The Impact of Non-Monetary Incentive on Employees Commitment in Telecommunication Sector in Libya: Literature Review

Abdussalam Ayad A Kerdasi¹*, S.M. Ferdous Azam¹

¹Post Graduate Centre, Management and Science University, University Drive, Off Persiaran Olahraga, Section 13, 40100, Selangor, Malaysia

Email address: kerdasegold1 @ gmail.com

Abstract—In today's dynamic and competitive environment, incentive management has become increasingly important. It allows organizations to hire and preserve employees and raise corporate productivity. This study aims to investigate the effect of non-monetary incentives such as career advancement opportunities, development opportunities, employee recognition, and open communication on the commitment of workers in the telecommunications companies in Libya. This study employed the Expectancy Theory and Equity Theory to help the proposed structure of the examination. Using secondary data and literature review to form the conceptual framework is trying to explain the variance of employee commitment by measuring the impact of career advancement opportunities, development opportunities, employee recognition and open communication on employee commitment. Managing the workforce effectively through increased motivation with non-monetary rewards. Happy and satisfied employees are a great notion to drive both individual and organizational performance and enable managers to achieve the desired goals.

Keywords—Employee Commitment, Career Advancement, Development Opportunities, Employee Recognition, Open Communication, Supervisory Support.

I. INTRODUCTION

In today's dynamic and competitive environment, incentive management has become increasingly important. It allows organizations to hire and preserve employees and raise corporate productivity. (Dalvi & Ibrahim, 2013). Datta (2012) contends that several organizations see their staff 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 monetary and non-monetary incentives are essential. It is, therefore, necessary to design an effective incentive system based on the skills, abilities, and task achievement of the employees to upsurge their performance and commitment. There are two categories of incentives: financial, tangible, and related to pay and benefits for employees provided by an organization, and the other is non-monetary incentives; incentives that focus on motivating employees and improving commitment to employment through non-monetary benefits (Danish & Usman, 2010). Incentive management in a company is amongst the most important aspects of enhancing employees’ commitment to work to contribute innovative ideas that improve business processes. Armstrong (2012) asserts that employees’ commitment is effectively achieved if incentives are managed well since the staff has a sense of mutual benefits. These benefits are interfering with both the organization and the employees to attain the defined objective or strategies. Korir and Kipkebut (2016) stress that reward management systems supplement and strengthen the strategic plans of a business.

Over the years, literature has been extensively raised with a focus on improving reward/incentive systems and the extent to which they can influence the commitment of employees. As Lawler & Jenkins (1992) pointed out, the incentive system is a field that is very prevalent and is, thus, an essential topic for the research of human resource management and organizational behaviour. However, some researchers claimed that it is still a less explored field of study, which is contemplating further research, particularly from the context of developing countries (Forsberg, Axelsson & Arnetz, 2001; Sanada et al., 2010; Yigitcanlar et al., 2019).

The lack of commitment at work makes it difficult for contemporary organizations to retain and attract prospective employees. A study by GÎlmeanu (2015) shows organizations are employing a system of monetary incentives to empower employees to boost their commitment to work. Froese et al.’s (2018) also explained that organizations in the current world lack the critical element of the reward system non-monetary incentives when it is applied to improve employees’ commitment and engagement. They further emphasized that employees’ commitment is the most momentous issue facing by the present organizations. During the centuries, and particularly during the period from the late 1800s to the early 1920s, the role of the incentive strategies became apparent (Caudill & Porter, 2014). The incentive system during this era was very important, and five writers made a significant contribution to this research area. These writers are Lillian M. Gilbreth, Frederick W. Taylor, Frank B. Gilbreth, Henry L. Gantt, and Harrington Emerson. Their work has shown the significance and why it is essential to manage the monetary and non-monetary compensation of an organization. The authors also elucidated that employers must get a good relationship with employees through non-monetary incentives to determine the improvements in productivity and commitment of employees (Taba, 2018). Moreover, some recent studies also support this argument by findings a positive

correlation between non-monetary incentives and employees’ commitment (Madau & Anyalebechi, 2016; Wangombe & Minja, 2018; Alhmoud & Rjoub, 2019).

In today's global world, most of the organizations are facing challenges of low commitment from employees’ which resulting in a low organizational performance (Al-dalahmeh, Khalaf, & Obeidat, 2018; Andrew, 2017). From the context of the telecommunication sector, it is severely demanding to manage human resources strategically and should trace out whether the employees are fully committed or not. Committed employees engender customers’ satisfaction through excellent services that lead to organizational success (Kloutsiniotis & Mihail, 2020; Kurdi, Alshurideh, & Alnaser, 2020; Yagil, 2017). As previous studies revealed that employees’ commitment is essential for other organizational consequence such as offered services quality, overall performance, and customer relation management; this study is going to investigate the antecedents of the employee commitment. This study emphasis on intrinsic incentives.

The prior literature on human resource management and organizational behavior suggested that non-monetary incentives act effectively in enhancing the commitment of employees. The essence of incentives is to establish a linkage with the desired attitude and the outcome that makes the employee feel appreciated (Johnson-Tate, 2018). Non-monetary rewards play a significant role in the perception of the employee regarding the reward climate in the workplace (Fowler, 2019; Renard & Snelgar, 2017). When organizations pay attention to non-monetary tools such as opportunities for career growth, development opportunities, recognition and better communication at the workplace, the employees may perceive the organization as a supporting and caring organization and will be emotionally related to his work (Maynard, 2020; Salazar, 2020). Incentives, especially non-monetary incentives, are imperative for making employees happy and satisfied at the workplace which finally improve their job commitment. Therefore, this study is going to emphasis on the intrinsic incentives as predictors for employee commitment in Libyan telecommunication industry. Therefore, this study aims to investigate the effect of non-monetary incentives such as career advancement opportunities, development opportunities, employee recognition, and open communication on the commitment of workers in the telecommunications companies in Libya.

II. LITERATURE REVIEW

The psychological attachment and employee identity to the organization are regarded as the commitment of the employees to attain organizational objectives. Several researchers have described the three-tier organizational commitment such as normative (obligation) commitment, effective and continuous (perceived cost) (Hallberg & Schaufeli, 2006; Jackson, 2019). However, employees’ commitments are defined in some other locations as a psychological link in three unique types, such as compliance, identifier, and internalization (O’Reilly & Chatman, 1986; Ng, 2015). As Maslow (1954) said, “an employee is committed to the organization if his needs are fulfilled”. From his point of view, if one needs are met, individuals move to the next unmet need to meet them, yet individual requirements are organized in a hierarchical series. The physiological demands of Maslow are the fundamental needs (such as food, clothing, shelter, etc.), safety and security requirements (such as life and property protection, job security, and stabilization etc.), social needs (such as affection needs and sense of belonging), self-esteem needs (like self-respect, praise, recognition, and accomplishment etc.) and self-actualization needs (like creativity, problem-solving, personal growth, fulfilment, and morality, etc.) (Greene & Burke, 2007; Coulter & Gilchrist, 2016). The organizations’ employees are more likely to be committed to the organization if all these necessities are to be met.

The second period of organizational engagement is the Middle Affective Dependence Period (also known as One Dimension Model). The concentrate of the commitment moves from side-bets to the employee's emotional attachment to the company. This school of thought describes commitment as a kind of attitude but “economic-contract” (Rideout, 2010; Brivio & Trott, 2019). Commeiras and Fournier (2001) report that commitment is characterized by three associated variables that are: acceptance, participation, and allegiance. Strong acceptance implies a great faith and acceptance of corporate objectives and values. Participation involves a willingness to make a significant effort for the company and loyalty implies a powerful desire or sense of commitment to remain in the organization. Porter and his supporters, therefore, described the dedication as “the relative strength of an individual’s identification with and involvement in a particular organization” (Mowday & Steers, 1979).

The third stage of commitment is the multi-dimensional model. The theories of the commitment of Becker (1960) and Porter et al. (1974) fit into One dimension, whereas the progress of the multidimensional methods of the 1980s, Meyer and Allen suggested theories of O'Reilly and Chatman (1986) and Meyer and Allen (1997). O'Reilly and Chatman (1986) indicated that the psychological bond of staff and organization, in the form of compliance, identification, and internalization is developed by the commitment of staff. Compliance implies that we merely can tell how the staff has the desire to obtain the organizational benefits and the associated behaviour to attain incentives. Identification is the satisfactory relation to having the impact that implies that a worker is proud that he is in the company and that he has robust ties to the company (Meyer, Stanley & Parfyona, 2012; Lee et al., 2018). Internalization implies promoting the attitude of staff and behaviours that are consistent with current organisational values that match the values of the company's staff (Meyer, Stanley & Parfyona, 2012).

In his study, Cohen (2007) utilizes a strategy that solely attitudes and differentiates between a commitment to the organization before and after its membership. In addition, he emphasizes the motivation behind the commitment. Incentives and rewards are vital motivators which enhance the employees' commitment. In a study in Kenya, Korir and Kipkebut (2016) investigated the effect of financial and non-financial rewards on the organizational commitment of employees. They found that financial reward management
practices collectively have a significant effect on organizational commitment. Moreover, a recent study carried by Jaworski et al. (2018) concluded that offering benefits for part-time employees could positively impact job satisfaction and overall commitment to the job.

Lee and Kim (2010) note that the commitment of employees and readiness to work on behalf of an organization are part of the employee engagement. This means that employees’ involvement is an emotional condition that illustrates the interactions of staff with a company and the decision to remain in an organization. Porter et al., (1974) referred to Armstrong (2012) pointing that the link between the organization and individual staff is considered as organizational commitment. This is due to the understanding staff to consider the extent to which organizational objectives and values relate to themselves. As emphasized by Kelman (2017), respect for the participation of specific external requirements, identification based on an attachment’s wish to join the organization and internalization commitments which are based on congruence between requirements of each person and the company. Also, Allen (2016) accentuated the significance of the employees’ commitment and its vital role in organizational success. Given this, it can be concluded that an organization must enhance the commitment of its employees to remain competitive and reach desired goals.

III. METHODOLOGY

The study used secondary data and literature review to form the conceptual framework is trying to explain the variance of employee commitment by measuring the impact of career advancement opportunities, development opportunities, employee recognition and open communication on employee commitment. Incentives, especially non-monetary incentives, are imperative for making employees happy and satisfied at the workplace which finally improve their job commitment. Therefore, this study aims to investigate the effect of non-monetary incentives such as career advancement opportunities, development opportunities, employee recognition, and open communication on the commitment of workers in the telecommunications companies in Libya

IV. DISCUSSION AND FINDINGS

Career advancement is the process by which professionals across industries use their skill sets and determination to achieve new career goals and more challenging job opportunities (Nkansah, 2017). Some companies offer career advancement programs that allow existing employees to move up within the company (Daramola & Daramola, 2019; Yeboah et al., 2019).

Rush (1971) suggested that the aim of non-monetary incentives is to inspire employees to work with more dedication. Jobs with a range of career advancement opportunities are essential to fulfill certain employees’ requirements and can contribute to a sense of the value of the job on its own, without external incentives (Ehor, Oparanma, & Konya, 2019; Sathe, 2020). The need for accomplishment and authority is, according to the studies by McClelland, the primary motivational component of executives despite the presence of membership (Bahanuddin, Andrew, & Omar, 2020; S. Li, Rees, & Branine, 2019; Paterson & Louw, 2020). Maslow’s needs hierarchy stated the need for an enterprise to identify and provide staff with career improvement options for development and growth (Mokhniuk & Yushchysyna, 2018; Nyakaro, 2016). If such demands are not present in the business, staff in another business will leave and develop (Carolyne, Robert, & Ayub, 2020; Gitau & Monari, 2019; Triyana & White, 2020). Erbasi (2012) done an investigation connected to the effect of non-monetary related and monetary motivations on the dedication of workers. Also, Okocha and Isa (2016) found a positive relationship between career advancement opportunities and employees’ commitment. Some other previous studies also found a positive and significant impact of career advancement opportunities on enhancing the commitment of employees (Redmond & Sharafizad, 2020; Resah, Egessa, & Kiongera, 2018; Smr & Dinc, 2017). There has been a stronger impact on non-monetary incentives than monetary incentives that have been shown by employee attitudes (Maiti et al., 2020). If the employer has the correct system of motivation, it can dramatically affect customer service and sales numbers and enhance efficiency, personal work, and teamwork (Jyothi, 2016; Sarawari, 2019). Based on the above discussion of this construct and according to some researcher’s that have studied career advancement opportunities topic they found out that career advancement opportunities has a positive impact in making a better employee’s commitment (Awino & Kipsang, 2020; Jyothi, 2016; Khan et al., 2020; Kiilu, 2017; Maiti et al., 2020; Pham et al., 2019; Sarawari, 2019). Career advancement opportunities will lead to a more competitiveness and encouragement between the employees which will lead to a better employee’s commitment (Awino & Kipsang, 2020; Jyothi, 2016; Nnubia, 2020).

Development involves improving the effectiveness of organizations and the individuals and teams within them. (Masariramb, 2017; Olaajo et al., 2017) development is related to the progress of long-term organizational and employee goals ( Thompson et al., 2019). While training and development technically have differing definitions, the two are oftentimes used interchangeably and/or together (Frey & Gallus, 2016; Kaiser & Regjepaj, 2019; Lawley, Birch, & Johnson, 2016). Training and development have historically been a topic within applied psychology but has within the last two decades become closely associated with human resources management (Angwech, 2017; Chantal & Andala, 2020), talent management, human resources development, instructional design, human factors, and knowledge management (Kivenule, 2017). Kazi et al., (2019) stated, workers cannot achieve their ability without formal and informal training and development programs. Training may be on-job, by learning and off-the-job, for example, professional training at some institute (Gulchuk, 2019; Tafamel, 2019). In a recent study, Jehanzeb and Mohanty (2018) empirically tested the relationship between development opportunities offered by an organization with the employees’ commitment (Habib et al., 2017; Rajendran et al., 2017). Their study found a positive correlation between development opportunities and
employees’ commitment (Idowu et al., 2019; Kirabo, 2018; Namyingo, 2018). On-job training has expenses, including preparation for managers and supervisors and increasing the quality of the production are some of the development opportunities (Nkansah, 2017; Sathe, 2020; Yeboah et al., 2019). The newly skilled employee, too, can try to use his skills to seek jobs elsewhere, without efficient work development schemes, which means lost output and disturbance (Daramola & Daramola, 2019; Ehor et al., 2019; S. Li et al., 2019). Based on the above discussion of this construct and according to some researcher’s that have studied development opportunities topic they found out that development opportunities has a positive impact in making a better employees’ commitment (Baharuddin et al., 2020; Daramola & Daramola, 2019; Ehor et al., 2019; Li et al., 2019; Nkansah, 2017; Paterson & Louw, 2020; Sathe, 2020; Yeboah et al., 2019). Development opportunities makes the employees feel more equality of having a fair chance to be in a better position and this will lead to a better employee’s commitment (Mokhniuk & Yushchyszyna, 2018; Nyakaro, 2016; Triyana & White, 2020).

Employee recognition is the timely, informal or formal acknowledgement of a person's behavior, effort, or business result that supports the organization's goals and values, and exceeds his superior's normal expectations (Carolyne et al., 2020; Nyakaro, 2016). Recognition has been held to be a constructive response and a judgment made about a person’s contribution, reflecting not just work performance but also personal dedication and engagement on a regular or ad hoc basis, and expressed formally or informally, individually or collectively, privately or publicly, and monetarily or non-monetarily (Jalil, 2011; Mokhniuk & Yushchyszyna, 2018; Triyana & White, 2020). The track of scientific research around employee recognition and motivation was constructed on the foundation of early theories of behavioral science and psychology (Carolyne et al., 2020; Redmond & Sharafizad, 2020). The earliest scientific papers on employee recognition have tended to draw upon a combination of needs-based motivation (for example, Hertzberg 1966; Maslow 1943) theories and reinforcement theory (Mainly Pavlov 1902; B.F. Skinner 1938) as a foundation for the effects of employee recognition (Maiti et al., 2020; Resah et al., 2018; Srna & Dinc, 2017). Each person has distinct requirements to be satisfied, and these criteria must be found to attain the organizational objectives (Sarwari, 2019). The literary review provides a more explicit knowledge about the drivers responsible for initiating people’s behaviour and engaging in certain procedures (Jyothi, 2016; Khan et al., 2020). The study and research undertaken by Rast & Tourani (2012) have investigated work features that have a significant impact on staff satisfaction in three distinct private companies (Awino & Kipsang, 2020; Khan et al., 2020; Kiilu, 2017). The outcomes of the research indicated that relationships, oversight, working conditions, pay, and promotional possibilities are linked to the satisfaction of employees moderately (Sylvia, 2016; Wei & Yuen, 2016). Hunjra et al. (2010) as well launched a survey that looked at the banking sector, which showed that the connection between job autonomy, management conduct, a team-based atmosphere, and job satisfaction is positive (Frey & Gallus, 2016; Schutte & Malouf, 2020). The research findings showed that if more job autonomy is given in the workplace, the satisfaction of the worker rises (Chantal & Andala, 2020; Kivenule, 2017). Pragya (2008) examined the connection between job satisfaction and non-monetary incentives.

Communication is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols, and semiotic rules (Baha & Esposito, 2020; Nyakaro, 2016). The main steps inherent to all communication are: The formation of communicative motivation or reason. Message composition. Message encoding. Communication is necessary for those impacted to adapt to changing procedures (Mokhniuk & Yushchyszyna, 2018; Triyana & White, 2020). Change, which has been ignored by most businesses, is hardly feasible without efficient and open worker communication. In the field of communication, the willingness for change, uncertainty reduce and obviously a decisive driver of the engagement is established (Carolyne et al., 2020; Gitau & Monari, 2019; Redmond & Sharafizad, 2020). The interaction that aligns with the commitment of staff to change, as shown by Simoes and Esposito (2014), is reducing their inclination to withstand change. In the past decades, prior studies have noticed the connection between communication and organizational change (Maiti et al., 2020; Resah et al., 2018; Srna & Dinc, 2017). The significance of communication itself is to increase staff knowledge of the need for change and develop a feeling of belonging to productive and harmonious efforts to change (Pham et al., 2019; Sarwari, 2019). Jalil (2011) has considered the hypothesis of internal communication that directly involves employees’ willingness to alter to strengthen their feeling (Awino & Kipsang, 2020; Kiilu, 2017). Several past studies have also highlighted the significance of communication for increasing the commitment of an individual (Khan et al., 2020; Nnubia, 2020). Even Lewis (1999) indicated boldly that communications and employees’ commitment has inseparably related procedures (Sylvia, 2016; Wei & Yuen, 2016). The powerful focus on intuitive interaction by the improvement of complex and modern organizations and the IT used by businesses to communicate and communicate to subordinates (Glaveanu et al., 2020; Khan et al., 2020; Schutte & Malouf, 2020). A strong inner interaction will strengthen the feeling of imbalance with the present status quo (Raineri, 2011). Lai and Ong (2010) also indicated that the organization should help staff know that the status quo is not appropriate to raise worker awareness. It can be performed formally or informally within organizational settings (Raineri, 2011). Previous studies have shown that excellent communication decreases employees’ sense of inertia and shows that change is necessary (Kaiser & Regejpar, 2019; Lawley et al., 2016; Masarirambi, 2017). It also enables staff to modify their conceptual and emotional points of view of their present situation (Chantal & Andala, 2020; Kivenule, 2017).
V. CONCLUSIONS

The fast-paced transforming business environment consistently demanding the need to review and alteration of organizational compensation strategies to increase the commitment of employees. Every organization has the aim to survive in the intense market and gain a sustainable competitive edge over the competitors. There is a swelling perception that the way in which an organization implies its human capital development strategies will assist to achieve the desired organizational goals. The findings of the present study validate the key impacting non-monetary incentives strategies which can assist Libyan telecommunication companies to improve their employees’ commitment. This research is expected to significantly contribute to both streams such as theoretical and practical. The study validates the underpinning theories with extending sights of chosen variables for the development of the research framework. For academic researchers, this study proposed a platform for generalization to additional validation of the findings congregated in this study. This would consequently upsurge our understanding regarding employee commitment and management from the conceptualization of expectancy theory and equity theory. For managers and practitioners, this research offers in-depth knowledge and empirical evidence for enhancing employee commitment, particularly those working in telecommunication companies, through the perception of senior management on non-monetary incentives. By considering and executing the study’s findings may provide policymakers a remarkable knowledge for introducing and managing the workforce effectively through increased motivation with non-monetary rewards. Happy and satisfied employees are a great notion to drive both individual and organizational performance and enable managers to achieve the desired goals.

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