



RESEARCH PROPOSAL

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

Naqeeb Ahmad "Arian"

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

Naqeeb Ahmad "Arian"

This research proposal is done as an assignment of the subject of Business Research Method taught by Abdul Malik "Halimi" at the Kabul University, faculty of Economics.

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

Abstract

The broad objective for conducting this study is to find out the impact of financial incentives on employees' motivation in educational institutions using the case of Kabul University, the popular university of Afghanistan. Specifically, the fundamental expectation is to comprehend the relationship between financial incentives and employee motivation. The study employed an exploratory contextual analysis outlined with both quantitative and qualitative approach in data analysis. The study had 40 respondents for gathering the information through a questionnaire with 8 questions. The study concludes that the Kabul University use distinctive motivational tools in motivating its employees like; reasonable wages, bonus pay, reasonable retirement programs, overtime pay, etc.

Introduction

Motivation plays a critical role globally in achieving goals and business objectives and is equally as important for companies that work in a team-based environment or in a workplace comprised of workers who work independently. Making sure each employee's workplace goals and values are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation that can lead to higher productivity, improved work quality and financial gain across all departments (<http://www.ehow.com> retrieved on 16 July, 2022 at 6:44 PM). Similarly, Lawer, (1969) states, motivation is a mental force that chooses the course of a man's behaviour, level of effort, level of diligence even with hindrances. Miller, (2015), characterizes, the foreseen effect of financial incentives on human behaviour is a sharp theoretical parcelling line amidst financial viewpoints and different humanistic systems, particularly mind research.

Moreover, increasing motivation, commitment and engagement levels are key organizational aspects nowadays. The development of compensation policies has an important role in motivating workforce to deliver high levels of performance, discretionary effort and contribution (Ana Salanova and Kirmanen, 2010). This study is conducted to assess the impact of financial incentives on employees' motivation In Kabul University. Specifically, the basic expectation is to comprehend the connection between financial incentives and employees' motivation.

Financial incentives at the Kabul university

Kabul university as the main university and the first institution of higher education in Afghanistan, was established in November 1932 with the establishment of the Medical Faculty and gradually developed with new faculties. This university as an influential institution; at the same time, has been affected by the political and military developments in Afghanistan over the past four decades. Kabul University had a development period during (1932 - 1978) and observed important changes. During this period, the modern higher education system of Afghanistan was established at the core of Kabul University. As in 1946 (Kabul University Establishment Law) was made, which is in fact; the foundation of the academic and administrative activities of higher education in Afghanistan. Following the establishment of the Medical Faculty (1932), the structural development of Kabul University was expanded. The Faculty of Law and Political Science (1938), the Faculty of Science (1942), the Faculty of Literature (1944), the Faculty of Sharia (Islamic) Law (1951), the Faculty of Agriculture and Engineering (1956), the Faculty of Economics (1958), the Faculty of Pharmacy (1959) and the Faculty

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

of Arts (1966) was established. With the establishment of these faculties, the necessary infrastructure was also created, and approximately 50% of the existing infrastructure of Kabul University was established during this period.

Kabul University offers financial incentives and other benefits that are used as a tool of motivating its employees. These are as explained below:

- It provides bonuses for employees who performs well during the work.
- it provides salary raises to employees.
- It offers overtime pay for employees who work extra hours.
- It offers good retirement programs to its employees.

Problem statement

This Study is conducted to identify the importance of the various financial incentives offered by Kabul University to demonstrate their commitment towards employees' motivation.

Research Objectives

General research Objectives

The broad objective for conducting this study is to find out the impact of financial incentives on employees' motivation in educational institutions using the case of Kabul University, the popular university of Afghanistan.

Specific research Objectives

To understand the relationship between financial incentives and employees' motivation.

To make recommendations for top management.

Research questions

The study is intended to answer the following questions.

General research question

What is the relationship between financial incentives and the employees' motivation?

What is the impact of financial incentives on the employees' motivation?

Statement of Hypothesis

Salary is the most important financial incentive of motivation of employees at the kabul university.

There is relationship between financial incentives and the employees' motivation.

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

Limitations of the study

This study was limited to employees of Kabul University to represent the educational institution in Afghanistan but the fact that the employees of this university were motivated by salaries, overtime pay, bonuses, salary raises and other retirement programs vary with factors for motivation in other institutions, so the findings of the study of Kabul University can't be realized as a general study for all the institutions of Afghanistan. Other major limitation for this study was limited time. Because the study had limited time, only the employees of Kabul University including academic and non-academic staff were distributed the questionnaires which made easy for me to collect the needed data from the mentioned employees on time and it made it even easier to analyse and write the report from the findings.

The impact of financial incentives on employees' motivation

One of the most significant challenges is the introduction of business-like incentive structures, in particular the introduction of "pay for performance" schemes in public institutions (Varone and Giauque 2001). Financial incentives and rewards in the world are regarded to positively affect employees' commitment or loyalty. Employees stay in an organization because the costs for leaving the organization are higher than benefits to be a part of the organization (Saleem, 2011). Financial incentives and rewards make continuation of the employment relationship because they create the basis for high levels of commitment and employee motivation. Firms must develop strategies that include financial incentives and rewards for example promotion, bonus, profit sharing or gain sharing, overtime pay, salary raises, co-partnership, retirement benefits and fringe benefits, employees stock option, extra allowance, referral programs, commissions and wage incentives(<https://www.indeed.com/career-advice/career-development/in>). Many jobs in the world are today paid via performance-based payment or at least have a component including financial payments based on individual performance. Hetzel states that, financial incentives strengths are required with a particular final objective to incentive workers to extend the performance of exercises. Likewise, Kinetics, mentioned incentives give motivation to labourers. Therefore, incentives have demonstrated to build interest in wellbeing of projects. In contrast, Kohn as cited in Fryer explains that, workers will have decreased motivation and that their achievement will be negative once the incentive strengths are taken away. The employee motivation is influenced by both individual qualities and additionally work place environment(<https://www.quora.com/the-employee-motivation>). Osa (2010) mentioned that the financial incentives can motivate worker to perform well on their occupation.

Methodology

The deductive approach is used in this study to identify the financial incentive factors that affect to employees' motivation as well as descriptive methodology is used to analyse the data. Meanwhile, 40 staff individuals including academic and non-academic staff was considered from around the university as the population and there were 20 staff individuals from top level administration as the target sample and also there are several questions that have asked from the respondents through a questionnaire and according to their response, the discussion has been made.

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

Data collection

- **Primary data**

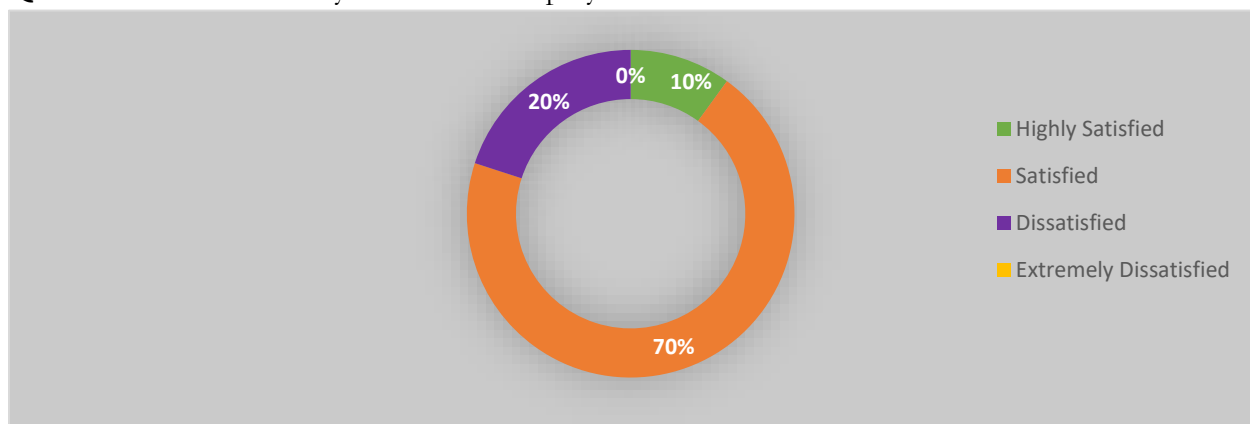
The primary data was collected from academic and non-academic staff of the university through close-ended questionnaire. The questions were very simple and easy to be understood by the respondents.

- **Secondary data**

Academic concepts, journal articles and online books are used as the recourses for the secondary data.

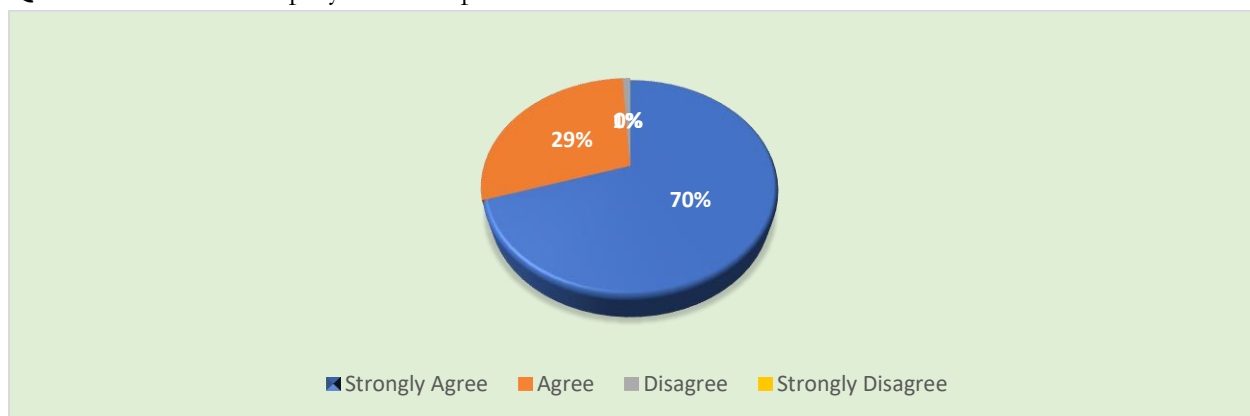
Findings

Q1. Does Kabul University motivate its employees?



The collected data shows that 70% of respondents were satisfied and 10% of the respondents were highly satisfied and they said that the university motivates its employees. And 20% of respondents are dissatisfied and said that the university doesn't motivate its employees. However, the greater percentage of satisfaction shows that the Kabul University motivates its employees and this motivation is influenced by individual qualities, extra work place environment and work performance.

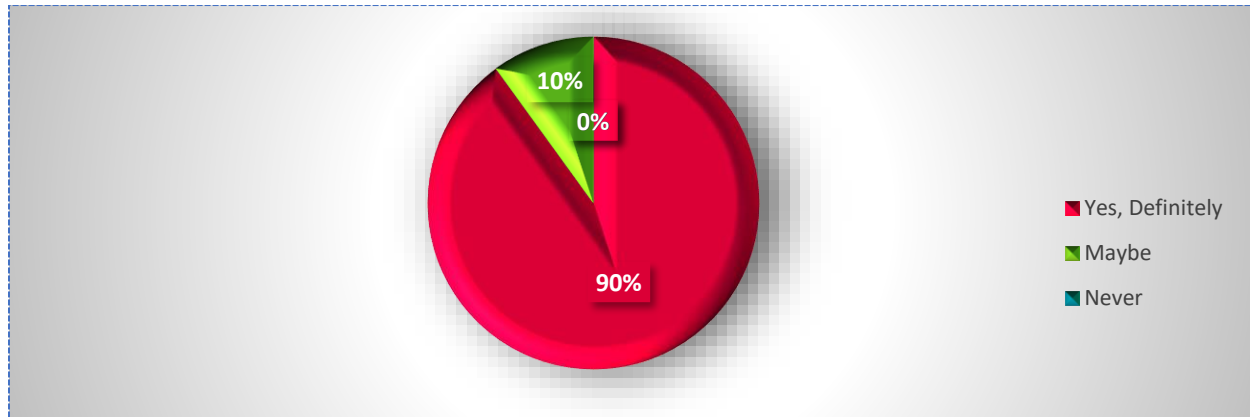
Q2. Are motivated employees more productive?



The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

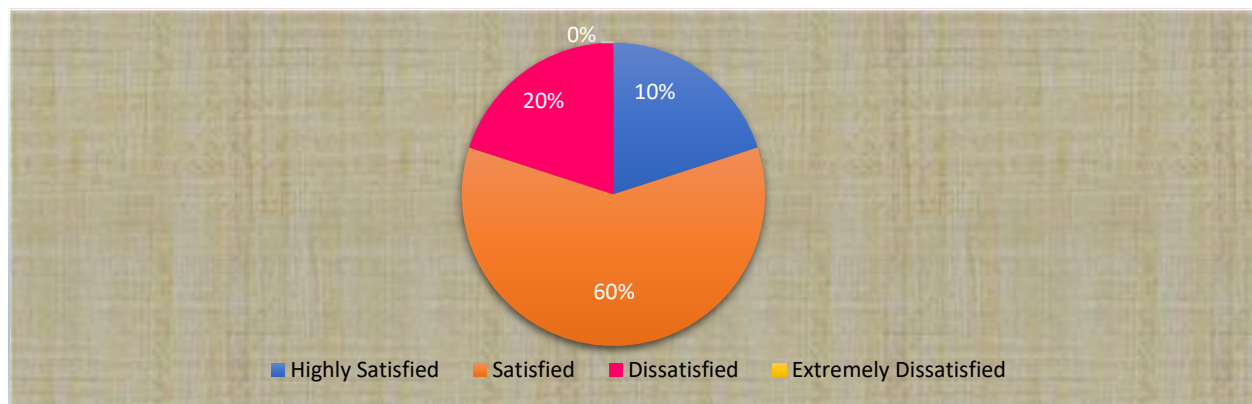
As a general fact, the motivated employees are more productive. To prove this fact, 70% of respondents have strongly agreed and 29% agreed and together they said that the motivated employees are more productive. In addition, there were only 1% of respondents who have disagreed.

Q3. Would motivated employees impact the efficiency of the Kabul University?



Data shows that 90% of respondents have agreed that motivated employees would impact the efficiency of university. These responses prove the fact that many authors have mentioned in their articles that “not motivating of your employees can impact your organization's efficiency”. In addition, only 10% of respondents responded that employee motivation may impact the efficiency of an organisation and none responded with the choice of NEVER among multiple choices.

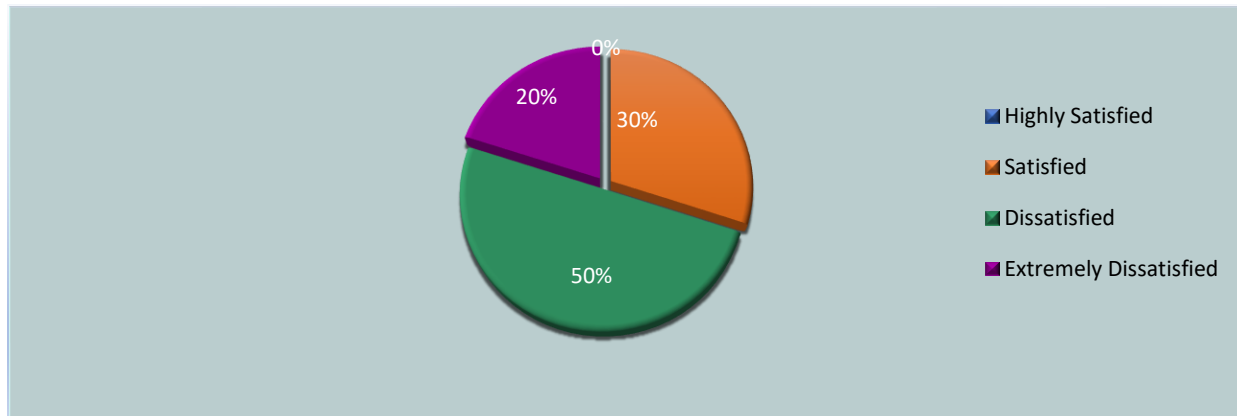
Q4. Are you satisfied with the given motivation by Kabul University?



According to the data, it has shown 10% of the respondents are highly satisfied and 60% the of respondents have satisfied with the given motivation by the university. And only 20% of respondents have dissatisfied with the given motivation. As a result, this would positively affect the efficiency and the productivity of the university and also job satisfaction of employees.

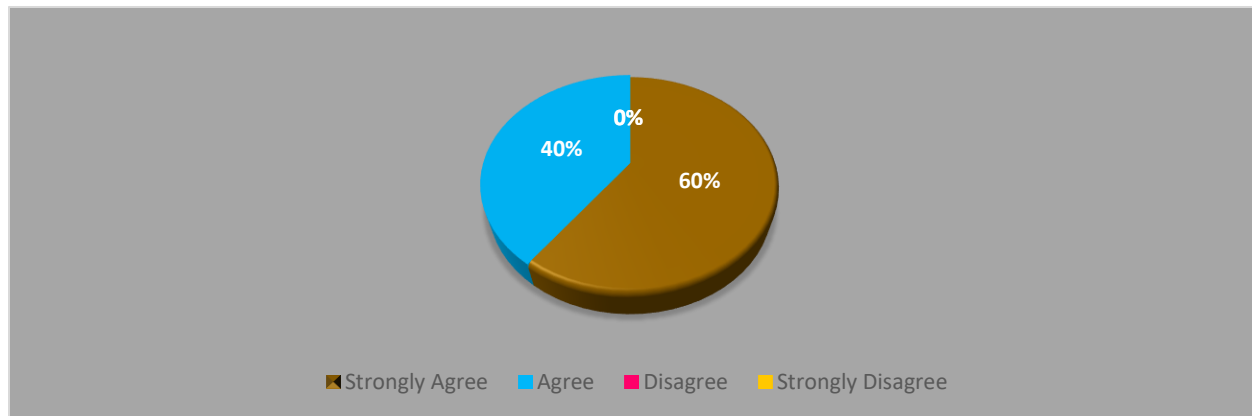
Q5. Are you motivated with your salary?

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.



As the above pie chart shows that 50% of respondents are dissatisfied and 20% of the respondents are extremely dissatisfied with their salary whereas 30% of the respondents are satisfied with their salary. Reason for this difference is the job title of employees. Experienced and top-level management respondents have been paid highly whereas newly joined or less experienced respondents have been paid less than the experienced ones.

Q6. Do you think that financial incentives motivate employees to work better in their work environment?

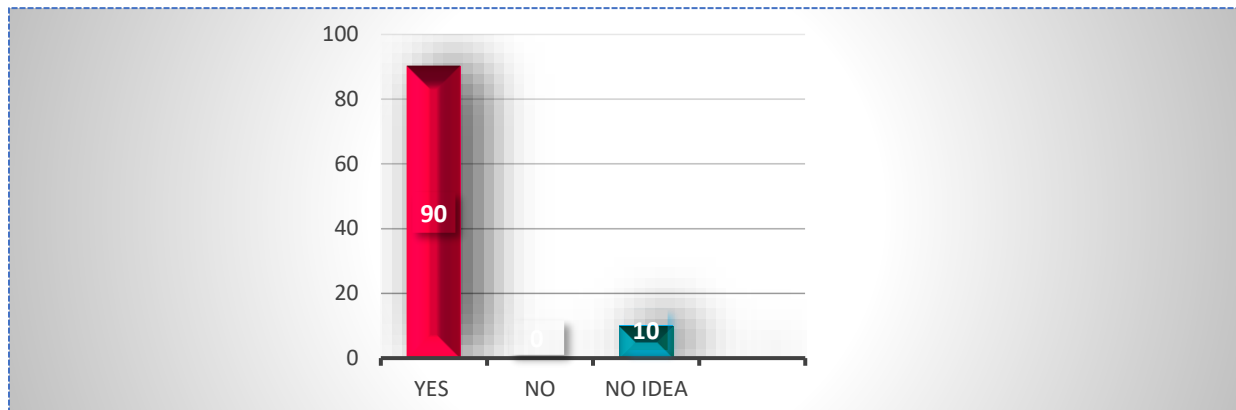


According to the collected data, almost all of the respondents agreed that financial incentives motivate employees to work better in their work environment (60% strongly agreed and 40% of respondents agreed). None of the respondents have said that financial incentives motivate employees to work better in their work environment. Thus, with the

greater percentage of agreed employees it has proven the arguments of Osa (2010) that the financial incentives can motivate worker to perform well on their occupation.

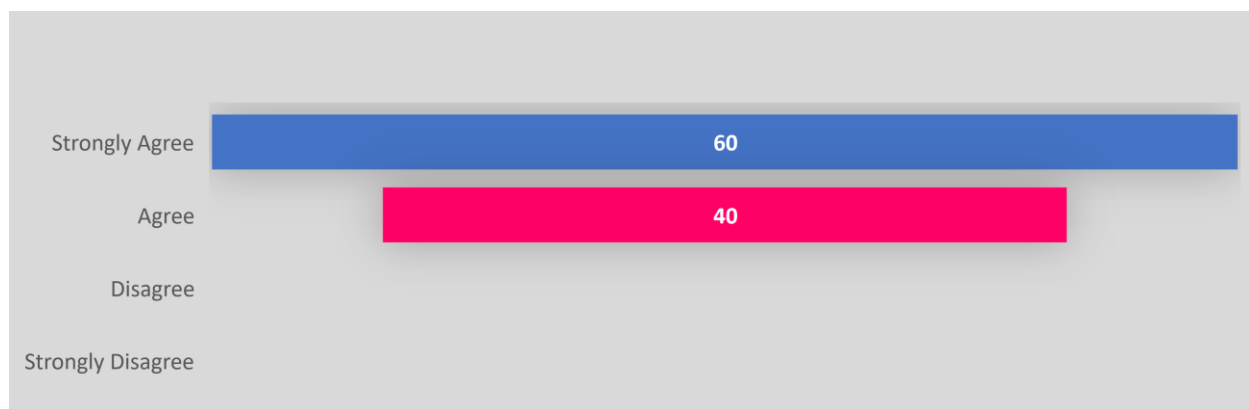
Q7. Do financial incentives impact the employees in Kabul University?

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.



90% of the respondents have said that financial incentives impact the employees in the university. If it undermines from the employees, it would be hard for the university to be more productive. In addition, 10% of the respondents had no idea about this.

Q8. Do you agree that financial incentives improve the motivation of employees?



According to the responses of the respondents, 60% of respondents have agreed and 40% strongly agreed with the above question. None of respondents have disagreed. It means that the financial incentives are the most important factors that can improve employees' motivation to be more productive and work well.

Conclusion

This research proposal was done to recognise the impact of financial incentives on employees' motivation in Kabul University and it is found that there is a positive impact of financial incentives on employees' motivation. This study clearly shows that Kabul University has utilized financial incentives to retain its significant and productive employees and compensate for its employees' motivation.

Recommendations and Proposals

Policy makers in Afghanistan should design and make adjustments to existing policies about financial incentives and incentives schemes to make sure that employees of any sector are well motivated. When these employees are well motivated in any organization whether in educational, banking, health or any

The impact of financial incentives on employees' motivation in educational institutions of Afghanistan: A case in the Kabul University.

other organisation, their values will not conflict with the values of their organizations. Respondents in this study stated high emphasis on salary that they are not satisfied with the salary they are given. Most special attention should be put at increasing the salaries of employees of the educational sector, because education is the base of the progress of the country and majority of the academic staff complain about their low salary and not meeting even their basic needs. Raising their salaries and offering them other allowances will increase their morale and motivation to work harder and this will lead to best results and outcomes and we will have a progressed Afghanistan. In addition, it is proposed that it is better for the Kabul University to introduce a great incentive plan for the employees in this educational institution and it would help to increase the motivation of the employees.

References

Lawer, (1969), Job design and employee motivation. Personnel Psychology. P.425-426, (online google P.B).

Miller, (2015), Financial incentives for employees can motivate and bring a sense of team to your organization, A journal of business management, google[online]. pp. 31-32

(Ana Salanova and Kirmanen, 2010), The development of compensation policies has an important role in motivating workforce to deliver high levels of performance, discretionary effort and contribution.

An overview of Kabul University. www.ku.edu.af (google).

(Varone and Giaque 2001), One of the most significant challenges is the introduction of business-like incentive structures, in particular the introduction of “pay for performance” schemes in public institutions. International Journal Review of Administrative Sciences. P. 54-65. Google books (online).

Firms must develop strategies that include financial incentives and rewards.

(<https://www.indeed.com/career-advice/career-development/in>).

The employee motivation is influenced by both individual qualities and additionally work place environment(<https://www.quora.com/the-employee-motivation>).

Osa (2010), mentioned that the financial incentives can motivate worker to perform well on their occupation. A quantitative study of the market response to changing political leadership. (Online P.B)

Role that motivation plays. (<http://www.ehow.com> explored on 16 July, 2022 at 6:44 PM).