

Contribution of Training and Incentives Management on Employees' Performance at the Institute of Adult Education, Tanzania

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Abstract: *The purpose of this study was to explore the contribution of training and incentives management on employee's performance at the Institute of Adult Education in Tanzania. The cross-sectional survey design was used in this study. The study population comprised all employees at the Institute. The sample consisted of 50 employees selected through simple random sampling technique. The Likert 5.0 rating scale has been administered for research tool. Data was collected through structured questionnaires and mobile interview. The data were edited, coded, tabulated, analyzed and interpreted using statistical tools as frequency, percent, mean and correlation coefficient were used to get results. Statistical Package for Social Sciences (SPSS) version 2.0 was used for data analysis. The findings of the study revealed that training and incentives management for employees has significant effect on their work performance. The study concludes that on job training and incentives management has significant effect on employees and organizational performance, there is significant relationship between on job-training/incentives and employee performance. The study recommended that for Institute of Adult Education to improve the performance of employees, should offer both on-job and off-job training and other forms of incentives that will specifically designed to link it with performance.*

Keywords: training, incentives, employees' performance, management, Institute of Adult Education, Tanzania

1. Introduction

Performance is global behavior that combines three aspects: effectiveness, efficiency and productivity (MacBryde and Mendibil, 2003). Effectiveness is the measure of customer satisfaction with the team result. Efficiency refers to the team process (communication, coordination, leadership, collaboration, decision making) supporting achievement of results. Thus, the performance of the tasks is based on the qualification of employee and his motivation to carry out the task. Ping Wang, (2011) states that the use of appropriate motivational strategies can improve performance. In terms of employee and organization performance, the employee and employer relationship is seen as an exchange process of knowledge and skills with various incentives from the employer (Markova and Ford, 2011).

In terms of the organizational environment and structure, Doolen *at al.*; (2003) pointed that incentives has significant influence on standard of living, security and performance to the employee. Incentives such as health care, pensions and other benefits also have an important impact on employees' well-being (Lotta, 2012). In this regard, Nadia, (2016) noted that organizational environment influences employees' performance. The organizational environment can be divided into the following; management process (strategic planning and other activities), organizational culture (values and standard of action) and the organizational system (management of human resources and the configuration in the organization, such as feedback, training incentives system or management etc.). Thus, incentives package and training should link to the employee performance.

Employees are termed as the engine of organization while training, incentives, or reward is the fuel. The clear objective of each training or incentives program is to add

value to human resources. The on-job training and incentives management should be a continuous activity to enhance employees' performance. Incentive packages foster the initiative and creativity of employees and support to prevent manpower obsolescence (Arnoff, 2009). Entwistle, (2017) has of the view that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance.

The term training can be referred to one of the incentives, but training is a process through which the skills, talent and knowledge of an employee is enhanced and increased (Obisi, 2011). Scott, Clothier and Spriegel, (2010) pointed out that training should take place only when the need and objectives for such training have been identified. It would be difficult for a new employee to grow on the job and become a manager without adequate training and incentives (Walter, 2017). According to Mamoria, (2005) training in any organization is a practical and vital requisite because; it enables employees to develop and rise within the organization and increase their market value, earning power and job security. Training helps to mold employees' attitudes and help them to contribute meaningfully to the organization.

The contributions of training and incentives management to the employees' performance and competences in an organization is the hottest and current issue of discussion, the discussion has developed the hypothesis to study the relationship between training and incentives management on employee's performance. Though, there are various factors which directly influenced to the employee's performance. The contribution of training and incentives management should not be diluted. The employers would enjoy the benefits if they manage to retain their employees or

maximize the employee performance by implementing the felicitously trainings, incentives and working environment (Amlan, 2018). Stability of employee as the result of training and incentives management in the higher learning institutions is imperative part of the organization performance. Based on the preceding debate on motivation, job satisfaction and managing employee performance, it should have become apparent that motivating employees through trainings and incentives management within an organizational setting requires a multi-faceted strategy (Meyer and Kirsten, 2015).

Higher learning institutions in Tanzania have played the major role in training people in various disciplines. As the higher learning industry creates lots of reimbursement to the country each year, but the contribution of training and incentives management to employee's performance is the discussion to many employers. At the Institute of Adult Education, Tanzania training and incentives management have been applied as the tool of motivating employees with no strategy of linking it the employees' and organizational performance.

2. Statement of the Problem

Training and incentives management is important to human resources management. Its obligation calls for employees and organizational performance. In public sector today, Institutions are not ready to invest money for training and other incentives of their employees. The decision of implementing the said could solve the problem of employee non-performance. Incentives and training plays a vital role in promoting organizational performance. The disinterest of organizations in decision making, lack of continuity of policies on training and development, deficiency of manpower planning, privation of managerial focus on employee training and incentives among others have created low performance and effectiveness in many organizations. Hence, this study focused on exploring the contribution of training and incentives management on employees' performance at the Institute of Adult Education in Tanzania.

3. Aim and Objective of the Study

The aim of the study was to explore the contribution of training and incentives management on employees' performance at the Institute of Adult Education, Tanzania. The study had two objectives; firstly, to examine the contribution of training and incentives management on improving employees performance at the Institute; and secondly, to determine the relationship between training and incentives management on employees performance.

Research Questions

The study sought to fill the study gap on exploring the contribution of training and incentives management through addressing the following research question (RQs):

RQ1: What is the contribution of training and incentives management on employee's performance at the institute?

RQ2: What are relationship between training/ incentives management and employee's performance?

4. Literature Review

Armstrong, (2005) argues that on-the-job training consist of teaching or coaching by more experienced trainers at the desk or at the bench. It may also consist of individual or group assignment and projects and the use of team leaders and managers. Indeed, on-the-job training is the only way to develop and practice the specific managerial, team leading, technical and administrative skills needed by the organization and it has the advantages of actuality and proximity as the individual works, learns and develops expertise at the same time. Training is the process to acquire new skills, knowledge and encoded behavior. However, Armstrong, (2005) depicted the disadvantages of on-job training that, the effectiveness of the learning is strongly influenced by the quality of the guidance and coaching provided on the job.

Incentives are frequently regarded as direct and indirect monetary and non-monetary rewards given to employees on the basis of the value of the job, their personal contributions, and their performance. These rewards must meet both the organization's ability to pay and any governing legal regulations (Spring, 2003). Peter Drucker, (1996) explained that the emergent acknowledgment and consent that incentives promotes efficiency is consistent with the note that "happy employees are productive". According to Bowman, (2006) incentives management is defined as all the employers' available tools that may be used to attract, retain, motivates and satisfy employees.

Theories of incentives

Theories of incentives generally adopt that higher performance requires greater effort. In order to provide incentives, theories predict the existence of reward systems that a worker's expected utility increases with observed productivity. Incentives can take many different forms, but recognizing that non-monetary rewards for performance can be important. Experts in human resource management tend to focus on monetary incentives because individuals are willing to substitute non-monetary for monetary incentives and because money represents a generalized claim on resources and is therefore in general preferred over an equal dollar-value payment in kind (Butler, 2008). Abraham, (2018) stated that for an organization to receive its money's worth and retain skilled employees, it needs to ensure that its incentives system is not an island by itself.

The organization is advised to link incentives to its overall goals and strategies, it is important that its incentives system aligns with its human resource strategy. Armstrong, (2005) described that incentives management is an integral part of human resources management approach to productivity improvement in the organization. It deals with the design, implementation and maintenance of incentives system that are geared to the improvement of organizational, team and individual performance. Incentives management implies having an incentives structure in which the employees who perform better are paid more than the average performing employees (Pearce, 2010). The undertaking in incentives administration is to develop policies and procedures that will attain maximum return on money spent in the terms of attracting, satisfying, retaining and perhaps motivating

employees (Anyebe, 2008). Incentives strategy defines what the organization intends to do in the longer term to develop and implement reward policies. Lack of meaningful work and opportunities for promotion significantly affected employees' intentions to leave an organization, (Miller and Wheeler, 2002).

Training and Employee's Performance

The concept of training has gained more popularity in human resources due to its positive association with employee performance (Kiweewa & Asiimwe, 2014). Training is an aspect of capacity building in any organization that is carried out to advance staff performance and to enable an organization meet her objectives. Training is mainly concerned with the improvement and upgrade of the skills and knowledge of the employees, which ultimately adds into the job performance (Azeem, Rubina, & Paracha, 2013). Training is one way of increasing an individual's productivity. According to Sultan *et al*; (2012), employees who undergo on the job training are said to be better performers as compared to their counter parts who undergo off the job training

Fein, (2010) on effect of training on employee performance suggests that organizations with formal training plans had an average return on investment of 15.8 percent, compared to 11.7 percent for organizations without a formal plan. The results of employee training include higher productivity, enhanced creativity and increased employee confidence. The employer should consider the five steps to conduct training, which is analysis, design, incentives, implementation, and evaluation. The employers must evaluate the employees' performance and request for their feedback toward the training that have been provided. The employees will definitely stay in the organization if they feel satisfied and uncomfortable with the training session. Ellis, (2012) on incentives management as tool for improving organizational performance in the public sectors in Nigeria revealed that there is no significant relationship between the training incentives in the civil service and employee's performance.

5. Methodology

The study adopted a cross-sectional survey research design. The target population of the study were all (245) employee from the Institute. Simple random sampling technique was used as sampling technique. The unit of sample was the Institute of Adult Education headquarters. A total sample of 50 employees was selected for the study. Mugenda and Mugenda, (2003) established that a sample size of 10%-30% of the entire population are adequate in qualitative research. The Likert 5.0 rating scale has been administered for research tool. The questionnaire was distributed to the respondents by email and WhatsApp. The data were edited, coded, tabulated, analyzed and interpreted using statistical tools as frequency, percent, mean and correlation coefficient were used to get results. Statistical Package for Social Sciences (SPSS) version 2.0 was used for data analysis. There were certain ethical protocols that have been followed by the researcher. The first was to requesting explicit consent from the respondents. To ensure the integrity of data, the researcher checked the accuracy of encoding of the

survey responses. This was carried out to ensure that the statistics generated from the study are truthful and verifiable.

6. Results and Discussion

The basic characteristics of the respondent's demographic profile as indicated in Table 1 shows distribution of respondents' in relation to gender, education level and working experiences. The analysis regarding gender of respondents' revealed that male (35 (70%) respondents are much in number compared to female 15 (30%). Education level of the respondents were observed as 30 (60%) graduates with master degree, 15 (30%) are graduates with bachelor degree and 5 (10%) possess certificate, diploma or PhD. The analysis on working experiences revealed that the institute had many experienced employees, it shows that 12(24%) have more than five years in working experiences, 11(22%) have more than ten years and 27(54%) have more than fifteen years of working experiences.

Table 1: Demographic Characteristics of Respondents

Demographic Variable	Category	Frequency	Percentage
Gender	Male	15	30
	Female	35	70
Education level	Graduate (Master's degree)	30	60
	Graduate (Bachelor degree)	15	30
	Certificate or PhD	5	10
Working Experiences	5+	12	24
	10+	11	22
	15+	27	54

This finding in Table 1 implies that the institute has many female employees compared to male. Statistically, there were no significant differences in performance based on gender (0.013, $p < 0.05$). Regarding to education level, the institute has good number of employees with higher education levels. The analysis indicates that there is significance influence on employees' performance based on educational level 0.01 (0.02, $p < 0.01$). The analysis on working experience of employees at the institute it is indication that there is low employee turnover. This implies that the institution maintains its employees for a long period. Using the findings, the statistics shows that there were no significant differences between working experiences and work performance.

Contribution of Training and Incentives Management on Employees' Performance

This study aimed to explore the contribution of training and incentives management on employee's performance at the Institute of Adult Education in Tanzania. In order to explore the study variables Likert scale with five categories was employed. Awareness of employees on the training and incentives management was tested. The result shows that all the respondents who participated were aware of training and incentives management programs but no significant contribution with their working performance. The findings as indicated in Table 2 revealed that 21 (42%) strongly agree, 11 (22%) agree, 3(6%), were not sure, 13 (26%) disagree and 2 (4%) strongly disagree. From these results, it indicates that those who strongly agree and agree make the

cumulative of 64%, this show that about more than half of the employee were aware of the existence of training and incentives programs within the institution.

Table 2: Awareness on training and incentives management

Responses	Frequency	Percent
Strongly agree	21	42
Agree	11	22
Not sure	3	6
Disagree	13	26
Strongly disagree	2	4
Total	50	100

The respondents were also asked on whether training and incentives contributes to employee’s performance, the results exposed that 75% strongly agree and 25% disagree. This discovered that training and incentives motivates employee to work hard in his/her organization. This is a necessary premier factor in the development of an effective employee and organization performance. Most of the employees have been participated in one form of training or another. In line with this result the work Frederick Herzberg, who is recognized training and incentives (motivation) to have made notable contributions to the field of management of employee performance. Also the study of La Belle, (2005) found that incentives as a form of motivation which improve performance have considered greatly in organization structure. For instance, some individuals may consider cash as sufficient and adequate incentives for their efforts at work, while others may consider holidays and material incentives (such as a car) as more compensating in exchange for their work. The findings of this study suggest that training should made critical part of the organizational structure. For employee performance, innovativeness and competitiveness are the most vital ingredient is its workforce’s knowledge and skills (Gatahwa, 2011).

Relationship between training and incentives management on employee’s performance

To determine the relationship between training and incentives on employee’s performance the study used Likert scale to rate the study variables. The result indicates that 70% agreed that an incentive improves the performance of the both employees and employer, while 30% disagree. This result shows that incentives and training is the most important factor on organization performance to both works and employers. Again, the response from respondents on whether organization training contributes to employee performance revealed that 70% agree, while 30% strongly disagree. The presence of 30% of respondents who strongly disagree suggests that is due to their position and awareness because training was conducted timely to both junior and senior staffs. Training need analysis should be given primary importance so that organizations can fully achieve desired training goals. Biasness should be minimized while selecting the candidates for training. Table 3 shows the overall responses on the relationship between of training and incentives management on performance to both employees and employers.

Table 3: Overall responses on the relationship between training and incentives management and employees performance

Statement (N =50)	Mean	S.D	Responses
1. Incentives is the most important factor in employee performance	2.280	1.355	Agree
2. Organizational training contributes to the employee performance	1.300	0.462	Agree
3. Working conditions as incentives can greatly maximize performance	1.300	0.464	Agree
4. Is there relationships between supervisor and employee performance	1.020	0.141	Disagree
5. Career incentives can influence employee performance	1.040	0.197	Agree
6. Is there relationship between job training and employee performance	1.040	0.198	Disagree
7. The use of modern technology as projector in training triggers performance of employees	1.58	0.498	Agree
8. Ability, training and experience improve an individual’s capability to perform and increase competences	1.250	1.24	Agree
Overall	1.351	0.569	Agree

In inclusive, the respondents accept that training and incentives have effect to both employee and organization performance (mean 1.351). The findings on the cross table revealed that 36 (71%) respondents agreed that there is relationship between on job training and employee and organization performance, while 14 (29%) were not sure on that relationship. The finding in the table shows that there exists a positive relationship between training and organization performance and the strength of this relationship is 55.6%. All the relationships are significant at 5% level of significance for two tailed test (0.02, P<0.05).

7. Conclusion

From the findings of the study, the following conclusions were drawn

Training and incentives management is a key element for improving employee’s performance; it increases the level of individual and organizational competency. It helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of work performance. Training and incentives need is potential variables in human resources which can be remedied by appropriate strategy. There are many ways of overcoming deficiencies in human performance at work; training and incentives management is one of them. Incentives strategy is seen as one of the most important strategies in the human resource management function as it influences the productivity and growth of an organization.

8. Recommendations

Based on the research findings and conclusions, the following recommendations are made:

- Management should design, formulate and implement training and incentives strategy objectively in order to

enhance the attainment of overall organizational goals with a view of getting the best contributive and supportive effects from organizational workers.

- Both management and workers should be made to understand the objectives contained in the training and incentives strategy so that unintended and subjective motives can be played down on while trying to enhance the common objective strategically. This will give room for good organizational performance.

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