

# Effect of Nonfinancial Incentives on Efficiency Performance in The Nigeria Public Sector

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## Abstract

The strategies of deploying nonfinancial incentives to bring the best performance out of employees of organizations have received global attention. It was however discovered that the sensitive sector as the public sector had not been thoroughly engaged to know why public workers show no enthusiasm in their productivity. This study, therefore, examined the effect of nonfinancial incentives on efficiency performance in the Nigeria public sector with a specific focus on their use of recognition and award, training and development, and flexible work model. A survey research design was used in the study. The population of the study is 2,880 employees of Federal Teaching hospital Ido Ekiti, Ekiti State, Nigeria as of 1<sup>st</sup> January, 2022. The systematic sampling technique was used to select 360 employees as the study's sample. Data were collected from primary sources using a well-structured questionnaire. The reliability and validity of the research instrument were tested using the Cronbach Alpha reliability test. Data collected was analyzed using descriptive statistics and regression. The results revealed that recognition and award, training and development, and a flexible work model exhibited a significantly positive effect on efficiency performance. The study, therefore concluded that the efficiency performance of employees in the Nigeria public sector will increase at the instant of nonfinancial incentives. It is recommended that government should embrace nonfinancial incentives as bait to improve the efficiency performance of Nigeria public servants.

**Keywords:** Recognition and Award, Training and Development, Flexible Work Model.

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## 1. Introduction

Management by objective encourages managers of the business to recognize, value, and reward employees so as to bring out the best in them. This cannot be unrelated to the international recognition given to employees by the international accounting standards board that developed and dedicated a standard, purposely for the treatment and recognition of employees. This is a pointer to show that businesses all over the world must prioritize their labor. Employees are not just key players in achieving the goals of every business, they are the king (Christopher *et al.* 2016). Agbenyegah, (2019) stated that several organizations see their employees as significant contributors to the creation of business value and competitive advantage. Consequently, maintaining employees, empowering, and enhancing their productiveness through various strategies such as financial and non-financial incentives are indispensable. In today's dynamic and competitive environment, incentive management has become increasingly important globally, it allows organizations to hire, preserve employees and raise corporate output and image. Therefore, it is necessary to design a system of employee rewards and incentives which motivates and optimizes performance.

Employee incentive is one of the strategic approaches that management of companies adopt to earn employee loyalty and increase productivity. Considering the fact that wages are the reward of labour as a factor of production, no organization is expected to be deficient in treating its employees better so as to enhance their performance which largely contributes to the profitability of such an organization. Chukwuemeka (2018) revealed that employees often miss deadlines, fail to meet expectations, and in most cases are not interested in overtime work schedules. All these are evidently associated with unmotivated employees. The fact remains that, employees who are unmotivated affect the performance of the team, department, and organization at large. The development of incentive policies has a vital role to play in motivating employees to deliver a high level of performance (Kappel 2018). Tetteh *et al.* (2015) highlighted non-financial incentives as one of the major forms of reward that are available to managers for bringing out the best of the employees' ability and capability to increase corporate financial performance. Okolo (2018) submitted that, though financial incentives are indeed effective but still can never achieve the desired result of efficiency performance.

Businesses across the world see the human element as one of the most complex of all resources available to the manager. African nations, most especially, Nigerian business managers battle continuously with bringing out the best of their labors. Nigerian public organizations have consistently witnessed insufficient motivation, low morale, poor job performance, and the resultant un-impressive performance of employees. These institutions have recorded massive negative attitudes toward employees, ranging from loafing during work hours, idleness, absence, lateness to work, etc. Some people advance reasons for this ugly phenomenon, to the setup and mode of administration which does not provide the managers with enough authority and economic powers required to get the employees motivated and, productive (Ramprasad, 2013). Dim *et al.* (2017) suggested that labors in public institutions will no longer down-tool if proper motivational incentives in cash and kind are regularly provided by government. Public corporate institutions should make efforts to increase the efficiency of the employees by paying more attention to non-financial incentives which will lead to the growth and development of the firm (Makad, 2020).

Variances existed in numerous research works conducted to examine the influence of non-financial incentives on performance efficiency. Asian researchers Agrawal and Tiwari (2021) found that non-financial incentives influence employee's performance. This justified the findings of China scholars, Samuel *et al.* (2019), Tahir (2014) study in Pershawar city, Zimbabwe work done by Nyauch (2014) and Oyango (2014). Njeri (2019) revealed that non-financial incentives could not bring out more efficient performance in employees. Differences in findings of these researches are as a result of time and scope of the researches, different research methods adapted by various authors, and different non-financial incentives measured in the respective researches. In lieu of this, it becomes imperative to study the effect of non-financial incentives on the performance of employees in Nigerian Public organizations as an alternative to other studies on private entities, and justify how recognition and award, flexible work model, and training and development as tools of non-financial incentives influence performance efficiency.

## 2. Literature Review and Hypothesis Development

### 2.1. Conceptual Review

#### 2.1.1. Non-financial incentives

Palmer (2012) defined incentives as the external temptations and encouraging factors that lead the individual to work harder. They are given due to the individual's excellent performance since he will work harder and produce more efficiently when he feels satisfied in the institution. Okwudili (2015) conceptualized non-financial incentives to non-financial rewards, which are non-cash such as social recognition, praise, and genuine appreciation. Incentive as a motivational system has historically been used traditionally at a higher level in organizations (Odey *et al.*, 2019). Nonfinancial incentive includes anything material, such as precious stones, accessories, or even jewelry given to an employee in the workplace (Silverman, 2020; Khan *et al.* 2016; Bandiera, *et al.* 2018; Gale, 2017). Nonfinancial incentives are designed to encourage positive behavior change using methods other than money to reward and attract employees; a motivated employee would earn a great contract (Armstrong & Brown, 2016).

Although different forms of programmes with the purpose of motivation among regular front line workers have existed and business leaders have embraced nonfinancial incentives to bring out best performance from their workers (Merchant & Van de Steede, 2018). Non-financial incentives include feedback to employees (Bari, Arif & Shaib, 2013), recognition (Huttu, 2017), employee participation (Oburu & Atamb 2016), better work environment (Oburu & Atambo, 2016), career development (Sammer, 2011), training (Waqas & Saleem, 2014). Oburu and Atambo (2016) have added that social recognition includes: certificates, acknowledgment, and genuine appreciation. Nelson and Quick (2018) argued that praise and recognition are the most efficient intrinsic reward that enhances employee performance. This study defined nonfinancial incentives as non-cash rewards and benefit that includes recognition and award, training and development and flexible work model give to employees in an organization so as to encourage and boost their performances.

#### 2.1.2. Efficiency Performance

According to Diana *et al.* (2010), efficiency referred to situation of maximizing outcomes of an action or product in relation to resources used. Efficiency is measured by output, which is the quantity produced over a given time (Everard & Burrow, 2019). Efficiency is the ability to act or produce effectively with a minimum of waste, expenditure, or unnecessary effort. The focus is on the resources and speed with which organizational goals are achieved. Efficiency is very important in the activities of employees. Not only must firms do the right thing such as offering high-quality products, but, they must also produce their products efficiently (Everard & Burrow, 2019). This study defines efficiency as the ability of doing things in a right manner so as to generate a right result.

Employee efficiency is a complex measurable parameter that characterizes an output produced by the efforts and by the achievements of an employee (Task Management Guide, 2018). Akerele (2020) blamed the productivity of Nigerian workers on a number of factors among which are the failure of employers to provide adequate incentives for employees based on their diligence, and the indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to the working class to such an extent that it reduces their productivity. Love (2016) opined that how successfully resources are assigned in order to achieve organizational goals in the right way determines the efficiency of such an organization. Employee performance quality can be measured by percentage of work output yielded or excluded; customer contentment that can be measured by the number of royal clienteles and customer feedback (Lebelici, 2012). Timeliness, measured in terms of how fast work is accomplished by the employee when given a certain chore; absenteeism/tardiness perceived when employees absent themselves from work; and achievement of objectives measured when an employee has exceeded his/her set goals, he/she is then considered to have done well to realize objectives (Irfan, 2015). For the purpose of this study, timeliness of output would be used to measure efficiency performance.

### **2.1.3. Recognition and Award and Efficiency Performance**

Recognition is defined as personal attention which expresses interest, approval, and appreciation (Stajkovic & Luthans, 2020). Agbenyegah (2019) viewed recognition as the “demonstration of appreciation for a level of performance, an achievement or a contribution to an objective. It can be confidential or public, casual or formal. Employee appreciation is one of the most powerful forms of empowering workers, increasing employee attraction and retention by making them feel valued. Some businesses use publicity to recognize employee accomplishments, while others, use it to boost their company's overall efficiency (Oburu and Atambo, 2016).

According to Nolan as cited in Oburu & Atambo (2016), employee recognition is one of the ways of motivating staff in an organization, making them feel valued, and improving the overall attraction and employee retention, which organizations use to spur individual performance while others use it to enhance overall organizational performance. Recognition has been considered to be a strong non-financial motivator. Some employees are just moved by the fact that their boss will always appreciate they do well and also encourage them when they face some challenges. Individuals also like to share their achievements with others and have it recognized and celebrated. Taylor (2017) revealed recognition of employees can motivate employees to perform better, accomplish more, and ensure the better performance of the organization.

### **2.1.4. Flexible Work Model and Efficiency Performance**

A flexible work model means that employees are able to take part and influence the organization's operations and contents of their own work. Employees' possibilities to choose working order or their own working times are known as flexible work model (Huttu, 2010). Employees' possibility to participate is the source of intrinsic motivation (Oburu & Atambo, 2016) and the contents of their own works. A flexible work model engages employees to see in work and makes work more meaningful which in turn increases intrinsic motivation. According to Maslow's hierarchy of needs, a flexible work model can fulfill people's social and self-actualization needs. Furthermore, in Herzberg's motivation-hygiene theory, a flexible work model is a motivating factor that increases efficiency and job satisfaction. Cognitive evaluation theory hypothesizes individual's basic needs are autonomy and competence. Moreover, a flexible work model gives employees the possibility to have an influence on their work thereby fulfilling an individual's need for autonomy (Huttu, 2010). However, Oburu and Atambo (2016) contended that although the flexible work model has been considered the source of intrinsic motivation and some of the motivation theories support the flexible work model's motivating effect, various studies have found that generally, this has a modest positive effect on performance.

### **2.1.5. Training and Development and Efficiency Performance**

Noe *et al.* (2016) expressed training as “a planned effort to ease the learning of job-related knowledge, abilities, and conduct by employees”. Training and development refer to the achievement of the skills, understanding and proficiencies required in accomplishing a task, by means of coaching. According to April (2010) there happens a positive link between coaching and employee performance. Training generates benefits for the workers as well as for the institution by positively prompting employee performance through the development of work understanding, skills, ability, experiences and conducts (April, 2010).

Employees given opportunities for developing their careers by adapting skills, technologies, and competencies essential for performance improvement and promotion, they will feel valued and motivated (Oburu & Atambo, 2016). Lack of training will result in ignorance of the manager about the skills, competencies, and knowledge that are decisive for performance improvement and motivation them (Roscoe, 2017). Firms that spend more on the training of the employee are more developed as the human resource training enhances the efficiency of the employee more than other resources (Khattak, Bashir, & Qureshi, 2016). The provision of opportunities for

learning and development within the organizations can motivate the employees, hence increase efficient performance. The study of Murphy *et al.* (2016) concluded that involvement of employees in the training program and determining their training needs gives them ownership of the training process and adds to their efficiency.

## 2.2. Theoretical Review

### 2.2.1 Maslow's Hierarchy of Needs Theory

Maslow's hierarchy of needs is an idea in psychology proposed by American Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in the journal *Psychological Review*. Maslow identified human needs in the form of hierarchy, commencing in ascending order from the lowest to the highest needs. The needs have a sequence of domination and when one is reasonably satisfied, that particular one ceases to be a motivator. Second-level needs do not dominate until the first is reasonably satisfied and so on. Under normal circumstances, Maslow saw the physiological need as the strongest of driving force in human behavior. This is followed by security, social, esteem and self-actualization. Human beings yearn to fulfill their higher-level needs and reach their potential. Abraham Maslow theory of motivation deals with a hierarchy of needs according to him needs arrange themselves in a hierarchy of five levels and when one is satisfied it no longer motivates behavior instead another need will replace it because human want is insatiable. According to Dixon and Lim (2012) cited in Mukundi (2016), employees' efficiency performance depends on the satisfaction derived from these needs.

### 2.2.2 Stakeholder Theory

The stakeholder theory was propounded by Professor Edward Freeman (1984). The theory affirms that business entities owe a responsibility to a wide range of stakeholders, other than just shareholders. Stakeholders refer to all parties who affect or are affected by corporate actions. It includes employees, suppliers, customers, government, investors, local community, the media, political action groups, financial institutions, environmental groups, and more (Astre *et al.*, 2014) cited in (Nwoba & Udoikah, 2016). The central assumption of this theory is that business firms owe corporate responsibility to a broad range of stakeholders' interests. It considers a firm as interconnected of the web of different interests, merely one of many stakeholders of a firm. This view paints the employees as related groups, all of whom need to be considered and satisfied to keep the company healthy and successful in the long term.

## 2.3 Empirical Review

In Peshawar city, Tahir (2014) studied the influence of training and enlargement on employee's performance and production in United Bank Limited. Eight United Bank Limited branches were chosen for the study. Data were collected using questionnaire. The Pearson correlation results displayed that there was substantial association amongst the training and development and worker performance in the study. This contradicted the findings of Hatice (2013) who examined the influence of intrinsic and extrinsic rewards on employee results in the Turkish manufacturing industry. It was determined that the application level of intrinsic and extrinsic rewards in the Turkish manufacturing industry was not high. It was found that intrinsic rewards had a significant influence on employee results while extrinsic rewards did not have significant control over employee results in the Turkish manufacturing industry.

Tuei and Saina (2015) did a research on effect of training and career improvement on employee performance of KCB Branches in the North Rift Region, Kenya. Study findings showed that indeed trainings and career improvement has an influence on their performance. This was supported by the findings of Nyauchi (2014) and Onyango (2014) who found significantly positive association amongst training and performance of employees. However, Syukra (2014) examined the relationship between training, compensation, and employment promotion with labor productivity of employees in the public health center of Bukittinggi West Sumatera. The study found that the gap between the labour productivity of developed and developing countries was different.

Njanja, *et al.* (2013) studied the influence of reward on employee performance in Kenya Power and Lighting Company Ltd., Nakuru, Kenya. The result showed that there was positive correlation between rewards and efficiency performance of employees. This was supported by Ahmed and Ali (2018) in a research on the influence of reward compensation, job advancement, work settings and personal acknowledgment programs on employee motivation and contentment. Study design used was exploratory. Sample of 80 employees of Unilever companies were selected to collect data using questionnaire. Pearson's correlation was used to analyze data. Main results showed a positive association between job enlargement and work contentment as well as inspiration. Okwudili (2015) examined the effect of non-monetary rewards on productivity of employees among selected government parastatals in Abia State, Southeast-Nigeria, the study found that a significant and positive relationship exists between efficiency of employees in government parastatals and non-monetary rewards. However, Al-Aydi (2020) conducted similar investigation on the effect of incentives on the level of performance in the textile industry in

Iraq. He found that there is a weak relationship between the incentives system and the level of performance and between the wages system and the level of performance; but, there is a strong correlation between rewards and the level of financial performance and between appropriate promotion system and level of performance.

Huttu (2016) studied how different incentives affect performance and job satisfaction. In the study, the effects of recognition, participation, feedback, monetary incentives, non-monetary tangible incentives and benefits on performance and job satisfaction were researched. The study found that there are two different aspects in rewarding. These two aspects are effectiveness and humanity. Effectiveness-aspect means that employees feel that they are justified to get monetary incentives because they have put extra effort on work while the humanity-aspect means that it is important that employees feel that employer is interested in employees, their work and well-being. The rewarding of the humanity-aspect is more important in generating job satisfaction whereas the rewarding of the effectiveness-aspect affects performance. Mukundi (2016) studied factors affecting employee productivity in private limited companies with a specific concentration at Equatorial Nut Processors Ltd (ENP). The study results show that institutional factors, environmental factors, and personal characteristics affect employees' productivity.

Waqar, *et al* (2018) also conducted a study on measuring the non-financial rewards in escalating employees' job satisfaction of private companies in Pakistan in 2018. The study measures the impact of non-financial rewards on job satisfaction at the workplace in private companies in Karachi City, Pakistan. The results revealed that recognition, flexible working arrangement, feedback to employees, freedom, advancement opportunities, promotion, empowerment, competitive work environment, and individual reward preference positively impacted job satisfaction in the workplace. Awan and Tahir (2015) studied the impact of working environment on employee productivity with specific focus on Banks and Insurance Companies in Pakistan. The findings revealed that alongside monetary incentives, another key factor in motivating employees is to involve them in the process aimed at attaining organizational effectiveness because without their cooperation and support a great deal of managerial energy may be wasted.

Summarily, reviewed studies above were conducted by different researchers, applied different theories and models, adopted primary and secondary data to gather data from different forms of organizations, and used different yardsticks to measure nonfinancial incentives and performance efficiency. However, little effort had been made to measure recognition and award, flexible work model and training and development as tools of non-financial incentives that influence performance efficiency. It is against this premise that this study intends to examine nonfinancial incentives and efficiency performance in Nigeria public sector.

The null hypotheses developed for this study are:

Ho<sub>1</sub>: Recognition and Award have no significant impact on the efficiency performance of the public sector.

Ho<sub>2</sub>: Training and development have no significant impact on the efficiency performance of the public sector.

Ho<sub>3</sub>: Flexible Work Model has no significant impact on the efficiency performance of the public sector.

### 3. Methods

The study adopted survey research design because data was collected directly from respondents. The population of the study is the 2,880 employees of Federal Teaching hospital Ido Ekiti, Ekiti State, Nigeria as at 1<sup>st</sup> January, 2022 as stated in the personnel data. The sample size of the study is 360. The sample size was derived using systematic sampling technique to select every 8<sup>th</sup> employee in the payroll. This technique gave equal chance to all employees since they all have opportunities to enjoy nonfinancial incentives. Data was collected from primary sources using well-structured questionnaire. The reliability and validity of the research instrument was tested using Cronbach Alpha reliability test. Data collected was analyzed using descriptive statistics and regression.

#### 3.1 Reliability Test

The reliability test was done via Cronbach's Alpha for efficiency performance, recognition and award, training and development and flexible work model with a value of 71.3%, 76.9%, 70.7% and 75.4% respectively. The result implied that efficiency performance, recognition and award, training and development and flexible work model are reliable with their given values.



**Table 1 Summary of Cronbach’s Alpha Test Results**

Variables	Cronbach’s Alpha	No. of Items
Efficiency Performance	71.3%	6
Recognition and Award	76.9%	6
Training and Development	70.7%	6
Flexible Work Model	75.4%	6

Source: Researcher’s Computation, (2022)

### 3.2. Model Specification

The model for the study was developed in line with the research work done by Isaac and Etim (2020) on non-financial incentives and staff motivation in Akwa Ibom state civil service, Nigeria. However, this study modified Workers’ Motivation as efficiency performance, continuing professional development Recognition and Award, Performance Feedback as Training and Development and Employee Empowerment as Flexible Work Model, while Employee Participation in Decision Making and Task Autonomy were removed as this study measured three variables. The mathematical model of the study is:

$$EP = \alpha + \beta_1 RA + \beta_2 TD + \beta_3 FWM + e \dots \dots \dots \text{eq 1}$$

Where;

EP = Efficiency Performance

$\alpha$  = Regression constant

$\beta_0 - \beta_3$  = Coefficient of regression

EP = Efficiency Performance

RA = Recognition and Award

TD = Training and Development

FWM = Flexible Work Model

e = Statistic error term

*A-priori* expectation =  $\beta_1 > 0$ ;  $\beta_2 > 0$ ;  $\beta_3 > 0$ .

## 4. Data Analysis and Discussion of Findings

### 4.1. Descriptive Statistics

Table 2 depicts the characteristics of the series which includes the mean, median, minimum, maximum, standard deviation Skewness and Kurtosis. Efficacy performance (EP) has a mean value of 4.322361, which indicates that non-financial incentives brought to the public sector lead to positive efficiency performance. The standard deviation of 0.432299 showed that efficiency performance is invariably low across the public sector under consideration. The Skewness of -0.535671 showed that efficiency performance is negatively skewed and has a normal distribution with Kurtosis value lesser than 3 having the value of 2.708956. The average value of recognition and award (RA) is 4.336111 with a standard deviation of 0.858077 indicating that in the public sector; only 4.34% of non-financial incentives were channeled to recognition and award. Data for the variable is negatively skewed with -1.735988 values while its Kurtosis value is greater than 3 with a value of 6.748973. Also, from the table, training and development has a mean value of 4.233333, has 3.250000 and 5.000000 has the minimum and maximum values respectively. The standard deviation of training and development is 0.376540 showed a value lower than that of its mean. Data for the variable is negatively skewed -0.102059 and has a normal distribution with a kurtosis value lesser than 3 having the value of 2.197699. The average value of flexible work model is 4.283333 with standard deviation of 0.748443 indicating that in the public sector of Nigeria; only 0.75 percent of the non-financial incentives were channeled to the flexible work model. The data for the variable is negatively skewed -0.752637 and normally distributed with kurtosis value of 2.946706.

**Table 2: Descriptive Statistics**

Variable	EP	RA	TD	FWM
Mean	4.322361	4.336111	4.233333	4.283333
Median	4.330000	5.000000	4.250000	4.000000
Maximum	5.000000	5.000000	5.000000	5.000000
Minimum	3.330000	1.000000	3.250000	2.000000
Std. Dev.	0.432299	0.858077	0.376540	0.748443
Skewness	-0.535671	-1.735988	-0.102059	-0.752637
Kurtosis	2.708956	6.748973	2.197699	2.946706
Observations	360	360	360	360

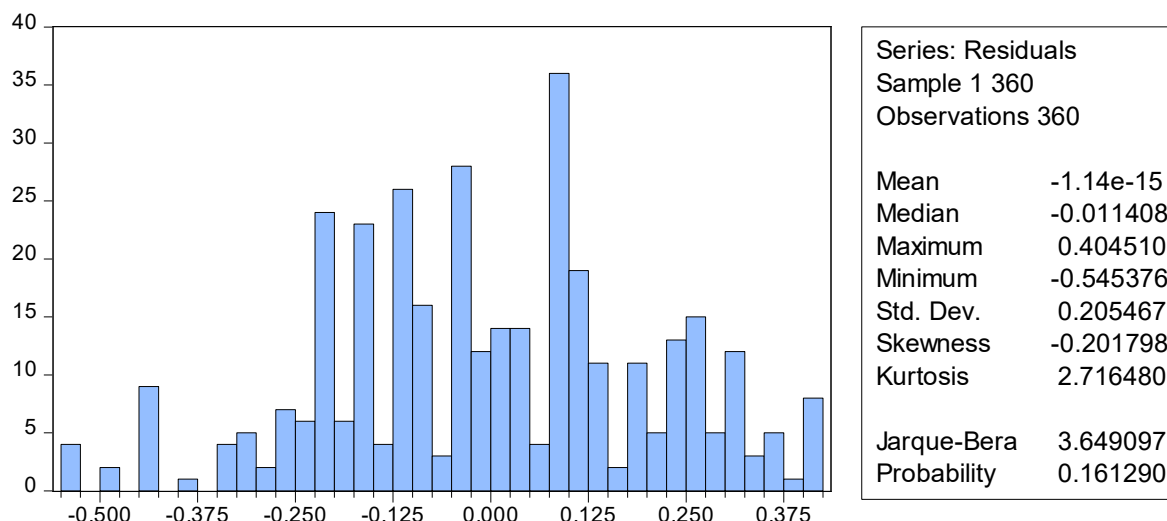
Source: Researchers' Computation, (2022)

## 4.2. Test of Variables

### 4.2.1. Normality Test

From the result in figure 1, the Jarque-Bera value is 3.649097 with the probability of 0.161290. Since the p-value of 16% exceeded 5%, the study fails to reject the null hypothesis that emphasized on the normality distribution of the residual. This implies that the data is normally distributed and this is a good result that shows that the skewness and kurtosis values are in order.

**Figure 1: Normality Test**



Source: Researchers' Computation, (2022)

### 4.2.2. Linearity Test

The result of the heteroskedascity test is presented in table 3a. The null hypothesis is that there is no heteroskedascity. Using the observed R-square of 98.52188 and its probability of 0.8476, the study discovered that the null hypothesis is to be accepted. Therefore, concluded that model in the study does not have any problem of heteroskedaticity which may affect the validity of the result. The study equally employed serial correlation LM test for linearity distribution of the variables in the model. The null hypothesis is that there is no serial correlation. Considering the observed  $R^2$  of 282.2507 and the probability of the observed  $R^2$  of 0.3980 showed that the null hypothesis is to be accepted while the study rejected the alternative hypothesis that there is serial correlation. Consequently, the estimates from the model are valid and can be used for forecasting.

**Table 3a: Heteroskedasticity Test: Breusch-Pagan-Godfrey**

F-statistic	44.71220	Prob. F(3,356)	0.9123
Obs*R-squared	98.52188	Prob. Chi-Square(3)	0.8476
Scaled explained SS	82.68687	Prob. Chi-Square(3)	0.9929

Source: Researchers' Computation, (2022)

**Table 3b: Breusch-Godfrey Serial Correlation LM Test**

F-statistic	642.5568	Prob. F(2,354)	0.5914
Obs*R-squared	282.2507	Prob. Chi-Square(2)	0.3980

Source: Researcher's Computation, (2022)

#### 4.2.3. Multicollinearity Test

The test outcome using the tolerance value and variance inflation factors is reported in table 4, and the outcome indicated that the tolerance values of .690, .506 and .565 for recognition and award, training and development and flexible work model respectively are comparatively above the established rule of thumb while the VIF values of variables shown in table 5 are less than 10, and therefore concluded that there is no multicollinearity problem in the model.

**Table 4: Tolerance and VIF Value**

Variable	Tolerance	VIF	1/VIF
RA	.690	1.450	0.689
TD	.506	1.978	0.506
FWM	.565	1.770	0.565
Mean VIF	Tolerance	VIF	1/VIF

Source: Researcher's Computation, (2022)

#### 4.2.4. Correlation Matrix

Table 5 revealed that the relationship between efficiency performance (EP) and recognition and award (RA) is positive, with a coefficient of 0.436, implying that if non-financial incentives created by recognition and award improve efficacy performance in the Nigerian public sector will increase by 0.436 units. The relationship between these two variables is significant at 1 percent having probability value of 0.000. The relationship between efficiency performance and training and development (TD) is positive and significant, having a coefficient of 0.775 and a p-value of 0.000, which implies that an improvement in non-financial incentives created by training and development will increase efficiency performance in the Nigerian public sector by 0.775 units. Flexible work model has a significant and positive coefficient of 0.637 units and p-value of 0.000 with efficiency performance of a public sector of Nigeria. This implies that an improvement in non-financial incentives created by flexible work model will increase efficiency performance in the Nigerian public sector by 0.637 units. More so, other explanatory variables in the model are free from multicollinearity problem as the values obtained do not exceed the expected threshold of 0.7.

**Table 5 Correlation Analysis of Study Variables**

EP	RA	TD	FWM	
EP	1.0000			
RA	0.436** (0.000)	1.0000		
TD	0.775** (0.000)	0.360** (0.000)	1.0000	
FWM	0.637** (0.000)	-0.166** (0.002)	0.536** (0.000)	1.0000

Source: Researchers' Computation, (2022)

#### 4.3. Non-Financial Incentives and Efficiency performance in the Nigerian Public Sector

To examine non-financial incentives and efficiency performance in the public sector of Nigeria, the study employed regression analysis of ordinary least square. This result is presented in table 6 and it explained that the coefficient of multiple determination of the model stood at 0.774099 with an adjusted value of 0.772195. This implied that about 77% influence of the independent variables explained the dependent variable while the remaining 23% is provided by the error term. Also reported in table 7 is F-statistics that explained how the whole model statistically fused together. The value of the F-statistics is 406.6374 while its probability of 0.000000 is



statistically significant even at 1%. The significant power of the F-statistics showed that the whole model is statistically significant.

In the same vein, the coefficient of each of the independent variable revealed that recognition and award showed a significant coefficient value of 0.196421 units. This implied that a unit increase in non-financial incentive caused by recognition and award will lead to 0.196421 unit increase in efficiency performance in the public sector. Similarly, training and development has a significant positive coefficient of 0.415918 units with efficiency performance. The result implied that a unit increase in non-financial incentives brought by training and development will lead to 0.415918 units increase in efficiency performance in the Nigeria public sector. Lastly, flexible work model has a significant positive relationship with efficiency performance with a coefficient of 0.293267 units. The result demonstrated that a unit increase in non-financial incentives due to flexible work model will lead to 0.293267 unit increase in efficiency performance of public sector of Nigeria.

However, empirical result from the relationship among variables employed are not without implications, non-financial incentive created in the form of recognition and award revealed a significant positive relationship with efficiency performance of public sector in Nigeria. This result supports the findings of Al-Aydi (2020), Huttu (2017), Mukundi (2016), Waqar, *et al* (2018), Awan & Tahir (2015), Ahmed and Ali (2018), Oburu & Atambo (2016) that concurred that employee recognition and award is one of the ways of motivating staff in an organization, making them feel valued, and improving the overall attraction and employee retention, which organizations use to spur individual performance while others use it to enhance overall organizational performance. In the same way, Taylor (2017) also revealed that recognition and award to employees can motivate employees to perform better, accomplish more, and ensure the better performance of the organization. This positive relationship is equally supported by *apriori* expectation raised in this study.

In addition, the study also revealed that non-financial incentives brought about through training and development increases efficiency performance of public sector in Nigeria. the positive relationship of this variable showed that training and development of employees generate benefits for the workers as well as for the institution by positively prompting employee performance through the development of work understanding, skills, ability, experiences and conducts. It also implied that employees given opportunities to develop their careers by adapting skills, technologies, and competencies essential for performance improvement and promotion, they will feel valued and motivated (Oburu and Atambo, 2016). It implied those government establishments that spend more on the training of the employee are more developed as the human resource training enhances the efficiency of the employee more than other resources. This supports the findings of Roscoe (2017), Khattak, Bashir and Qureshi (2016), Oburu and Atambo, 2016), Murphy *et al.* (2016), Tahir (2014), Nyauchi (2014), Twei and Saina (2015), April (2010) among others.

In the same vein, non-financial incentives created through flexible work model enhance efficiency performance of public sector in Nigeria. This result supports the findings in the work of Mukundi (2016), Waqar, *et al* (2018), Oburu and Atambo, 2016), Oburu and Atambo, 2016), Murphy *et al.* (2016), Tahir (2014), Nyauchi (2014), Huttu, (2010). The implication of this positive relationship is that a flexible work model engages employees to see is work and makes work more meaningful which in turn increases intrinsic motivation. This also supports the Maslow's hierarchy of needs that explained that a flexible work model can fulfill people's social and self-actualization needs. Furthermore, in Herzberg's motivation-hygiene theory, a flexible work model is a motivating factor that increases efficiency and job satisfaction. It also implies that a flexible work model gives employees the possibility to have an influence on their work thereby fulfilling an individual's need for autonomy.

**Table 6: OLS Estimate of Non-Financial Incentives and Efficiency Performance in the Nigerian Public Sector**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RA	0.196421	0.015282	12.85309	0.0000
TD	0.415918	0.040670	10.22661	0.0000
FWM	0.293267	0.019357	15.15019	0.0000
C	0.453777	0.123482	3.674840	0.0003
R Square	0.774099			
Adjusted R <sup>2</sup>	0.772195			
F Statistics	406.6374			
Prob. F Statistics	0.000000			

Source: Researchers' Computation, (2022)

#### 4.4. Discussion of Findings

Considering the significant positive relationship of non-financial incentives which was represented by recognition and award, training and development and flexible work model implied that public sector in Nigeria as part of non-financial incentives should cultivate the habit of promoting workers' recognition and providing necessary award to induce their performance. This should also be corroborated by sound training and development to enable employees acquire the needed skills and technology that can translate to efficiency performance of the organization. It should also be noted that government should as a part of her non-financial incentives create a flexible work model that is dynamic for its entire employee to boost efficiency performance of public sector in Nigeria.

#### 5. Conclusion and Recommendations

The study examined non-financial incentives and efficiency performance of public sector of Nigeria. Recognition and award, training and development and flexible work model were used as independent variables while the dependent variable was represented by efficiency performance. Descriptive, correlation and regression analysis of ordinary least squares was employed in the analysis and the study concluded based on the result obtained that recognition and award, training and development and flexible work model significantly influence efficiency performance of public sector in Nigeria in positive ways.

The following recommendations were provided:

- i. Government should continuously promote recognition and award like the long service year, the most diligent employee, and the most efficient employee's award as part of the non-financial incentives in the public sector to enhance workers' participation and increase their morale in the cause of carrying out their duties.
- ii. In addition, sound training and development such as seminars, in-house training, and professional training that will enable employees to acquire the needed skills and techniques that can translate to the efficiency performance of the organization should be practiced by the government.
- iii. Lastly, flexible work model like shifts, off-duty days, and working from home that is dynamic with the employees working conditions should be created in the public establishment to boost efficiency performance in the Nigerian public sector.

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