim insanları tarafından tüm dünya genelinde incelenen ve analiz edilen bir diğer önemli alandır. Elbette finansal ödüller tercih edilebilir ve önemli güdüleyiciler arasındadır ancak, bu araçların özellikle Türkiye gibi katı bir personel yönetimi sistemine ve daha sosyal-eşitlikçi çalışma ilişkilerine sahip ülkelerin kamu kesiminde dikkatlice kullanılmaları gerekmektedir. Bu nedenle finansal olmayan teşvik edici araçların da kamu çalışanlarına daha yüksek motivasyon sağlanmasına yönelik çalışmalarda dikkate alınması gerekmektedir.

Anahtar Kelimeler: Ödüller, Finansal Olmayan Teşvikler, Motivasyon, Kamu Çalışanları, Performans.

INTRODUCTION

Having an effective and efficient human resource management system in the public sector is a multi-dimensional issue involving performance and motivation processes, too. Moreover, to get a citizen satisfaction is another relevant issue with having qualified human resources. Forasmuch as, a well-designed individual performance evaluation system and systematic motivational steps most probably will provide more quality public services which satisfy citizens, as taxpayers. That situation or result also can be called as “optimum management” in the public sector. A functional human resources management, most probably, prefers to benefit from several types of rewards or incentives to be able to improve its performance and motivation process, because the rewarding is important. It is not important only for organizations but also for employees. The main framework of promoting has two major titles: financial and non-financial incentives¹. In spite of the popularity of financial rewards for improving performance and increasing motivation in human resources management, absolutely non-financial rewards should be another vital part of that process. To use financial rewards generally is easier than to implement non-financial rewards but it is should not be forgotten that its easiness comes from its unanalyzed situation. However, to use non-financial incentives for improving productivity, performance and individual motivation of employees requires making good human resources analysis. After a study and analysis towards the structure of human resources working in organization, employees’ expectations and demands will be able to see. Also, the organization will be able to notice its realities, priorities, facilities, and tools. Thus, organization and managers can see variety and practicability of non-financial incentive types such as promoting and staffing, delegating or special assignments, involving in the decision-making process, opportunities of vocational and career development, using annual leave, appreciating and bringing to the fore via several ways, chances for seminars, congresses or courses (especially in abroad), tickets for vacation, theatre or other cultural, entertainment and sportive activities.

¹ In this study, according to author non-financial incentives refer some of implementations, tools or opportunities which are not relevant to money or salary directly (e.g. ticket of any recreational activity), in addition to all direct non-financial options. Besides, some of authors have been called them as ‘semi-financial incentives’ but it should not be forgotten that they are not a direct payment or not an additional salary.



At the beginning of the topic, it is thought that giving brief information related to new public management approach has been dominating the public management area, especially for the last three decades. Shortly, this paradigm purposes transferring some functional concepts and processes, which belong mainly private sector, to the public sector (Andersson and Liff, 2012: 836). To focus on cost efficiency and productivity, to tend market instruments and mechanisms or having performance-based evaluation for employees and organizations are some of the main components of the new approach.

Human resources have been accepted as one of the most important assets of public organizations for achieving organizational objectives and goals in spite of technological advances also seen in the management area (Gaki et al., 2013: 483). In other words, the level of qualification in human resources has a prominent impact on an organization's effectiveness. To measure and evaluate job-related activities of all those human resources and to reward or improve them in line with obtained data have come into prominence as fundamental parts of modern and updated human resources approach. As a brief, it is obviously seen that the globalizing and more competitive world requires having a more functional and more motivated public sector and public employee system.

To be able to provide both citizen satisfaction and financial effectiveness are among the most significant goals in modern public management. In that process, public employees have a key role as "service providers" so to motivate them via several rewards/incentives and to increase their job-related performance by a comprehensive measurement-evaluation system are vital steps. However, to reward all employees with the same amount, level or way probably will reduce higher performed employees' motivation because they will start to think that "working with higher performance is not so important" (Greene, 2015: 104). This determination reveals the importance of the relationship between performance, performance assessment, and motivation. By the way, those determinations indicate a "merging" continuum for performance evaluation and motivation enhancement activities that is why it is possible to say that a functional and well-designed individual assessment system should include several motivational processes comprising incentives and rewards. Human resources departments absolutely should benefit from theories in the literature concerning performance

evaluation and work motivation in a scientific management perspective. Forasmuch as, to use individual remunerations as an efficient instrument will be beneficial and facilitator for achieving organizational goals, too (Malik et al., 2015: 59).

The fundamental and vital point is to be able to determine usable, convenient, and functional incentives/rewards to improve public employees' job-related performance. By doing this, it should not be forgotten that the public sector may have different dynamics vis-a-vis private sector. Therefore, in order to motivate public employees' performance –inherently those acquisitions most probably will bring along more qualified public services and satisfied citizens– their ideas, preferences, and priorities regarding the type of incentives should be known. That means it needs to know what kind of incentives excite employees' attention: financial or non-financial incentives/rewards.

When the performance-based appraisal is discussed generally financial incentives come to mind firstly. Even there has been a kind of motto as “More pay for better performance” within new public administration paradigms and its personnel management perspective for the last few decades (Belle, 2015: 230). First things first, it should be said that financial-based rewards are significant for the motivation process but it is just “a part of” performance-based appraisal process. It also needs to analyze, financial-based incentives always work to improve public employees' motivation and performance? Is that possible to add non-financial incentives to a rewarding system? If it is possible, what kind of non-financial rewards can be assembled to motivational process and performance evaluation? That kind of analysis is going to require to search other incentive options –i.e., non-financial ones– and then making a healthier comparison is going to be possible. Forasmuch as, non-monetary incentives also have a prominent role in improving employees' motivation according to many scientific studies establishing and indicating the efficiency of non-monetary rewards in the field, too (Khan et al., 2014: 13).



1. AN ARGUE ON THE INCENTIVE TYPES: FINANCIAL OR NON-FINANCIAL?

It is expected to get much more likelihood of success by merging motivation and individual performance assessment processes. Despite the existence of an opponent scholar group in literature, to use of rewards and incentives for enhancing employees' individual performance is a common and generally accepted implementation modern human resources management (Yoon et al., 2015: 1164). Therefore, "incentives" are one of the most prominent parts of either motivation theories or performance evaluation systems. Surely, their level of effect can be changed subject to some conditions like vocational, anticipatory or any other specific issues like the separation of public and private sectors. However, the division of financial-based incentives and non-financial incentives is also another vital part of this discussion.

It will be more understandable to separate main issues as "commonly-held issues" and "disputable issues". In parallel with that classification, it can be said as a commonly-held issue, there has been productivity and efficiency problems in the public sector for many governments. When it comes to more details, individual performance evaluation and its functionality to be able to improve individual and organizational performance are accepted commonly, too. On the other side, a well-designed motivation process and its possible effectiveness on the employees are not discussed in general. However, both performance evaluation and, especially, motivation processes can be discussed in terms of their sub-components.

It is not a certain issue what kind of motivational steps can drive employees to work much better. Namely, as a disputable issue, there are a lot of studies, suggestions, and practices what kind of incentives and rewards should be determined and implemented in the literature and labor life. Financial or non-financial rewards; intrinsic or extrinsic rewards (some scholars can also add "social rewards" to this classification); physical needs or self - fulfillment, a bonus payment or a relaxation picnic, specific incentives or general incentives, material incentives or solidary incentives, human-based rewarding or work-based rewarding...? That list can be extended in parallel with literature but most of those

separations usually contain financial and non-financial sides. And sure enough, many motivation improvement implementations tend to use financial-based rewards, especially if they are related to a performance evaluation mechanism.

As a brief, it is clear to available several deficiencies and problems in the public sector when trying to increase public employees' performance and motivation, especially countries like Turkey. On the other hand, theoretically, the necessity and superiority of running a performance evaluation is accepted. Lastly, the necessity of a motivation process including several persuasion and satisfaction instruments for public employees is accepted, too. However, the question is that are the incentives/rewards should be financial, which as commonly, or not?

In theory and literature, performance-based payment implementations may provide several advantages to administrations as a motivation way if they are designed properly and are practiced objectively and fairly. Some of those advantages can be listed as below (Eijkenaar et al., 2013; 128; Gerhart and Fang, 2013: 5; Lavy, 2007: 90-91, Swiss, 2005: 600-602)

- ❖ It can create more rational payment system,
- ❖ It can provide a fairer budget allocation individually,
- ❖ It can compose more competitive conditions at the work,
- ❖ It can help to create a foreseeable and measurable remuneration policy in the organization,
- ❖ It can raise employees' income,

Also, as a type of remuneration, financial-based payment can be diversified subject to the position, the nature of the job or several criteria. Forasmuch as, to make performance-based payments based on work position is not a rare practice. Since, a top executive can be assessed and rewarded totally based on organizational performance while a regular employee is assessed and rewarded (even paid) by means of the organizational, unit and individual performance (Greene, 2015: 105). On the other hand, it is known that most of the countries in the Organization for Economic Co-Operation and Development (OECD) have preferred to implement monetary incentives for improving public employees'



motivation and performance (Belle and Cantarelli, 2015: 100). However, monetary inducements can be wieldier tools in the private sector compared to the public sector. That characteristic of wage-based motivation practices should definitely be considered due to some potential risks that can engender a set of problems regarding work conditions and labor relations in public agencies.

Therefore, if it is necessary, then financial instruments can be used for motivating and satisfying public employees within some restrictions. On the other hand, to keep secret performance-based payments can be more beneficial in order to be able to save labor peace and labor relations in the workplace. Even according to some researches, performance-based financial rewards have a larger impact on task performance if they are conducted in secret (Belle, 2015: 237). By the way, as a motivation instrument, performance-based payments should be assessed within the budget facts, namely, it should not damage to the limited budget of organizations which means payments are needed to be designed balanced. If performance-based payments are at a high level, probably it will damage budget discipline but if they are at a much lower level then employees will not be encouraged for more work.

By the way, many authors and motivation theories mention some potential risks or problems which can be seen in the practice of financial incentives or rewards:

- ❖ In the public sector, a set of constraints concerning budget and legislation should not be ignored in that incentive determination continuum. Many conditions can be different in public sector in comparison to the private sector.
- ❖ Financial incentives can be harmful to an organizational budget.
- ❖ Financial incentives can damage labor peace and private relations between employees.
- ❖ To use only financial rewards gives rise to not be able to determine many 'intangible' expectations and demands of employees like their requirement of education, the desire of promotion or purpose of being a part of decision-making processes etc.

- ❖ Moreover, there are many scholars (Georgellis et al., 2011; Buelens & Van den Broeck, 2007; Perry, 1997; Dilulio, 1994) claiming that the total impact of financial incentives on individual performance is not strong for public employees as employees working in private sector due to two main reasons (Belle and Cantarelli, 2015: 102). The first reason is several budget restrictions for public organizations and second one is public employees' intrinsic motivation processes, which is higher than private workers.
- ❖ On the other side, as a general acceptance, public employees need to focus on providing more qualified public services while employees working private sector purpose of making more profit. That shows the inner world of any public employees and emphasizes that non-financial situations can be much more important for them.

All those points show some clues for inclining to non-financial incentive types rather using financial ones in a public organization.

Inherently, a well-designed individual performance evaluation system should include several incentives; some of them can be financial-based and others can be non-financial. Despite the fact that the popularity of wage-based rewards, it should be argued that they are really usable and functional, or not? Or, they should be used "alone", which means without non-financial incentives. Some of potential risks and drawbacks of financial rewards have been shared above. Also, we know that they are not alone. Forasmuch as, non-financial incentives have a wide and persuasive range to increase individual performance and motivation. The issue of using financial incentives are a disputable issue but clearly it appears that "non-financial incentives can be –even should be- counted in the game. The human resources experts or departments absolutely should benefit from the variety of the field of non-financial incentives. More often than not, whatever intrinsic or social incentive can touch employees deeply and can energize them, especially in public sector. For example, according to Kevin Harrington, director of Sodexo Motivation Solutions, time benefits like flexible working, having some options on (extra) holidays will be increasingly more important in the future (www.peoplemanagement.co.uk Reward Guide, 2010: 9). Using non-financial incentives and rewards in motivating and encouraging process of public employees has many advantages:



- ❖ The scale of non-financial incentives has an efficient deepness and wideness for employees. If a functional human resources management wants to learn its potential and options regarding the motivation process, it should make a detailed analysis on job processes, organizational structure, and employees' expectations.
- ❖ To satisfy a public employee by coming up his/her expectations or doing his/her bidding with non-financial ways is a more convenient approach in modern public management.
- ❖ Most of the non-financial incentives do not bring any cost to budget and that is an important acquisition, especially for public organizations having strict rules about fiscal issues.
- ❖ While many of extrinsic or social incentives have not a direct financial meaning (so they could be thought or be used as if they are non-financial tools, e.g. opportunity public housing or concert ticket); intrinsic incentives are already non-financial instruments. That shows one more time the availability of a broad range of non-financial incentives in the field.
- ❖ Non-financial reward options, probably, will not harm labor relations and labor peace in the workplace.
- ❖ While financial-based rewarding refers only money or salary monotonically, non-financial incentives can be much more entertaining for employees because for instance, they can satisfy a need of career or a demand of leisure time.

2. PERSPECTIVES ON INCENTIVES IN THE THEORIES

Almost all the motivation theories present a set of reward and incentive options or performance enhancer instruments/methods. By doing this, they generally prefer to make some classifications. This part includes a set of fundamental incentive/reward classifications in literature. However, it is observed that there is no one best remuneration way of increasing individual productivity, performance, and motivation. In other words, agencies, may or may not public-based, need to regard their regulations, organizational structure, and

employees' specific conditions (Greene, 2015: 106). Probably, one of the most well-known segregation about rewarding instruments is monetary ones and non-monetary ones. Selecting one of those groups is a preference depending on specific conditions in the organization and employees' labor life. Certainly, they can be used simultaneously. In practice, financial rewards are so popular to enhance individual performance and motivation. However, there are many scholars who mentioned the superiority of social, intrinsic, intangible or non-financial incentives. It is commented below what kinds of reward and incentive types have been shared by some well-known scholars in literature

William Arthur Niskanen prepared a special motive list for bureaucrats or managers. He listed power, public reputation, patronage, salary, increased budget, perquisites of the office, ease of making changes and managing the bureau, and output of the bureau as factors driving and pushing bureaucrats in their works (Gawel et. al, 2018: 477; Niskanen, 1971: 38). It should be emphasized that there are both financial and non-financial incentive options are suggested and claimed by Niskanen. He handles bureaucrats as an economist and alleges those incentives can activate them and their utility function –which as a part of economic perspective–.Also he adds managers generally tend to ask more staff, resources, and budget in order to be able to achieve their goals so bureaucracies grow inefficiently. That means, more clearly, bureaucrats can raise their costs factitiously by getting much staff, consuming much materials etc. Since the power of a public organization (or a bureaucrat) hinges upon the size of budget. That's why according to him, bureaucrats cannot act neutrally in government budgeting process (Wokas and Gerungai, 2019: 31)

Edward E. Lawler and Lyman W. Porter have a motivation theory including several inducements and rewards. They also allege that job satisfaction and work performance have a cause and effect relation besides those two processes have a positive relationship with rewarding and there will be “*extrinsic and intrinsic rewards*” (Gibbs, 1980: 18-20). This binary division is also popular and general classification in the literature. Extrinsic rewards are given by other people (can be directors or others) to employees as a part of the job situation and those more tangible incentives generally derive from employment contracts (Miao et al., 2013: 3263). For instance, salary, accommodation subsidies, promotions, fringe



benefits, status or vacation generally can be used as extrinsic incentives having an effect on work performance (Yoon, 2015: 1165). Intrinsic rewards are special and individual incentives directly arise from the content of job and work performance. They can satisfy higher needs like self - esteem or self – actualization, within the result that it is possible to say that those kinds of rewards tend to create an inner satisfaction (Khalid and Shoab, 2019: 287-288; Koralege and Priyashantha, 2019: 527; Khan et al., 2014: 16-17; Lau and Roopnarain, 2014).

As for *Anthony Downs*, he counted a set of incentives as “*general motives or goals of officials*”. They are personal loyalty to work group or organization, desire to serve public interest, commitment to a specific program or action, money income, power, security, prestige, convenience (Downs, 1967). Like in *Niskanen’s* and *Lawler’s* lists, financial and non-financial incentives are remarked in *Downs’* list of motives, too. On the other hand, *Downs* desired to give more details regarding his incentive options and for this purpose made a special classification for public managers (*Hamidullah*, 2016: 1; *Moe*, 2012: 4; *Schilder*, 2000: 25). He alleges that managers’ motives –and/or reward expectations- can be different subject to their managerial characteristics. Hereunder, “*climbers*” desire to get power, money income, and prestige while “*conservers*” want to obtain convenience and job security in their business life. These two types officials seem to much more self-seekers but other three types also pursue their self-interests in addition to their altruistic motives. Within this direction, as an incentive, commitment to a specific program or action motives “*zealots*” who seem a little bit fanatic. Generally they focus on their own and narrow field. Another typology of public administrator is “*advocates*”, who are managers supporting an agency or program, are driven via the power of an agency to serve specific groups, also personal loyalty to work group or organization can be used for pushing them on work. Within this perspective, advocates are more responsible and sensitive to their subordinates and superiors. And finally, “*statesmen*” pursue general and broader motives so public interest can be counted as main motivation instrument for that kind of administrators (*Norgaard*, 2018: 7; *Kohoutek*, 2013: 38; *Downs*, 1967: 96-111).

As another scholar, *Chester Barnard* worked on the promotive relationship between leaders and employees. His first claim is how managers/leaders encourage collaborative actions in the organization that means they need to

induce employees to work more participative (Barnard, 1938: 73). Since according to him, managers may have authority but the main issue is to be able to find and implement the right rewards for employees. Barnard prepared a rich typology of incentives that contains not only financial or physical and social instruments but also prestige, power, fulfillment of ideals and altruistic motives, participative activities etc. His classification includes eight types of incentive and based on a dual segregation; as *"specific incentives and general incentives"* (Sarkar, 2018: 1012-1013). *"Specific incentives"*, which are promotive instruments specifically offered to each employee, have some main groups. Accordingly, *"material inducements"* that involve money or physical conditions; *"non-materialistic (personal) inducements"* are instruments like personal power, prestige, distinction, dominating position; *"ideal benefactions"* refer to a satisfaction of expectations/ideals about nonmaterial, future or non-egoistic relations like loyalty to organization, sense of adequacy or honor of craftsmanship; and last sub-group is desirable physical conditions of work. As for *"general incentives"* referring non-individual instruments and it has four groups. The group of *"associational attractiveness"* includes some inducements such as freedom (from hostility due to racial), social compatibility, religious differences. The second group under the general incentives is *"customary working conditions"* including avoidance of strange methods and conditions and conformity to habitual practices. *"Opportunity for feeling of enlarged participation in course of events"* is another group of general incentives and association with large, useful, effective organization has been sharing as an example of incentive of that category. Lastly, *"the group of condition of communion"* has been exemplified with individual comfort in social relations in Barnard's table (Holzer and Schwester, 2011: 61-62).

Herbert A. Simon also counted a set of incentives both intangible and tangible characters. There is a dual distinction in Simon's classification as *"incentives for employee participation"* and *"incentives for elites or controlling groups"*. The first group has many inducements like salary or wage, status and prestige, relations with working group, promotion opportunities while second group includes prestige and power (Rainey, 2006: 255). That means, some incentives can be used only for employees, while some of them are convenient only for managerial position or process and some of incentives can be used for both sides.



Edwin Locke mentioned “*external incentives*” as implementation or reward encouraging work-based activities. *Locke* and other similar authors alleged that individuals can be motivated, if their actions can be controlled. Hence, employees must be convinced of the “goals”, which were determined by the authority previously (*Mustapha*, 2020: 5). According to *Locke* competition, money, participation, verbal reinforcement, time limits, knowledge of score or praise and reproof can encourage employees to work effectively (*Guy*, 2013: 12).

Peter B. Clark and *James Q. Wilson* suggested many inducement options under a triple classification. “*Material incentives*” are personal, tangible, and generally financial-based rewards deriving from working in the organization such as salaries, fringe benefits, tax reductions, discounts or gifts (certificates). “*Solidary incentives*” are personal -but intangible- and non-financial rewards deriving from being a part of the organization, for example honors, prestige, deference, sense of membership, sociability, exclusive collective status, conviviality. “*Purposive incentives*” rewards composing of satisfaction of contributing to worthwhile event/cause especially in terms of organizational goals and they are intangible, too such as the enactment of a law, elimination of government corruption or working on an election of a supported candidate (*Guy*, 2013: 13-18; *Phillips*, 2015: 64).

Furthermore, “*public service motivation*” –as also a theory- gives some clues about how public employees’ driving continuum can be different and it indicates a set of emotions or characteristics such as public interest, compassion, civic duty, and self-sacrifice that should be regarded in their motivational operations. In theory, it is expected that public service-motivated employees work harder and more productive in public sector thanks to public service motivation (*Cheng*, 2015: 352). In literature, public service motivation is accepted as an intrinsic motivation promoter for public employees owing to nature of public tasks (*Perry* and *Wise*, 1990: 371). According to this aspect, undoubtedly, moral motivations and social norms should be regarded while conducting public policy and assessing public service process (*Stoker* and *Moseley*, 2020:27).

As it is seen from the literature, to be able to classify incentives in different ways is possible and to practice them both in private and public organizations is

possible, too. All scholars working in this field focused on how to push employees for working more productively and which rewards can drive them effectively.

One of the core points in this part is the main classifications designed for types of incentives and rewards. And it is seen that they generally are able to group as financial and non-financial incentives, material and non-material of remunerations, intrinsic-(social)-extrinsic incentives (or internal-external incentives), contrived-natural rewards; tangible-intangible rewarding, specific-general inducements. However, most of those classifications include almost same type remuneration suggestions. However, to tackle issue as financial and non-financial incentives seems more convenient, more common, and more explanatory.

3. SEVERAL RECENT ANALYTIC STUDIES REGARDING REMUNERATION AND MOTIVATION

In this part, a set of recent analytic researches is delved in order to be able to comprehend the relationship between remuneration and motivation (certainly individual performance, too) in the public sector. Hereby, especially the separation of financial-non-financial incentives and their level of influence on motivation will be analyzed.

Nicole Belle and Paola Cantarelli published their study “*Monetary Incentives, Motivation, and Job Effort in the Public Sector: An Experimental Study with Italian Government Executives*” on the Review of Public Personnel Administration in 2015. Their experiment based on the Italian central government and their sample includes 296 public managers (executives) who work in 9 of the 13 central departments. The data collected by interviews with one representative of each department. Authors used a quantitative method for analyzing the relationship between a dependent variable and independent variables. 7-point Likert-type scale (1 = strongly disagree; 7 = strongly agree) was used for answers. While the dependent variable is “change in effort”², independent variables are “intrinsic

² Measured with “Declared current effort (pretest effort)” and “Declared effort intentions under the scenario described in the vignette (posttest effort)”.



motivation”³, “extrinsic motivation”⁴, and “public service motivation”⁵. The study has provided several significant contributions to the literature. Namely, it indicated much-needed experimental evidence of the impacts of monetary incentives on working performance/job-related effort in public sector organizations. The study also determined the motivational mechanisms moderating impacts of bonuses on public managers’ effort intentions. By the way, readers will be able to comprehend whether intrinsic motivation and public service motivation are equivalent results on job effort thanks to this study. Therefore, study shares significant information regarding several gaps in this field. When it comes to the results:

- ❖ Managers didn’t say an important increase in their “intended effort” when they took a bonus payment. In other words, the effect of monetary rewards on the “intended effort” was insignificant for four different bonus payment levels; 5%, 10%, 25%, and 50%.
- ❖ The second implication of study is a negative relationship between financial rewards and respondents’ (i.e. managers) intrinsic motivation level, which is a factor effecting intended effort.
- ❖ Third important result is extrinsic motivation positively moderated the effect of bonuses on participants’ (managers/executives) intended effort.
- ❖ Fourth implication shows that the impact of monetary incentives on public executives’ intended effort doesn’t base on their level of public service motivation.

Kuo-Tai Cheng published his study “*Public Service Motivation and Job Performance in Public Utilities an Investigation in A Taiwan Sample*” on the International Journal of Public Sector Management in 2015. The paper aimed to examine the predictive power of each dimension of public service motivation

³ Measured with “My job is fun”, “I like my job”, “I like the activities required to perform my job”, “My job is fascinating”.

⁴ Measured with “Money is my ultimate goal in life” and “I exert effort at work only to make money and get promoted”.

⁵ Measured with “Meaningful public service is very important to me”, “I am often reminded by daily events about how dependent we are on one another”, “Making a difference in society means more to me than personal achievements”, “I am prepared to make enormous sacrifices for the good of society”, and “I am not afraid to go to bat for the rights of others even if it means I will be ridiculed”.

(four dimensions are self-sacrifice, compassion, attraction to public policymaking, and commitment to public interests) on job performance via using a Taiwan sample. Quantitative method was used in analyzing phase. The data collected by a cross-sectional approach using a large-scale questionnaire survey. Five-point Likert scale (1=completely disagree, 5=completely agree) was used in responses. When it comes to variables, "job performance"⁶ was used as dependent variable while "self-sacrifice", "compassion", "attraction to public policy making", and "commitment to public interests" were used as independent variables. Actually, those variables were designed as sub-units of "public service motivation"⁷ variable. This study made a comparison regarding the effect of public service motivation on the job performance between The West countries and Taiwan so it provided interesting contributions to literature.

- ❖ Results indicated that public service motivation has an effect in Taiwan like West. However, while the dimensions of "attraction to public policy making" and "commitment to public interests" exist in Taiwan other two dimensions were not confirmed.
- ❖ According to results, "commitment to public interests" was the only dimension of public service motivation that consistently predicted employees' job performance.
- ❖ "Attraction to public policy making" and "commitment to public interests" were significantly positively correlated with employees' job performance.

Asiago Lenah Sabina, Walter Okibo, Andrew Nyang'au, and Cleophas Ondima published their study "*Effect of Non Financial Incentives on Job Satisfaction of Teachers in Public Secondary Schools-Survey of Kisii Sub County*" on the Journal of Education and Practice in 2015. While the main purpose of this

⁶ Originally six-item scale developed by Singh was used as measurements for job performance. For instance, "How do you rate yourself in terms of your ability to reach your goals?" and "How do you rate yourself in terms of your performance potential amongst coworkers?"

⁷ Originally 24 items was involved, as example, some of them are "Meaningful public service is very important to me", "I am often reminded by daily events about how dependent we are on one another", "Making a difference in society means more to me than personal achievements", "I am prepared to make enormous sacrifices for the good of society", "I am not afraid to go to bat for the rights of others even if it means I will be ridiculed".



study is to measure the impact of non-financial incentives on job satisfaction of teachers working public secondary schools of Kisii Sub County in the Republic of Kenya, it has three more specific aims; to assess the impact of promotion on job satisfaction of teachers (same teachers in the sample), to reveal the impact of job autonomy on job satisfaction of teachers, and lastly to detect the impact of incentives on job satisfaction of teachers. Quantitative data was used in the study, from descriptive statistics to regression analysis. The data was collected by questionnaires as original survey data (Sample size of analyze was 83 while the target population was 493 respondents/teachers. 79 questionnaires were obtained). The dependent variable of study was “job satisfaction” while independent variables were determined as “promotion”, “rewards”, and “job autonomy”.

- ❖ According to the results, analyze indicated a positive relationship between non-financial incentives and job satisfaction of teachers in public secondary schools of Kisii Sub County. Since, teachers gathering the survey stated that promotion, rewards and job autonomy affect their retention.
- ❖ Especially promotion (with an 88.6% preference rate) and rewards (with an 82.2% preference rate) have a prominent effect on respondents’ job satisfaction.

Thus, authors mentioned important implications, which they provided to literature as some benefits. They said that their study showed non-financial incentives affect job satisfaction of participants (teachers) like much other research in the field. To get a higher job satisfaction, motivation, and –certainly- job performance, teachers should be promoted regularly. Furthermore, they should be provided some efficient conditions such as several rewards and job autonomy (delegation or in other ways). Therefore, those important determinations should be regarded by policymakers, Ministry of Education, management of schools, and future researchers.

Nebiat Negussie published her study “*Relationship between Rewards And Nurses’ Work Motivation In Addis Ababa Hospitals*” on the Ethiopian Journal of Health Sciences in 2012. The study and survey purposed to examine the

relationship between rewards and nurse motivation. For survey, five hospitals in Addis Ababa were selected and 259 nurses working in those hospitals were selected while the total population of them was 794 (Finally 230 responses were obtained). Five points Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure their response. All data was collected using self-administered questionnaire and responses were analyzed by means of using SPSS. The dependent variable of study was “work motivation” while the “independent variables” were “rewards (payment, promotion, recognition, and benefit)”.

- ❖ For results, a positive and significant relationship was detected between rewards (payment, promotion, recognition, and benefits) and nurses’ work motivation.
- ❖ While payments have the highest effect on work motivation, recognition has the weakest impact on nurses’ motivation.
- ❖ Therefore, it is shown that extrinsic rewards (payment, promotion, fringe benefit) have more important role on work motivation compared to intrinsic reward (recognition) in this study.
- ❖ Author advised that Addis Ababa Health Bureau and other hospitals should follow those determinations in order to provide more quality health services and get more citizen satisfaction.

As a result, the outcomes and implications of many analytical studies conducted in the recent past indicate that there is a positive relationship between rewarding and work motivation in the public sector. In addition, some of them reveal discrepancies between extrinsic and intrinsic incentives or financial and non-financial incentives related to influence levels. According to all these studies when it comes to financial incentives, it cannot be rejected that they are one of the most prominent components in motivational activities. It is known that salary-based regulations are functional and common-used instruments for satisfying employees in organizations (Taylor, 2014: 913). However. Those studies and many others in literature have revealed and emphasized the power and promotive side of non-financial incentives or rewards.

The samples and information in the literature show us there should be as much as possible variety in rewarding and inducing processes. Forasmuch as,



high motivation is one of the resources of job satisfaction, which is accepted as a significant challenge for organizations (Sabina et al., 2015: 62) and is the key step of getting a higher individual and organizational productivity/performance. Therefore, in addition to financial-based rewards, non-financial incentives absolutely should be a part of practice because of the potential risks of monetary incentives, also, that kind of perspective will constitute more systematic and professional human resources phases including motivational steps. As mentioned before, some countries like Turkey have more equalitarian, social-based, and strict public personnel system so labor life and labor relations, which are in that kind of countries, are less competitive and individualistic compared to some other countries like the United States. Under these conditions, for Turkey or other similar countries, to focus only financial rewards for increasing both motivation and working performance can give some damages the relations among employees. In addition, pure financial-based remuneration approach can direct employees to think only their income and they can rule out their essential responsibilities and duties on public serving.

As a result of this title, it is thought that when motivational procedures are handled by public employees and organizations then main motives for public employees during serving, several potential restrictions based on legislation, and specific conditions/characteristics both in the public sector and profession/task should be regarded. After then, to choose “the right and functional” rewards will be another step. By the way, inherently several sanction mechanisms can be integrated into phases of performance evaluation and motivation. Because sanctions are, another reality of both processes in addition to its effects on discipline duration. On the other side, employees should know inducements presented them are equitable, competitive, and appropriate options for motivating them both their own and organizational goals (Greene, 2015: 103). Human resources are core assets of organizations, and especially public organizations should handle all issues concerning them as if they are “investing”.

CONCLUSION

The seeking of having an efficient public sector is a common and current issue in the modern world. Since politicians have some responsibilities and public managers and employees have some duties against citizens, or with a modern

expression “taxpayers”. In addition to these responsibilities and duties, citizens’ expectations are really a strong determinative of all those processes. Because the mindset and quality of public services cannot stay at the same level while citizens’ expectations and demands change. As the phrase is “their expectations and ideas have been re-shaping” public sector, public organizations, and human resources in developed and modern countries.

Individual work motivation of employees is another dimension of productivity continuum in labor life. Literature has many scholars and motivation theories and many of them have a classification or list concerning remuneration. The main body of all these analysis based on the separation of intrinsic-extrinsic and this difference shapes both soul and context of theories. While intrinsic motivation comes from doing the work itself, extrinsic motivation stems from nature of job and organization and covers more material and social rewards in comparison to intrinsic motivation. However, again it should not be forgotten that, some of the extrinsic incentives can be non-financial and some of them can be financial while all intrinsic incentives are non-financial.

Process of motivation increase covers a set of focus points (generally, most of them depend on a question) such as “how employees are motivated”, “what they want to get”, “what kind of incentives should be used”, “how fit rewards can be determined” or “which one should be implemented mostly for driving employees: rewards or sanctions”. To increase employees’ motivation level has a direct relation with their satisfaction level and generally –and inherently- it is expected to get more performance from satisfied public employees. Therefore, this link indicates an important triple connection as “motivation-satisfaction-individual performance”.

“Rewards” are the key components of this productivity continuum including individual performance and employee motivation. The type of incentives and their practicing are really important. However, first things first, it is possible to say that especially “expectations” have a vital role in determining rewards processes. Therefore, those expectations should be measured and determined before to decide types of rewards. Shortly, the core point is to determine and implement most convenient instruments for motivating public employees. Inherently that requires making several measurements on the employees’ conditions,

expectations, ideas or several demographic characteristics such as age, gender, education in addition to analyzes on the organizational work processes and characteristics of relevant vocation. By the way, some authors/scholars can add “social incentives” to the first classification while it is possible to mention “semi-financial incentives” as the third group in financial and non-financial incentives. It is believed to constitute a broader reward scale involving both financial and non-financial incentives, certainly including social incentives, will have more chance to be successful in the public sector.

At last, it is possible to share a wide range of list as non-financial inducements in order to motivate employees and increase efficiency:

- ❖ Self-actualization and self-esteem processes,
- ❖ Free training activities (vocational training),
- ❖ Career development or opportunities for personal development,
- ❖ Domestic or foreign study visits (as a part of being decision-making mechanisms),
- ❖ Promoting, staffing, and recruiting,
- ❖ Being representative in meetings (again, as a part of being decision-making mechanisms),
- ❖ Delegating,
- ❖ Special assignments,
- ❖ Challenging works/duties,
- ❖ Rotating between different jobs,
- ❖ Job enrichment and job enlargement,
- ❖ Job security,
- ❖ Having better work conditions (physically),
- ❖ Annual leaves,
- ❖ Choosing employee of the month,
- ❖ Extra break (such as coffee break),
- ❖ Verbal or other types of recognition,
- ❖ To respect work/life balance

As a result, “money” is not a single solution even sometimes it cannot be a solution in motivation process. Even, using only financial rewards will be harmful and restricting for public organizations. Besides, that kind of a restrictiveness

will not a convenient approach in the sight of modern public management and human resources management. Non-financial incentives have a huge potential on the process of satisfying the needs because as mentioned before, the needs, the demands, and the expectations of labor life can be different and various. Certainly, remuneration system can include several monetary incentives if there is that kind of demand but its share and level should be limited because of its possible destructive characteristics on the labor life and relations. Those kinds of negative results especially can be easily observed in some countries like Turkey or many European and OECD countries having more social, equalitarian, inflexible, and security human resources management approach and legislation in the public sector. Hereunder, it can be said that “financial incentives and rewards cannot be the most effective tools to improve public employees’ performance and motivation”. Non-financial ones can work better or at least non-financial incentives and rewards should be counted in the process of human resources management, motivation and individual performance.

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