

ST.MARY'S UNIVERSITY COLLEGE

BUSINESS FACULTY

DEPARTMENT OF MANAGEMENT

AN ASSESSMENT OF THE EFFECT OF INCENTIVE PACKAGE

ON EMPLOYEE PERFORMANCE

(THE CASE OF WALIYA TRANSPORT SERVICE CORPORATION)

BY

AYKEL HASSEN

JUNE 2011

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CHAPTER ONE

INTRODACTION

1.1 Background of the Study

To know more about incentive's origin, purpose and the result of the incentive in organization ,a brief definition is necessary. Anything which motivates an employee to produce once he is on the job is an incentive. From the management point of view ,purpose of wage incentive is to increase production and to lower unit cost. Yet incentive systems are often mentioned among the cases of high cost of production. “[pigors, and others; 1964:p,265].

To mutilate a well-used phrase ,”everyone talks about incentives but no one knows very much about them.”Incentives as wage incentives were first developed by industrial engineers. These times engineer and his followers believed that workers would produce more if they were given an incentive to do so after they were shown methods to do the work.

Incentive is monetary benefit paid to workmen in recognition of their outstanding performance. It is defined as “variable rewards granted according to variation in the achievement of specific results “[K.Awathappa 2004;p,267].

The International Labor officer refers to incentive as “payment emphasizing the point of motivation that is the importing of incentive to workers for higher production and productivity.

The primary advantage of incentives is the inducement and motivation of workers for higher efficiently and greater output. It may not be get people for fixed wage and salaries. But with fixed remuneration items difficult to motivate workers to show better performance. Fixed remuneration remove fear of insecurity in the minds of employees a feeling of secured income fails to evoke positive response. Positive response will salary come when incentives are included as part of the total remuneration.

Earnings of employees would be enhanced due to incentives. There are instances where incentives earnings exceed two to three times the time rated wages or salaries. Increased earnings would enable the employed to improve their standard of living.

The other advantages of incentive payments are reduced supervision, better utilization of equipment, reduced scrap; reduced time reduced absenteeism and turnover, and increased output.[k. Aswathappa 2004:p,267]

Walya transport is one of the major long distance transport service company in Ethiopia currently 395 employees and 29 buses. It gives service throughout the country.

Walya transport also sets obvious mission and objectives to maintain lead position from the transport industry. Based on this context the researcher has interest to examine the effect of incentive package over the employee performance.[Interview]

In general, the studies of this paper focused on the assessment the effect of incentives package on the employee performance to arrive with certain conclusion, recommendation and summary for human resource management on the basis of the walya transport bus service objectives.

1.2 Statement of the Problem

It's clear that incentive system is not effective under all circumstances even where basic conditions seem to favor it is fulfilled. So that, the incentive system, especially a wage incentive system needs to be carefully considered before it is introduced because it cannot alone raise poor morale or low output.

Managers and their personnel administrators cannot avoid the responsibility for careful consideration of the conditions under which incentive methods are appropriate and the circumstance under which they should be avoided.(pigors,1981:p,388)

Most measures of incentive programs focus on short term results during a specific time frame. While little research that does exist regarding a word option focuses on employee attitudes towards incentives behavior effect .(Jolene Eckert & cathy Hartman 1994)

In any incentive system managers face the fundamental question: “does the incentive plan actually stimulate greater production and employee earnings, so that both employer and employee gain, or will it be the occasion for misunderstandings, friction, decreased production and lower moral?” the basic job conditions that exist, the background of personnel relations and the manner in which the incentive system is introduced and administered are important factors in answering this questions. (pigros 1981:p,388)

Currently the basic problem exists in walya transport service. As based on customer’s compliance and suggestion. Walya transport employees have not gives service efficiently as customer expectation. Employees have not utilize the company’s equipment and materials effectively. Walya Transport service does not obviously settles what types of incentive payment implement, the other problem is walya Transport service employees attitude towards incentive package is misunderstood, most of them assumes incentive payment as affixed salary and remuneration.

Based on the theory and facts, the research has interest to assess the incentive plans provided by organizations for the satisfaction of their employees so that the paper investigation and analyses the case in walya transport service and tries to investigation the hypothetical question “does incentive package program directly related employee performance?”

1.3 Research Question

1. What type of incentives packages was the walya Transport Service implementing?
2. What are the attitudes of employees towards the current benefit of incentive package?
3. What are effects of incentive package on employee’s performance?
4. What are the problems that face the organization to pay incentives?

1.4 .Objective of the study

1.4.1 . General Objective

The general objectives of this study are to assess the effects of incentive packages over the employee’s performance.

1.4.2. Specific objective

1. To identify what type of incentive package the Walya transport service implementing.
2. To identify what are the attitudes of employee towards the current benefit of incentive package.
3. To identify the effect of incentive package on employee performance.
4. To identify the problems of incentive package practices.
5. To draw the conclusion on the basis of the study on employees and forward necessary recommendations to Walya transport company.

1.5 Significance of the study

The finding this study shall use to improve the incentive package program for walya transport service. The studies were also uses as a secondary data for further researcher the study may uses for students as reference about incentive package program. The paper also assists to develop certain inputs as a secondary data for policy markers based on human resource development.

1.6. Delimitation of study

Walya transport has different branches, however according to area which the branches are located; this study were focus on the head office. Coming to the time delimitation the study assess only the three year data(2000-2002). Because of difficulty of documentation, shortage of abundant reference and finally time and budget constraint.

1.7. Research Design and Methodology

1.7.1. Research Design

Due to the of the respondents, the study were used descriptive survey. This is because descriptive studies used to draw about relationship between the incentive payments with the employee performance out come.

1.7.2. Population and Sampling Technique

Walya transport service has 395 employees. For this study purpose 30% of the population (118) were taken as a sample size. The sampling technique to be used is probability sample which is random sampling.

1.7.3. Types of Data to be collected

Data were collected from primary and secondary sources. Primary sources were human resources manager, employee compensation division head office and were distributed to the selected sample employees.

Secondary sources were used walya transport service manuals and publications were consulted. Annual reports and brochures also were used as a secondary source.

1.7.4. Data collection Method

The study collected data both close ended and open ended questionnaires were prepared and distributed to head office in under manpower development and administrative and transport split service. Unstructured interview questions were prepared and an interview was conducted with transport split service division and manpower development and administrative head in order to gather information about incentive payment program at walya transport company.

1.7.5. Data Analysis Method

After data are collected with proper tools and techniques, the respondents were segmented according to critical variables. The outcome was described the whole process with appropriate tabulation and percentage.

1.8 Limitation of the Study

In conducting this study the student researcher has the following limitations. Shortage of time and the researcher's limited knowledge about research.

1.9. Organization of the study

The research project is organized in four main chapters. Chapter one focuses on the introduction part which includes general background of the study, statement of the problem, objective of the study, research questions and significance of the study , limitation of the study and methodology, and organization of the study. Chapter two also focused on the literature review. Chapter three contains data presentation data analysis and interpretation. Finally chapter four includes summary, conclusion and recommendation of the research findings.

Chapter Two

2. Literature Review

2.1 Definition

Among the perplexing questions which continue to face management is what methods and approaches will encourage employees towards higher productivity? It is also assumed that employee interest in higher productivity does not develop without some stimulation by management, either directly or through the creation of an atmosphere in which employees went to contribute there best effort to the job.

Incentive is monetary benefit paid to workmen in recognition of their outstanding performance. It is defined as “variable rewards granted according to variation in the achievement of specific results “[K.Awathappa 2004;p,267].

In general, these stimulations are called incentives. But Pigors, Myers and Malm (1964:365) argued that “everyone talks about these wage incentives but no one knows very much about them.” So that a brief definition is necessary since the term “incentive” is subject to some confusion. They defined incentive as “any thing which motivates an employee to produce once he is on the job.”

According to Monappa and Saiyadain (1999:263) “an incentive wage system is one of relating wages to output there by stimulating greater output and lower costs.” Lounden (1964:p,7) also defined incentive packages as “management tools that pull employees towards work and to buy employees skill and effort in order to increase employees productivity by increasing job satisfaction.”

Incentives were defined by several authors in different literatures. Any how, for the purpose of this paper incentive packages could be operationally defined as organizational and management tools that are used to attract new employees towards the organization, to increase productivity and job performance of existing employees and to satisfy and retain them within the organization.

2.1.1 History of Incentive Packages

The intention of incentive packages was to increase productivity and employees were also believed to produce more if they were given more money. It was also argued that “the history of using money as an inducement to people to work harder it’s almost as old as money itself.” Also there are records of some payment schemes being applied as long as the seventeenth century. Among the early pioneers noted by Ibbotson and Whitomre (1977:p,6) is professor Roll. He described one of the first incentive schemes recorded in details and he reported the existence of payment by results at the Soho (Birmingham) factory of Messrs Boulton and Watt.

Then details of first practical incentive scheme designed for the Canadian Rand Drill company were presented by Frederick Arthur Halsey to the American Society of Mechanical Engineers just before the end of the nineteen century. Then Halsey

Scheme was introduced into Great Britain some years later by the firm of G& J.Weir of Cathcart, who substituted the usual basis for sharing the bonus.

Louniden (1944:p,1) dated the foundation of Modern incentive packages especially wage incentive packages and techniques used in developing them were laid by Frederick W Taylor at the Midvale Steel Company in the early 1880's. "They grew out of his desire to overcome the 'systematic soldiering' which he found there. This soldiering was an evil that was inherent in the practice of braining a number of workmen together on similar work and at a uniform rate of pay by the day since all were paid the same." Mr. Taylor realized that the chief difficulty in the fact, "no one knew what constituted a fair day work. Therefore, he set out to establish a method or system whereby piece rates could be based, not on their actual performance in the shop, put on facts as revealed by careful investigation." Thus was born Taylor's "scientific method in connection with management" which grew to be known as the Taylor System.

2.2 Types of Incentive Plans

As you probably know from your own experience, incentive plans can be classified in several ways. They can, for example, classified by level. Individual incentive plans provide income over and above basis salary to individual employees who meet specific individual performance standards. Group incentive programs pay all members when the group or team collectively meets its performance standard. Profit sharing plans are generally organization wide, and provide all or most employees with a share of the company's profits in a specified period. Plans can also be classified by employee group such as plans for operating employees, sales employees, or managers' well look more closely at these classifications in a moment.

Managers often use tow terms synonymously with incentive plans. Variable pay is a group incentive plan that ties pay to some measure of the fir's (or the facility's) overall profitability; profit sharing plans (discussed below) are one example. However confusing as it may be some experts do include individual incentive plans within the category of variable pay. Traditionally, all incentive plans are pay-for performance plans: they pay al employees based on the employees performance.

Incentives certainly don't have to be financial, and are only limited by the manager's creativity. For example, Patagonia the outdoor clothing maker, rewards employees with

time off. Incentive magazine recently ran a program to identify the best web-based incentive sites. (many firms use these to set up and selected 41 sites. They included gift certificate sites (such as Gift Certificates, com see Web note, and corporate com), merchandise sites (plastic premiums com, Spiegel rewards.com) services sites (branders com marketing innovators.com) ad travel incentive sites (all meetings. Come corporate cruises com). (F.casclly 1986:p, 334-335)

2.2.1 Team or Group Variable Pay Incentive Plans

Team or group incentive plans pay incentives to the team based on the team's performance. One way to do this is to set work standards for each team member and then calculate each member's output. Members are then paid base on one of three formulas: 1) All member's receive the pay earned by the highest producer, 2) all member receive the pay earned by the lowest producer or 3) All member receive pay equal to the average pay earned by the group. A second approach is to set an engineered production standard based on the output of the group as a whole. All members then receive the same pay, based on the piece rate for the group's job. This group incentive can use the piece rate or standard hour plan, but the latter is more prevalent.

A third option is to tie rewards to goals based on some overall standard of group performance, such as "total labour hours per final product. "Doing so avoids the need for a precisely engineered piecework standard. One reached 100% of its goal, and if the team achieved both goals, each employee earned one share in addition to his or her base pay. If the teams achieved one goal, they each got half a share. The results of this plan-in terms of changing employee attitudes and focusing teams strategic goals- were reportedly "extraordinary".

Team incentives often make a lot of sense. Much work today is organized around teams-project teams publish books, assembly teams assemble cars, and new product teams launch new products. Performance here reflects not just individual but team effort, so them incentives make sense. Team- based plans reinforce team planning and problem solving, and help ensure collaboration. In Japan, "the first rule is never reward only one individual". Instead, Japanese companies reward the group-to reduce jealousy, to make group members indebted to one another, and to encourage a sense

of cooperation. Team incentives also facilitate training, since each members has an interest in getting new members trained as fast as possible.

The main disadvantage is that a worker's pay may not be proportionate to his or her own efforts, which may demotivate hard workers. In one study (where researchers paid the group based on the best member's performance), group incentives were as effective as individual once in improving performance. But workers who share in the team's pay but don't improving performance. But workers who share in the team's pay but don't put their hearts into the effort can be a problem. Solutions include having team members commit in writing to putting the goals of the team before their own, and basing part of each worker's pay on individual (not just team) performance. (Gary Dessler 1999: p. 336-337)

2.2.2 Team Incentives in a Small Business

EXL, a manufacture of electronic equipment for the telecommunication industry, uses a three-tire incentive compensation plan to complement its use of self-managed work teams: a lump-sum profit-sharing plan, a pay-for-skills program, and a team-based variable-pay system. For the team-based pay system, XEL sets a side a percentage of its total payroll, and payouts are determined by team, rankings. A Team's ranking is based on three criteria: ratings by internal and external customers, achievement of quarterly team objectives, and management input recognizing special circumstances.

Team Incentive have the following advantages:

1. They make it possible to reward workers who provide essential services to line workers (so-called indirect labor), yet who are paid only their regular based pay. These employees do things like transport supplies and materials, maintain equipment, or inspect work output.
2. They encourage cooperation, not competition, among workers.

On the other hand, team incentives also have disadvantages, which are as follows:

1. Fear that management will cut rates (or employees) if employees produce too much.
2. Competition between teams.
3. Inability of workers to see third individual contributions to the output of the team. If they do not see the link between their individual effort and increased reward, they will not be motivated to produce more.

Recent large-scale research with work groups has revealed the critical relationship between employees' understanding of the work-group incentive plan and their perceptions of the fairness of that plan. Managers should ensure that all members of work groups understand how pay plan goals are established, the goals themselves, how the plan goals are evaluated, and how the payouts are determined. To overcome some of the first two disadvantage of team incentives, many firms have introduced organization wide incentives. (Wayne Casclo - (1986; P, 441-442)

2.2.3 Performance Incentives

Over the past decade, incentive awards that once were reserved for upper management have boomed in popularity. A recent survey by Federal Reserve regional banks sound that nearly 90 percent of companies offer some form of variable-pay incentive to non executive employees. The incentives need not only be in cash. Thus master Card International replaced cash bonus for its employees with hotel, show-ticket, and other gift certificates. Evidence indicates that incentives work.

There are many different approaches to performance incentives. Since each has different consequences, each needs special treatment. One way to classify them is according to the level of performance targeted individual, team, or total organization. Within these broad categories, literally hundreds of different approaches for relating pay to performance exist. In this chapter we will consider the three categories described above, beginning with merit pay for individuals both executives and lower-level workers. First, however, let's consider some fundamental requirements of all incentive programs.

2.3 Scope of Incentive Schemes

Although the incentive payments have a universal appeal, their application is confined to certain important industries. Stated differently, payment-by results schemes are difficult to apply in:

1. Industries in which measurement of individual or group output is rendered difficult or impossible either by technical consideration or by psychological circumstance which might be prejudicial to output;
2. Industries in which the control of quality is necessary and is particularly difficult, or in the case of certain classes of workers, where high quality and precision of work is of prime importance; and
3. Industries in which the work is dangerous and it is particularly difficult to ensure the observance of adequate safety precautions.

Barring the above three categories, incentive schemes can be applied to all industries. Specifically, they are being successfully employed in the textile and metallurgical industries, the metal trades, mining, and many branches clothing, leather and rubber industries. Incentive schemes have also been successfully applied in certain countries, and in certain circumstances in the building industry and in chemical and other industries.

Generally speaking, systems of payment by results can be most successfully employed in the large companies which can effort to employ administrative and engineering staff needed to ensure an efficient organization of production, equality and measurement of work. However, such systems frequently yield appreciable results in smaller undertakings which may, in case of need, take recourse to the services of experts for the design of incentive schemes.

It is often argued that incentive schemes are more desirable in labour intensive manufacturing processes. Their application in fully automated plants is doubted. It may be stated that the schemes of payment by results have their role in mechanized enterprises too. But the justification comes for the wrong reasons. It would be easy for an operator to damage a CNC machine or for a programmer to plant virus in the computer if incentive earnings are denied to him or her. It is mainly to prevent such damages that incentive schemes are recommended in fully automated plants.

As a rule, incentives must not be introduced in a newly set-up unit. Workers must be content with time-rated earnings, at least during the first four to five years. This time period is necessary for the unit to carve a niche for itself in the market. This being achieved, it would be easy for the unit to sell the increased output brought in by incentives. Furthermore, as was noted earlier, incentives are likely to affect the quality of output. Any defect in quality would seriously affect fortunes of the newly set-up unit, particularly in its formative years. (K.Aswthappa 2004: p,270-271)

Incentives For Executives

It took me a long while to learn that people do what you pay them to do, not what you ask them to do, Says Hicks Waldron, former chairman and CEO of Avon products, inc.

Companies with a history of outperforming their rivals, regardless of industry or economic climate, have two common characteristics; 1) a long term strategy view of their executives, and 2) stability in their executive groups. It makes sense, therefore, to develop integrated plans for total executive compensation so that rewards are based on achieving the company's long-term strategic goals. This may require a rebalancing of the elements of executive reward systems; base salary, annual (short-term) incentive and long-term incentives.

Regardless of the exact form of rebalancing, based salaries (considerably more than \$1 million a year of CEOs of the largest American corporation) will continue to be the centre point of executive compensation. This is because they generally serve as an index for benefit values. Objectives for short and long-term incentives frequently are defined as a percentage of base salary.(Wayne F.Cusclo : 1986;P,433-443).

2.4 Financial Incentives

Financial incentives are usually monetary rewards that were believed the most important system that generates positive attitudes and willingness to employees towards their jobs. But these financial incentives and rewards have been a subject of debate whether they really motivate the employees or simply move them to work and perform.

Financial incentives can help improve performance and be self-financing. Examples include, profit-related and share option schemes, bonuses, commission etc... Whit and (Benbder: 1991; P,222-223).

2.4.1 Hour-for-Hour or 100 Percent Bonus Plan

This plan began to achieve prominence when the estimating of production standards became more of an engineering function and less a matter of guessing. Standards began to be based on carefully made and analyzed time studies rather than on past averages and foreman's estimates.

The main feature of the plan is that the workers receive 100 percent of bonus earned. In this way it compares with straight piece work. In fact the only major difference between straight piece work and the Hour-for-Hour Plan is that, under Hour-for-Hour Plan the standards are expressed in time per unit of production rather than in money. Although the standard is always expressed in terms of time saved or as a percent efficiency. In view of this fact the plan has none of the disadvantages of straight piece work.

2.4.2 The 50-50 Premium Bonus Plan (Halsey)

This plan was developed by F.A Halsey, who was either the first, or one of the first, to develop a modern type of incentive plan that broke from straight piece work. This plan was also one of the first to use a guaranteed base rate and to express standards in terms of time rather than money.

Since his standard times were usually set from past production records, he chose to divide the production time saved under these standards equally between the employee and the employer. Thus the plan became known as the 50-50 or Split Bonus plan. Under modern practices, this basis of setting standards is not acceptable. It leads to Incidentally the primary reason for splitting the time saved was that it tended to compensate for these wide swings.

The standard was developed by adding double the desired bonus to the estimated minimum time it was thought the operation required and then giving the employee half the bonus he earned. This feature of adding double the desired bonus and then giving the employee half of what he earned enabled the employee to earn some bonus at a

relatively low efficiency performance, thus protecting him somewhat against standards that were estimated too low. Conversely, it protects the company against excessive bonus earnings in the event that the standards were set so high that the increasingly diminishing returns to the worker do not encourage him to extend himself above a certain point, that point being the one at which he earns the expected percent bonus. Another feature of this plan is that it provides a varying unit labor cost at all points, which is not desirable from a budget and cost view point. Those who oppose the continued use of the 50-50 plan today contend that it encourages inaccuracy in the establishment of standards and is still used as a device to alleviate the degree of seriousness of those inaccurate standards. Another factor in this opposition is that, since bonus is paid at low efficiencies unit labor costs may be increased at those levels which is undesirable.

2.4.3 Point Plans Typified by the Bedaux System

This plan and its contemporaries were very popular with management during 1920's. they emphasized the development of controls or efficiency measuring sticks as a major part of incentive plans. The introduction of cost controls as a feature of incentive plan was a major step forward in increasing their value and general usefulness to management. These plans also included other incidental features which were intended as refinements in the establishment of incentive systems.

For example, in the earlier days Bedaux engineers used as the unit for expressing their standards the letter B. one B was equal to one minute. Today this term B has been generally discontinued and either straight time usually minutes is used or some coined term such as "units". In its earlier applications, the worker was paid 75 percent of the bonus earned, the other 25 percent going in to a pool, out of which a supervisions bonus was paid. This practice has been almost entirely discontinued and today the worker is paid 100 percent of the bonus he earns.

2.5 Non-financial incentives

2.5.1 Non-financial compensation

part of this variation in incentive structures and supervisory mechanisms may be attributable to variation in the level of intrinsic psychological satisfaction to be had from different types of work. Sociologists and psychologists frequently argue that

individuals take a certain degree of pride in their work, and that introducing performance-related pay can destroy this “psycho-social compensation”, because the exchange relation between employer and employee becomes much more narrowly economic, destroying most or all of the potential for social exchange. Evidence for this is inconclusive Whit and (Benbder: 1991; P,230-231).

2.5.2 Non-financial and Non-incentive include

Formal recognition/awards, vouchers, extra holidays, gifts, company cars. An incentive scheme can offer employees extra pay as long as they reach individual or group performance targets. (Mirzas Saiyadain 2003; P,316).

2.5.2.1 Other Forms of Financial Remunerations

To obtain the expected level of job performance the organization devotes considerable attention to the design and implementation of monetary compensation systems. The assumption is that if a pay system is setup in a way that appears fair and equitable in amount and distribution then most individuals in the organization can be depend upon to perform at least adequately if not outstandingly. Moreover, it should be noted that, rewards which may effective in generating normal job performance (such as certain system wide rewards) might not be very useful in motivating employees.

Vroom (1964:252) used the term wage for the reward system in organization. According to him, the wages/pay represent an almost universal form of inducement to individuals to perform work. Most workers receive some kind of remuneration for working, and formal organization develop complex systems to determine the amount of remuneration to be given to an individual worker

As stated earlier the method of payment available companies organization by which they may remunerate their employees are numerous. However, Ibbotson and Whitmore (1977; 46-48) cited the following as a preferable and more objective schemes based on some form of measurement.

2.5.2.2 Measured Day work

This type of incentive plan is of recent origin. It came into some measure of popularity in the early 1930's, when there was a strong wave of opposition to incentive plans as such on the part of labor unions.

There are a number of variations of the plan in effect but they generally follow a common pattern. Standards are established, just as they would be for any incentive plan. The application, however, takes a new form. This form is that first the base rate for the job established in accordance with rate structure principles. Then higher hourly rates are set at various levels of efficiency, usually on a direct proportion or 100 percent basis. The worker's performance against standard is translated into terms of efficiency each day posted in the shop. When he achieves a certain average efficiency for a stated period, usually three months, his base rate is increased accordingly and is in effect for the next three months. Then the efficiency he achieves for that next three months is the basis for the next period's hourly rate.

For example, let us assume that the rate structure base rate for a job is 80 cents. Under measured day work we shall estimate that if a worker averages 80% efficiency he earns the base rate of 80 cents. Then we would set up a scale of, say, 85 percent efficiency equals 85 cents an hour; 95 percent efficiency equals 95 cents per hour; 100 percent efficiency equals one dollar an hour; and so on. Let, a worker 'A' when the plan is first placed in effect, has an efficiency of 80% for a base rate for the first period of three months, or 80 cents. Then if during that three month periods he achieved an average of 90 % efficiency, his rate of pay for the next three months would be 90 cents per hour. If during that second three months period his efficiency dropped to 85 percent, his rate of pay should be reduced to 85 cents an hour for the following or third period.

It was the application of this descending feature of the plan that caused most trouble and was largely responsible for the elimination of the incentive feature of the plan. In other works, it worked reasonably well as long as the worker's efficiency remained static or on the a secondary. When his efficiency started to descend because of poorer performance, argument and disagreements arose when the rates were reduced accordingly. This reception of the unfavorable feature proved so upsetting that the plan, as a true incentive plan, fell into disfavor.

Louden (1944:p,38) noted that, in those plants he know, where this plan was in effect, the incentive feature has been discontinued. However, the control feature has been kept in full as a measuring stick and aid to the supervision in their effort to improve the efficiency of the individual worker and the department as a whole. "Although this is difficult to do with out a finical incentive, under this plan that feature is so weak it is of little help. But as a control mechanism it is highly desirable." If for any reason it was deemed undesirable to place an incentive plan in effect, Louden recommended the application of measured day work as control device. The same end could also be achieved by eliminating the incentive feature and retaining the control feature of the other plans.

2.5.3 Incentives for professional employees

Professional employees are those whose work involves the application of learned knowledge to the solution of the employer's problems. They include lawyers, doctors, economists, and engineers professionals reach their positions through prolonged periods of format study.

Making incentive pay decisions for professional employees can be challenging. For one thing, firms usually pay professionals well anyways for another, they're already driven by the desire to produce high caliber work and receive recognition from colleges. In some cases, offering financial rewards to people like these may actually diminish their intrinsic motivation not add to it.

However, that's certainly not to say that professionals don't want financial incentives, particularly those in high demand jobs like software and systems developers for information technology (IT) firms. A recent survey of 360 IT department found that 77% were paying bonuses and incentives, including stock options and profit sharing to IT professionals. Many are also offering benefits that are highly attractive to professionals, including better vacations, more flexible work hours, equipment for home offices, and improved pension plans. Texas instruments began offering stock option grants to about a third of its engineers when it discovered it was losing about 15% of them to the competition. Several firms, including IBM and Motorola, now award bonuses to employees whose work wins patents for the firms. (Gary Desler 1999: p,349)

2.5.3.1 Incentive Contracts

Incentive contracts are employed in an effort to motivate the supplier to improve cost and possible other stated requirements such as schedule performance. In an incentive contract the cost responsibility is shared by the buyer and the seller. This sharing addresses two issues: 1) the desire to motivate the supplier to control cost and 2) an awareness that if the supplier assumes all or most of the risk when significant uncertainty is present, a contingency allowance will be required, thereby inflating the contract price.

Incentive contracts are of two types:

- 1) fixed price incentive and
- 2) cost plus incentive fee. With a fixed price incentive contract, the ceiling price is agreed to (or fixed during negotiations). Under the cost plus incentive fee arrangement, the supplier is reimbursed for all allowable cost accounting system must meet commonly accepted standards and be open to the customer for review when employing incentives based on costs incurred.

Cost-type Contracts

Under a cost-type arrangement, the buyer's obligation is to reimburse the supplier for all allowable, reasonable, and allocable costs incurred, and to pay a fixed fee. Again, the supplier's cost accounting practice must meet commonly accepted standards and be open to the customer. Most cost arrangements include a cost limitation clause that sets an administrative limitation on the reimbursement of costs. Generally, under a cost-type arrangement, the supplier is obligated only to provide its "best effort", usually, neither performance nor delivery is guaranteed. Cost type arrangements are normally used when:

- ✚ Procurement of research and development involves high technical risk.
- ✚ Some debt exists that the project can be successfully completed.
- ✚ Product specifications are incomplete.
- ✚ High-dollar, highly uncertain procurements such as software development are involved.

The practices of Incentive payment at Walya transporter company

Based on the integrated plans of management systems Walya Transport has designed incentive package programs based on employ performance evaluation.

If the companies will have got profit Birr 200,000 (two hundred thousand) within the fiscal year, the company will gives bonus to their employees the procedure as follows.

Performance	Incentive pays
75%-85.9%	85% of the employees salary
86%-95.99	95% of the employees Basic Salary
196%	A month Salary

(Wallya transport service document)

2.6 What is Motivation?

According to N.G NAIR, (1999:P390-391), motivation is a total system of study which analyses human needs, motives, drives which cause person to act or behavior in a particular manner he/she does.

It is the stimulation of any emotion or clears operating upon one's will and prompting or during it to action Guiller man.

Motivation represents a satisfied need which creates a states of tension or disequilibrium causing the individual to more in a goal directed pattern to wards restoring a state of equilibrium by satisfying the needs.

Motivation refers to the degree of readiness of an organism to pursue some designated goal and implies the determination of the nature & locus of the force including the degree of readiness encyclopedia of management.

(personnel mgt and industrial relations.(M.G NAIR Latha nate firs edition 1999)

2.6.1 Motivation Tools

The methods of motivating employees today are as numerous and different as the companies operating in the global business environment. What is the nature of the company and its industry? Is it small or big? What kind of culture is fostered? Is it conservative or innovative? What is important to the employees? What steps have been taken to find out?

The best employee motivation efforts focus on what employees deem to be important. It may be that employees within the same department of the same organization will have different motivators. Many organizations today find that flexibility in job design and reward has resulted in employees' increased longevity with the company, increased productivity, and better morale. Although this "cafeteria-plan" approach to the work reward continuum presents variety, some strategies are prevalent across all organizations that strive to improve employee motivation Google.com 04 May 2011 @ 01:11 pm)

CHAPTER THREE

3. Data Analysis and Interpretation

This chapter deals with interpretation and analysis of data. The researcher in this study uses questionnaire and interview to collect data from 118 respondents. Self administered questionnaire were distributed for these specified number of employees and about 20 employees were interviewed. All distributed questions were returned and since office holder's respondent were cooperative .

Each collected data through such methods are tabulated, interpreted and analyses in this part of the study.

3.1 Demographic characteristic of the study of population

Table 1. Age and Sex Distribution .

No.	Item		No of respondents	Percentage
1	Sex	Male	78	66.1 %
		Female	40	33.9 %
2	Age	20-30	28	23.7 %
		31-40	38	32.3 %
		41-50	30	25.5 %
		51-60	20	16.9 %
		Above 61	2	1.6 %
Total			118	100 %

As indicated in the table litem 1 , form the target population 78 (61.1%) are males and 40 (33.9 %) are females. As the table showed , majority of the respondents are between 30- 60 years of age .

This table showed the age and sex distribution of the employee in the company. More than half of the workers (56 %) are below the age of 40 years. As presented in the

table majority of the respondents are males. The reason for the increases number of male respondent is related with nature of the worker, majority are driver .

3.2 Educational Status and Service year of the study Population

Table 2 Educational Status and Service year

No.	Item	No of respondents	Percentage	
1	Educational Status	High School	40	33.9 %
		Diploma	49	41.5 %
		First Degree	25	21.2 %
		Second Degree	4	3.4 %
2	Service Years	Below 5 Years	10	8.5 %
		6-10	20	17 %
		11-15	24	24.3 %
		16-20	27	22.9 %
		21-25	20	16.9 %
		26-30	10	8.5 %
	Above 30	7	5.9 %	

As it can be observed from the table 2 items, 40 (33.9 %) of respondents have high school education, 49 (41.5 %) Diploma ,the remaining 25 (21.2 %) of respondents and 4 (3.4 %) have first and second degree respectively.

Educational Status of employee is the base for increasing performance at work . It is through education that works can improve their skills and deliver their services effectively, So companies should give emphasis to the educational status of their employees and should be considered as incentive package program .

Majority of respondent (More than 66 %) walia transport employees have good educational status . According to the subject responses one of the incentive package given in the organization is educational opportunities for employees.

As it is indicated in table 2 item 2, more than 90 % of the respondents have above 5 years of experience. It is only 10 (8.5 %) of respondents that have less than 5 years of experience .

3.3 Incentive Packages Perception

Table 3 . The rate of bias of implementation of incentive package in the organization

No.	Items	No. of Respondents	Percentage
1	How do you rate bias in the implementation of incentive package program		
	High	43	36.4 %
	Average	48	40.7 %
	Low	15	12.7 %
	Not Exist	12	10.2 %
	Total	118	100 %

As it is indicated in table 3, 43 (36.4 5 %) of respondents indicated there is high bias and 48 (40.7 %) of item also say rate the bias as average . Still others 15 (12.7 %) and 12 (10.2 5) respondents indicated the bias is low and not exist respectively . From the figures it is possible to say that there is a clear bias on the incentive package program in the organization.

From the interviews conducted and specified by the interview, the reason to specify the bias as high in the organization are lack of transparency from the management, weak relationship between management and workers and lack of capacity to implementation of the organization program .

Generally , if the above problems are not solved, the performance of employees as well as the survival of the organization probably will be affected negatively.

3.4 Effect incentive Payment for employee

Table 4. the rate of effect of incentive payment for employee

No	Item	Rank of respondent	No of respondents	percentage
1	The rate of effect of incentive payment	High	37	31.4%
		Average	53	44.9%
		Low	18	15.2%
		Not exist	10	8.5%
		Total	118	100%

From the response of employee in the table 4 the rate of effect of incentive payment for career life is more than average. It is only 18 (15.2%) and 10(8.5%) of respondents say that the effect is low and no effect respectively. However, majority of the respondents, more than 76%, label the effect as average and high. Therefore, we can say that the effect of incentive payment for careers life of employee is very high . as a result the company should implement sustainable and effective incentive package program to make the company profitable and to increase the performance of employees, even the company may loss its workers if the organization not implement the incentive program effectively.

3.5 Types Of Incentives Given In The Organization

Table 5. Types of incentive given in the organization

No			Total
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	Item	Responses				
		High	average	low	Not exist	
1	Salary	53 (44.9%)	28(23.7%)	19(16.1%)	18(15.3%)	118(100%)
2	Bonus	35(29.7%)	22(18.6%)	39(33.1%)	22(18.6%)	118(100%)
3	Profit share	-	-	97(82.21%)	21(17.8%)	118(100%)
4	commission	31(26.3%)	32(27.1%)	27(22.91%)	28(23.3%)	118(100%)
5	Thank you certificate	64(54.2%)	28(23.7%)	23(19.5%)	11(9.3%)	118(100%)
6	Promotion	54(45.8%)	18(15.3%)	40(33.9%)	6(5.1%)	118(100%)
7	Psychological satisfaction	34(28.8%)	21(17.8%)	37(31.4%)	26(22%)	118(100%)
8	other	0%	0%	0%	0%	0%

From the table 5 can observe that both financial and non financial incentives are given in the organization. Form the financial incentives 53(44.9%) of respondents indicate salary is highly applicable. Followed by bonus 35(29.7%) and commission 31(26.3%). But the application of profit share in the organization is very low. Non financial incentive like thank you certificate is highly applicable 64(54.2%) as respondents indicated followed by promotion 54(45.8%).

From the figures, it can be said that incentive payment for the company to expand its capability and to maximize profit. Because, incentive payments can motivate employees work hard. Employees can also feel belongingness and loyalty to the vision and goal of the organization.

3.6 To what extent the following problems exist

Table 6 the rate of extent of already identified problems in organization

NO	Item	Response			
		Highly	Averagely	Low	No exist

1	Compliance on salary rate	34(28%)	38(32.2%)	24(20.3%)	22(18.6%)
2	Shortage of resource	10(8.5%)	15(12.7%)	78(66%)	15(12.7%)
3	Biased promotion	67(56.8%)	34(28.8%)	9(7.6%)	8(6.7%)
4	Corporation	72(61%)	39(33.1%)	7(5.9%)	1.(0.8%)
5	Working condition	42(35.6%)	37(31.4%)	24(20.3%)	15(12.7%)
6	Leadership	73(61.9%)	40(33.9%)	7(5.9%)	-
7	Working hours	25(21.2%)	17(14.4%)	62.(52%)	14(11.9%)

As it is indicated in the above table the compliance on salary rate is very high because 34(28.8%) of respondents say salary rate compliance is high and 38(32.2%) of them also the compliance on average.

The most serious problems as indicated above commonly exist are biased promotion, problems of relationship as 67(58.8%), 72(61%) one 73(61.9%) of respondents indicated respectively.

With regard to resources and working hours most of the respondents indicated may not be considered as serious problems and their rate of expense is minimal.

From the response of open ended questions administered and interview discussion conducted, three critical problems are identified. These problems are lack of transparency, weak employee management relationship and biased promotion. About half of the total respondent indicated the major problem in the company is weak employee management relationship. One of the respondent from the interview have said the following (In my view there are different problems with regard to incentive package. To support with documentation of staffs personal files which are necessary for the promotion, lack of transparency from the leadership and promotion of relatives are the majors...)

The researcher also invited some respondents to give their opinion and they indicated that the management of the company does not have good relationship with the employees. Similarly, subjects said that the management is usually not accountable to the problems created in the company. The management also locks the door for transparency and good governance. the management is not ready to listen the comment and suggestions given by the workers.

Lack of transparency aggravating the already weak management employee relation and also increase the amount of corruption committed. The manifestation of the management weakness is reflected by promotion of employee. Therefore, the organization needs to address these weaknesses. Therefore, the organization needs to address weaknesses. First, the members of the management should be accountable to the rules and regulation of the company. By doing so it is possible to reduce the corruption committed and to strengthen the management employee relationship. Secondly, the labor union of the company needs to be strong committed to promote the interest of members, not only the inters of leaders. Thirdly each and every member of the labor union should be sensitive to the acts of injustice.

3.7 The rate of feeling regarding job environment

Table 7 feelings of respondents on job environment

NO	Item	Response			
		Highly	Averagely	To sure	Not happy
	How do you rate your feelings respondent on job environment				
1	Current salary pay of scale	21(17.8%)	24(20.3%)	60(50.8%)	13.(11%)
2	Job satisfaction	20(16.9%)	47(39.8%)	40(33.8%)	11(9.3%)
3	Current position	25(21.1%)	31(26.3%)	42(35.6%)	20(16.9%)

4	Resource available	52(49%)	30(25.4%)	12(16.2%)	24(30.3%)
5	Employee management	17(14.4%)	11(9.3%)	43(36.4%)	47(39.8%)
6	Allowance	13(11%)	28(23.7%)	35(29.7%)	42(35.6%)

From the above table in con observe that more than half of respondents indicates as they are not that much happy with the current salary scale. With record to job satisfaction only 20(16.9%) of responds that indicated happiness but he majority of the respondents indicated their satisfaction is or average.

A very serious problem that affect job environment is the problem of employees management relationship because as it is indicated in the figure 47(39.8%) of the respondents are not happy with the relationship.

The researcher conducted interviews on job environment. The majority of respondents strengthen the above weak employee management relationship as a major problem that affect job environment negatively.

It is obvious that job satisfaction is one of key criteria that determine the performance of workers at work. So the management of the company should work hard to bring further ground for the employees in selling then problems. And the weak relationship should be solved by discussion the management should create warm relationship with employees to create good working environment.

1.8 opinion of employee

Table 6. employee's opinion about amount of incentive pay

No	Item	No respondents	percentage
1	What is your opinion amount of incentives		

	Attractive	58	49.2%
	Fair	49	39.8%
	Un fair	13	11.0%
	Total	118	100%

As clearly shown in table 6, out of the total respondents near half of them (49.2%) relied as the amount of incentive payment is attractive. Out of the total respondents only 13(11%) the said the amount is unfair.

From the above figures, one can understand that the majority of employee opinion the amount of incentive payment is positive ranked, fair and attractive. Thus, it is possible to infer that presence to of incentive packages will motivate the workers and make the organization profitable as a result.

3.9 Employee feelings no incentive package

Table 7 feelings of employees if incentives stopped

No	item	No respondents	percentage
1	Feelings of employees		
	I stop to do work	68	57.6%
	I continue with my dissatisfaction	42	35.9%
	Doesn't matter	8	6.5%
	Total	118	100%

As table 7 presented 68(57.6%) respondents said that they will stop work . if incentive pays and 42(35.9%) relied that they will continue with their satisfaction if it stops only 8(6.5%) respondents indicated as they don't care about incentive payment.

As the gathered the interviews of some employees, the basic motivation tools applied in organizations are salary, promotion, bonus, commission, thank you certificate and recognition. As a result we don't have to be surprised if most of the workers will stop their work when incentive payments stopped. Thus ,the application of incentive package program in the organization is a survival. Here it is necessary to be confident that incentive payments have a great role on the performance of workers.

CHAPTER FOUR

4. Summary, conclusion and Recommendation

4.1 Summary

This paper focused on incentive package programmer of Walia transport service. The following findings are summarized from the data collected through questionnaire and interview.

- Financial and non- financial incentive, are implemented in Walyia transport company. From the financial incentive salary is highly applicable. From the non-finical thank you certificate is highly applicable.
- As 3/4 of respondents indicated the rate of bias in the implementation of incentive package is high in Walia transport company. As respondents indicates in interview the factors that aggravate the bias are lack of transparency, corruption and lack of capacity to implement the program
- With regard to the rate of extent of problems existing in the organization, biased promotion, corruption and weak employee management relationship are the major ones. Especially weak management on employee relationship is the most serious problem as most respondents and interviewee agreed.
- The rate of effect of incentive payment on incentive payment is so high on most of the respondents indicated

- Almost half of the respondents have positive attitude about the amount of incentive payment in the company. That is why 49.2% of the respondents indicated the amount of payment is attractive
- The respondents were invited to give their feelings on job environment in the company. Interims of current salary pay of scale, job satisfaction, current position, and employ management relationship. According to findings most respondents are not happy with current salary scale and current position. But averagely happy with their job satisfaction
- The feelings of employees when incentive payment stops also assessed. According to findings 57.6% of respondents say they would stop their work if incentive payments were to stop.

4.2 Conclusion

The purpose of this is to draw conclusion about the effect of incentive package on employees performance. To draw conclusion on this issue different closed and open ended questions were distributed and sufficient enough responses have been received.

The researcher used different aspects in order to draw reasonable conclusion about the effect of incentive package on employees performance. From these aspects the types of incentives given in the company, the critical problems exist when the company implements the package, the rate of bias during implementation, the opinion of employees on incentive package, the effect of incentive package (payment) on their career life were studied and identified.

From these studies it has been found out that both financial and non-financial incentives are implemented in the company at different rates to promote employees performance. The rate of effect of incentive payment on employees career life is so high that even more than three fourth of the respondent indicated what they could stop their work if incentive payment are stopped.

The study also identified a number of problems during the implementation of incentive package program and the rate of extent of the existing problems. From the problems identified, biased promotion, corruption, weak. Management employer relation lack of transparency are the major ones.

Due to the above problems indicated the job environment of the company has been restively affected. Most workers doesn't have job satisfaction they are not happy with their current position, there is wastage of resources in the company. These have damaging effect on the performance of the workers and survival of the company.

4.3 Recommendation

Based on the finding from the collected and analyzed data, the research attempt to recommend some points as the following

- ✚ Both financial and non-financial incentives are considered in the organization as stimulant factors, it seems good, but they must be adjusted taking into consideration the factors such as employee performance, job content, work load and status in order to motivate the employees for better performance.
- ✚ According to the study, on average, the feelings of employees regarding job environment in the company not seem good. This has damaging effect on the company. So the company should quickly revise it's policies in areas of promotion, some scale, and transparently communicate to its employees how one can get promoted? What rewards are given to whom? Often what is required of on employees to get them? So that the employee prepares himself accordingly.
- ✚ Weak management employees relationship is ensure serious problem in the company that affect the job environment relatively. This may be manifested in subordinate superior relationship. The problem may be how one views the other. The problem could be solved if the company established a ground to discuss and solve the problem. Each boss should discuss openly and frankly with employees und his supervision about benefits, working environment etc... so that warm relationship can be established and both support each of them. By this way the company can benefit from this spirit if teak is confidence, trust and openness between superior and subordinates. If there are closer heart to heart hey will work with full heart for their employer (company).

- ✚ The management must also be transparent to its activities. It should establish transparent and accountable system of information determination which further enhances the employee cooperation, moral and creates sense of belongingness, avoid corruption and also results satisfaction on the side of employee; the improvement in these areas would result in better performance and success of the company.
- ✚ Finally the labor union in the company should be strong enough to promote the interest of its members. It must make itself free from the undesirable influence from the management.

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St. Mary's University Collage

Faculty of Business

Department of Management

Questionnaire to be filled by the employees of the organization

The aim of this questionnaire is to serve as an input for the research to be under taken order the file the effects of incentive payment on employee performance. So I would like to thank first those who participated in answer in this questionnaire.

Notice

No need to write name on the questionnaire

Place ✓ mark on the blank space provided for the right answer

Explain your opinion on the blank space provided

i. Sex

A) Male

B) Female

Age A) 20-30

B) 31-40

C) 41-50

D) 51-60

E) Above Age 61

ii. Education status

A) High School level

D) Second Degree

B) Diploma

E) PHD Degree

C) First Degree

F) Others

iii. Service Year

A) Below 5 Years

D) 16-20

B) 6-10

E) 20-25

C) 10-15

F) 26-30

G) Above 30 Year

1. How do you rate biased of the implementation of incentive package in the organization?

- A) Highly C) Least
 B) Averagely D) No exist

2. How much incentive package practice affect employ team sprits negatively?

- A) Highly C) Least
 B) Averagely D) No exist

3. What types of incentives you get in the last three year?

- A) Financial B) Non – Financial

4. To what extent the following incentive types are practice in organization?

	Highly	Averagely	Low	No exist
➤ Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Bonus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Thank Certificate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Recognition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Profit share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Commission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Psychological				
Satisfaction from good				
will of the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Others _____ .				

4. To what extent the following problems exist in Waly Transport Company.

	Highly	Averagely	Low	No exist
➤ Employee compliance				
On Salary rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Shortage of Resource	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Biased promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Corruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Working Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Working Hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Ledership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Others _____				
_____.				

5. How do you rate your feeling at Walya Transport regarding job environment.

	Happy	averagely happy	to sure happy	I am Not happy
➤ Among of current				
Salary pay of scale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Job Satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Current position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Resoruce avaiable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Employee management				
Relation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Over time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Allowance
- Others

6. What is your opinion about the amount of incentive pays?

- A) Attractive B) fair C) unfair

7. In what way the companies pay salary to employee?

- A) Monthly B) quarterly C) semi – annually
 D) Yearly E) Others

8. If your company suddenly stops to gives incentives payment what you feel?

- A) I stop to do work C) Doesn't matter
 B) I continue with dissatisfaction

9. Does Walya Transport company gives employees training to aware the attitudes of incentive package program?

- A) Often B) Sometimes C) No exist

10. State the rate of the effect of incentive payment for your career life?

- A) Highly B) Averagely C) Least D) No Exist

11. If you have observed any problems in the organization's incentive package programs please explain?

_____.

12. What solution do you suggest for such problems?

_____.

St. Mary's University Collage

Department of Management

Interview to be conducted with the Organization

Interview Cheek List

1. How do you motivate employee to achieve more by committing to perpetual enhancement of employ skill?
2. What is the basic motivation tools applied in your organization?
3. In what way the company's pay incentive to employee?
4. What are the basic problems occurs in your organization during the incentive payment practices?
5. What types of incentive Walya Transport pay? Group/Individual?

Appendicies