

Assessing The Impact of Monetary and Non-Monetary Incentives on Employee Performance at Good Hope Private and Kabudula Rural Hospitals in Lilongwe, Malawi

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Article Info

Volume 7, Issue 3

Publication history:

Accepted on 9 February 2026;

Published: 27 April 2026

Key Words:

Monetary incentives, non-monetary incentives, employee performance, motivation, healthcare sector, Lilongwe, Malawi

Article Doi:

10.59413/ajocs/v7.i3.6

Abstract

This study assessed the influence of monetary and non-monetary incentives on employee performance at Good Hope Private Clinic and Kabudula Rural Hospital in Lilongwe, Malawi. The aim was to provide analytical insights into the impact of monetary and non-monetary incentives on employee performance at Good Hope Private Clinic and Kabudula Rural Hospital in Lilongwe, Malawi. A mixed-methods approach, grounded in pragmatism, was adopted to provide a comprehensive analysis. Quantitative data were collected through structured questionnaires administered to 171 respondents, while qualitative data were obtained through in-depth interviews with key stakeholders. Purposive and random sampling were used as techniques. Data were analyzed using descriptive statistics and thematic analysis. The findings revealed that both monetary and non-monetary incentives significantly influenced employee performance, although their effectiveness is moderated by adequacy, fairness, and consistency. Monetary incentives, such as salaries and allowances, were widely available but generally perceived as inadequate relative to workload, thereby limiting their motivational impact. In contrast, non-monetary incentives including training, recognition, and supportive work environments were found to have a strong positive effect on employee motivation, job satisfaction, and commitment. The study further identified differences between private and public healthcare facilities, with the private institution offering more structured and diversified incentive systems compared to the resource-constrained public facility. Despite these challenges, employee performance and patient service delivery were generally rated positively, suggesting the continued influence of intrinsic motivation and professional commitment. However, key barriers such as financial constraints, bureaucratic inefficiencies, lack of transparency, and perceived inequities in incentive distribution were found to undermine the effectiveness of incentive systems. The study concludes that a balanced and well-implemented combination of monetary and non-monetary incentives is essential for enhancing employee performance. It recommends strengthening financial incentives, expanding non-monetary rewards, and improving transparency and equity in implementation to optimize healthcare workforce performance and service delivery.

1. Introduction

The International Labour Organization (ILO) emphasizes the importance of effective motivational incentives to enhance the performance of health workers. The ILO's policy on this issue highlights that a well-structured incentive system is crucial for improving healthcare delivery, reducing burnout, and increasing job satisfaction among health workers. According to the ILO (2020), motivational incentives should be designed to address both financial and non-financial needs of health workers. This includes implementing competitive salaries, performance-based bonuses, and opportunities for career development and recognition. The ILO underscores that a comprehensive incentive strategy not only boosts employee motivation but also contributes to better health outcomes by ensuring that health workers are adequately supported and rewarded for their contributions (International Labour Organization, 2020).

In the dynamic landscape of modern healthcare, the performance and productivity of healthcare professionals play a crucial role in ensuring the delivery of quality patient care. Recognizing this, hospitals worldwide employ various strategies to motivate and incentivize their employees, ranging from monetary rewards to non-monetary incentives. Employees that are motivated stay firm and boost their performance (Paul, 2024).

Scholars have extensively explored the relationship between incentives and employee performance in healthcare settings, highlighting the significance of tailored incentive programs (Scott et al., 2011; Delfgaauw et al., 2022). Additionally, regional studies have emphasized the importance of considering contextual factors such as geographical location and patient demographics when designing incentive schemes for healthcare workers (Gow et al., 2011; Daniels et al., 2019). Through a comprehensive analysis, this study aims to provide valuable insights that can inform the development of tailored incentive strategies to optimize employee performance and ultimately enhance the quality of healthcare delivery in both urban and rural healthcare settings.

This study aims to assess the impact of both monetary and non-monetary incentives on employee performance within two distinct healthcare settings: Good Hope Private Clinic, an urban healthcare facility, and Kabudula Rural Hospital, a healthcare provider serving a predominantly rural population. By examining the effectiveness of these incentives in these contrasting contexts, this research seeks to shed light on the nuanced interplay between incentive structures and employee performance in healthcare organizations.

According to Castilla & Walker, (2015), Consumption expenditure is a useful indicator since it involves the total money spent on final goods and services by individuals and households for personal use and enjoyment in the economy. Contemporary measures of consumption expenditure include all private purchases of durable goods and non-durable goods. However, consumption expenditure involves spending of the household incomes on all domestic costs (by residents and non-residents) for individuals' needs, among other things including expenditures on goods and services, household consumption expenditure varies substantially among the population due to incomes of households, economic structure, and the degree of urbanization, (Morton, 2019). Consumption expenditure was reduced after the second lockdown in June 2021 and remained at the same level in June 2022 half of the population was moderately food insecure. Households, in particular the poorest ones, felt a negative impact from the increased prices which led to reduced consumption expenditure since household incomes were low as many people were not working (Lastunen, 2021).

In Zambia however, it is yet to be established as to what the picture is like for the labour market dynamics with regards to Household Income Consumption trends. This is largely because labour statistics are scarcely available and previous research in this area is dated. Furthermore, the literature reviewed shows that there has not been any comprehensive research in Zambia to establish the determinants of the perceived Household Income Consumption. This however does not imply that the Zambian economy has been oblivious to the question of Household Income Consumption all these years. Quite to the contrary, there have been various concerted efforts aimed at redressing the plight of workers particularly those in the lower income brackets through such policies as the minimum wage. The effects of these policies, however, remain undocumented and as such, it is difficult to ascertain whether Household Income Consumption has been redressed. It is for this reason that this study sought to establish the pattern and trend of Household Income Consumption in Zambia over the last 20 years (for which statistics are available) and further outline the determinants of Household Income Consumption.

Africa is one of the fastest-growing consumer markets in the world. Household consumption has increased even faster than its gross domestic product (GDP) in recent years (Deloitte, 2015). Despite rational growth, changes in household spending in Africa have remained relatively stagnant failing to keep pace with the increase in average income levels (World Development Indicators 2017).

1.2 Statement of the Problem

According to the WHO (2023), effective motivational incentives for health workers should include competitive salaries, performance-based bonuses, and robust career development opportunities. Additionally, non-financial incentives such as recognition programs, supportive work environments, and work-life balance are crucial for maintaining job satisfaction and reducing burnout. The WHO emphasizes that addressing these incentive needs helps to attract and retain skilled health professionals, improve their performance, and ensure the sustainability of healthcare systems (World Health Organization, 2023). The World Health Organization (WHO) advocates for a comprehensive approach to health worker motivation and performance through a well-rounded incentive system. WHO's policy underscores that both financial and non-financial incentives are essential for enhancing the motivation and performance of health workers, ultimately improving health service delivery.

In Malawi, employee performance issues tied to incentives differ notably between private and public hospitals, as seen with Good Hope Private Hospital and Kabudula Rural Health Centre. Good Hope Private Hospital deals with particular incentive-related challenges due to its private status. While private hospitals like Good Hope can implement flexible and individualized incentive systems, a significant issue is aligning these incentives with actual performance outcomes effectively. Chirwa and Manda (2022) point out that, despite the ability to offer performance bonuses and other financial rewards, there can be difficulties in ensuring these incentives fairly motivate all employees. Additionally, the high turnover rates associated with competitive compensation packages can destabilize staff retention, potentially affecting overall employee performance and patient care.

On the other hand, Kabudula Rural Health Centre, a public healthcare facility, faces different performance-related challenges linked to incentives. Public hospitals often operate with more rigid and less adaptable incentive systems due to budget limitations and bureaucratic constraints. Phiri and Chikafunga (2021) note that at Kabudula, the main issues include insufficient financial incentives and a lack of resources for non-monetary rewards, such as professional growth opportunities. This can lead to decreased employee motivation and performance, as staff might feel undervalued or inadequately supported. The constraints of working in a resource-limited setting further compound these performance issues, making it difficult for employees to deliver high-quality care.

The literature cited here and the anecdotal evidence demonstrate the existence of uniqueness and dynamism of challenges faced by these institutions which are motivational related and could have a direct impact on service delivery on their clients. It is also important to note that the conducted related studies were not comparative and did not necessarily focus on the impact of monetary and non-monetary incentives on employee performance of the two entities, which are in the same sector but operating under different environments. These challenges related to employee performance and motivation have persisted and potentially impact the quality of healthcare delivery and organizational effectiveness.

While efforts have been made to implement incentive systems, the effectiveness of these systems in improving employee performance remains unclear. As a result, there is need to assess the impact of these incentive systems in enhancing employee performance and ultimately improving patient care outcomes in Malawian healthcare settings as the phenomena potentially impairs the vision of the nation to becoming a middle-income prosperous nation and well as that global aspiration enshrined in the SDG No. 3 of providing quality healthcare to all at all ages and time.

1.3 Objectives

The specific objectives of the study are as follows:

- To assess the impact of monetary and none monetary incentives on employee performance at Good Hope Private Clinic and Kabudula Rural Hospital.
- To compare and contrast the elements of incentives offered at the two health facilities and their effect on employee performance.

2. Literature Review

2.1 Impact of Monetary Incentives on Employee Performance

Kumpunen et al. (2023) conducted a systematic review examining how performance-based bonuses affect productivity among healthcare workers. The study found that monetary incentives, such as performance bonuses tied to specific healthcare metrics (e.g., patient care quality and efficiency), significantly improved worker productivity. The researchers highlighted that these bonuses lead to enhanced motivation and focus on achieving targeted outcomes. However, they also noted that the effectiveness of these incentives depends on their alignment with clear, achievable performance goals and

the overall work environment.

Zhang et al. (2024) investigated the impact of competitive salaries on attracting and retaining healthcare professionals. Their research indicated that higher salaries are strongly associated with increased job satisfaction and lower turnover rates among healthcare workers. The study emphasized that while competitive compensation is crucial for recruitment, it must be complemented by other factors such as job security and career development opportunities to fully realize its benefits in performance enhancement.

Becker and Huselid (2023) performed a meta-analysis to assess the overall impact of financial incentives on employee performance across various industries. Their findings revealed that monetary incentives, such as bonuses and profit-sharing schemes, generally lead to higher employee performance, particularly when these incentives are directly tied to individual or team achievements. The study also highlighted that the effectiveness of monetary incentives is moderated by factors such as the perceived fairness of the incentive system and the employee's intrinsic motivation.

As pinpointed by the foregoing studies, monetary incentives, including salary and bonuses, have long been recognized as powerful motivators in influencing employee performance across various industries (Yadav, 2022). In the healthcare sector, where the demand for quality care is paramount, the role of monetary incentives in driving employee performance is equally significant (Okereke & Asher., 2022).

It, however, important to indicate that the foregoing studies have some degree of variations with the current study in this particular aspect. Firstly, none of the studies aforesaid were comparative as the case is with the current. In fact, Kumpunen et al's (2023) study was systematic while the current study is comparative. Secondly, Becker and Huselid's (2023) study was a meta - analysis and/or cut across various sectors / industries but the current study deals with the health sector only.

Salaries serve as a fundamental form of monetary incentive in healthcare organizations, including hospitals (Shar et al, 2025). Research indicates that competitive salaries are associated with higher levels of job satisfaction and employee retention in the healthcare sector (Beard et al., 2019). At Good Hope Private Clinic and Kabudula Rural Hospital, the impact of salary on employee performance can be assessed by examining factors such as salary competitiveness, equitable distribution, and alignment with job roles and responsibilities. Bonuses, whether tied to individual performance or organizational targets, can significantly influence employee motivation and performance (Patel & Sharma., 2023). Studies suggest that performance-based bonuses can enhance productivity and quality of care among healthcare professionals (Scott et al., 2018). Evaluating the effectiveness of bonus schemes at Good Hope Private Clinic and Kabudula Rural Hospital involves analyzing factors such as clarity of performance metrics, fairness in bonus distribution, and perceived impact on employee motivation.

Non-monetary incentives, such as recognition programs and training opportunities, play a crucial role in enhancing employee motivation and performance in healthcare settings (Paul., 2024). Recognition programs, including awards, commendations, and public acknowledgment of achievements, are powerful tools for reinforcing desired behaviors and fostering a positive work environment (Kumpunen et al., 2023). Research suggests that healthcare professionals value recognition for their contributions and that recognition programs can boost morale and job satisfaction (Chaudhury et al., 2020). Assessing the impact of recognition programs at Good Hope Private Clinic and Kabudula Rural Hospital involves examining factors such as frequency, transparency, and perceived sincerity of recognition efforts.

Investments in training and development contribute to employee engagement, skill enhancement, and career advancement, ultimately leading to improved performance (Kwon et al., 2021). Healthcare organizations that provide ample opportunities for professional growth and skill development tend to attract and retain high-performing employees (Matinez., 2024). Analyzing the availability and effectiveness of training and development programs at Good Hope Private Clinic and Kabudula Rural Hospital can provide insights into their impact on employee motivation and performance.

2.2 Comparisons and Contrasts in Incentives Offered by Private and Public Healthcare Systems

A number of comparative and contrastive studies have been undertaken on this topic issues and this review has sampled few for the purpose of appreciating the depth of research in the area and discovery of gaps yet to be bridged.

In 2023, Smith and Brown, conducted a study on "Incentive Systems in Public vs. Private Healthcare: A Comparative Analysis." This study compared incentive structures in public and private healthcare systems, focusing on employee performance and patient outcomes. The authors found that private healthcare systems often use financial bonuses and performance-based pay as incentives, which tend to be more directly linked to individual performance metrics. In contrast, public healthcare systems generally rely on non-monetary incentives, such as professional development opportunities and recognition programs. The study highlights that while financial incentives in private systems can lead to improved short-term performance, public systems' focus on professional growth tends to result in better long-term outcomes.

On the other hand, Martinez and Patel, (2024) conducted a study on "Effectiveness of Incentive Programs on Patient Outcomes in Public and Private Healthcare Settings." This research examines how different types of incentives affect patient outcomes in both public and private healthcare settings. The study finds that private healthcare institutions often implement performance-based incentives that are closely tied to patient satisfaction scores and clinical outcomes. On the other hand, public healthcare institutions might use a broader range of incentives, including patient care quality awards and enhanced training programs. The effectiveness of these programs varies, with private incentives sometimes leading to improved immediate patient satisfaction but public incentives fostering sustained improvements in care quality over time.

Slightly different from the foregoing was the study conducted by Johnson and Lee in 2023 which focused on "The Impact of Incentives on Employee Motivation and Patient Care: A Cross-Sector Analysis." This study explores how incentive schemes influence employee motivation and patient care in public versus private healthcare sectors. It shows that private healthcare providers often implement direct financial incentives and competitive pay structures, which can boost employee motivation and productivity. In contrast, public healthcare providers typically use more intrinsic incentives, such as recognition programs and career advancement opportunities. The study concludes that while financial incentives in the private sector can lead to immediate improvements in performance, intrinsic motivators in the public sector may contribute to more sustained improvements in both employee satisfaction and patient care.

Clearly the foregoing studies have demonstrated existence of related studies to the current study. There are indications in terms of variations in incentives provided by the private and the public health facilities which have implications on employee performance and patient outcome experience. What, however, still sets apart the current study is the fact that all the studies cited above were done in contexts different from the study's focus and under different national policies and guidelines on the thematic issue. Particularly, the study by Johnson and Lee (2023) was cross-sectional which is indicative of the generic aspects while the current study is mono-sectoral which is indicative of objectivity. This, therefore, still makes a necessity the undertaking to carry out the current study in order to bridge the notable gaps.

2.3 Theoretical Frameworks

The study is grounded in two key theoretical frameworks Expectancy Theory (Victor Vroom, 1964), and Herzberg's Two-Factor Theory (Frederick Herzberg, 1959), each offering a distinct but complementary lens for understanding how incentives influence employee performance. These theories are appropriately selected as they collectively address motivation, satisfaction, and strategic organizational capability, which align with the study's objective of assessing the impact of monetary and non-monetary incentives on employee performance in healthcare settings.

Expectancy Theory, developed by Victor Vroom (1964), posits that employee motivation is determined by three key elements: expectancy (effort leads to performance), instrumentality (performance leads to rewards), and valence (value of rewards). Its relevance to this study lies in explaining how healthcare workers respond to both monetary incentives (e.g., salaries and bonuses) and non-monetary incentives (e.g., recognition and training). The theory directly links to the study's objectives by helping assess whether employees perceive incentives as meaningful and attainable, thereby influencing performance. Within the conceptual framework, expectancy theory underpins the causal pathway between incentives (independent variables) and employee performance (dependent variable), emphasizing that the effectiveness of incentives depends on employees' perceptions and beliefs about reward systems.

Herzberg's Two-Factor Theory (1959) distinguishes between hygiene factors (such as salary and working conditions) and motivators (such as recognition and achievement). This theory is highly relevant as it provides a clear categorization that mirrors the study's division of incentives into monetary and non-monetary forms. It supports the study's objective of comparing the effects of different incentive types by suggesting that monetary incentives may prevent dissatisfaction, while non-monetary incentives actively enhance motivation and performance. In relation to the conceptual framework, Herzberg's theory reinforces the dual structure of independent variables and explains their differential effects on employee performance, thereby enriching the interpretation of findings regarding which incentives are more impactful in private versus public healthcare contexts.

3 Methodology

A mixed methods approach is adopted in this study to enable a more comprehensive and robust examination of the relationship between monetary and non-monetary incentives and employee performance. This approach integrates quantitative techniques such as structured questionnaires and statistical analysis with qualitative methods, including interviews and document analysis. The justification for this lies in the complex and multifaceted nature of employee performance, which cannot be fully understood through numerical data alone. While quantitative methods allow for the measurement of relationships, trends, and differences between variables, qualitative methods provide deeper insight into the underlying reasons, perceptions, and contextual dynamics that shape those relationships. As such, combining both approaches ensures a more holistic understanding of the research problem (Creswell & Plano Clark, 2018). The study was conducted in Lilongwe, the capital city of Malawi, which serves as the administrative and economic hub of the country. Lilongwe provides a suitable context for this research due to its diverse healthcare landscape, comprising both private and public health institutions that operate under varying resource conditions and management structures.

For the quantitative component, the sample size was determined using a statistical approach to ensure representativeness of the target population. Creswell, (2018) defines a sample size as a subset of the population selected to represent the entire group. In this study, Yamane's (1967) formula was employed to calculate the required sample size, expressed as:

$$n = N / (1 + N(e)^2),$$

where n represents the sample size, N is the total population, and e is the level of precision or allowable sampling error. Given a total population of 410 employees across the two health facilities and a standard error margin, the calculated sample size was 202 respondents. This sample size was considered adequate to produce statistically reliable and generalizable findings. For the qualitative component, the determination of sample size was guided by the principle of data saturation, which refers to the point at which additional data collection no longer yields new insights or themes (Patel, 2020).

Quantitative data analysis was conducted using Microsoft Excel, which facilitated accurate computation, organization, and visualization of the data. For the qualitative data, which were collected through in-depth interviews, a thematic analysis approach was employed. For the qualitative data, which were collected through in-depth interviews, a thematic analysis approach was employed. This involved transcribing the interview recordings verbatim and carefully reviewing the data to identify recurring patterns, concepts, and themes related to the study variables.

4 Presentation of Findings

4.1 The impact of monetary and none monetary incentives on employee performance at Good Hope Private Clinic and Kabudula Rural Hospital

Employee Productivity

Respondents were asked to rate their work productivity. Out of 171 respondents, 38 (22.2%) rated their productivity as excellent, 69 (40.4%) as very good, 44 (25.7%) as good, and 20 (11.7%) as fair. A combined 107 respondents (62.6%) rated their productivity as very good or excellent. This suggests generally strong employee performance despite challenges in incentive systems. However, the presence of lower ratings indicates room for improvement, particularly through better incentive alignment. The following figure illustrates these results.

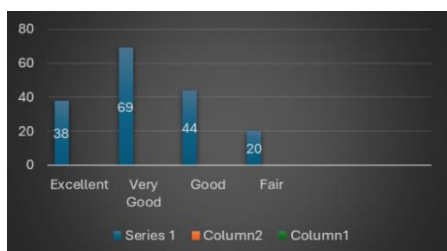


Figure 1: Employee Productivity

Source: Field Data, (2026)

Patient Service Experience

Respondents were asked to rate patient service experience. Out of 171 respondents, 41 (24.0%) rated it as very satisfactory, 73 (42.7%) as satisfactory, 37 (21.6%) as quite satisfactory, and 20 (11.7%) as unsatisfactory. A combined 114 respondents (66.7%) rated patient service as satisfactory or very satisfactory. This indicates generally positive service delivery outcomes, which may be linked to existing incentive structures. However, the presence of dissatisfaction suggests inconsistencies in service quality. The figure below illustrates these findings.

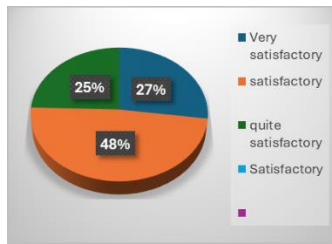


Figure 2: Patient Service Experience
Source: Field Data, (2026)

4.2 Comparisons and contrasts of the elements of incentives offered at the two health facilities and their effect on employee performance

Comparative Analysis of Incentive Availability Between the Two Health Facilities.

The comparative analysis reveals clear differences in the availability of both monetary incentives between the two health facilities. While both institutions demonstrate strong provision of basic financial incentives such as salaries, Facility B consistently outperforms Facility A in the provision of supplementary monetary incentives, including allowances, bonuses, and gratuity. This suggests that Facility B has a relatively more diversified and performance-oriented compensation structure, which is likely to enhance employee motivation beyond baseline financial security. The following table illustrates these findings.

Table 1: Comparative table of the availability of monetary incentives.

Monetary Incentive	Good Hope Hospital (%)	Kabudula Hospital (%)	Combined (%)	Comparative Insight
Salary	97.5	98.8	98.2	Universally available in both facilities
Allowances	60.2	70.5	65.5	More structured in Facility B
Annual Bonuses	38.1	50.6	44.4	Higher performance incentives in Facility B
Gratuity	18.4	27.2	22.8	Slightly better long-term rewards in Facility B
Profit Sharing	7.9	13.1	10.5	Limited in both, but relatively higher in Facility B
Stocks/Shares	3.1	7.5	5.3	Minimal, but more accessible in Facility B

Source: Field Data, (2026)

Comparison of the Availability of Non-Monetary Incentives at the Two Facilities

The following table shows the results for the availability of non-monetary incentives at the two facilities. The results show that non-monetary incentives are more prominently available in Kabudula Hospital, particularly in areas such as training, professional development, recognition, and flexible work arrangements. These elements are critical in fostering intrinsic motivation, job satisfaction, and employee engagement. In contrast, Good Hope Hospital shows comparatively lower availability across most non-monetary incentives, indicating potential structural and managerial limitations.

Table 2: Comparative Table of availability of non-monetary incentives

Non-Monetary Incentive	Good Hope Hospital (%) (facility A)	Kabudula (%) (facility B)	Combined (%)	Comparative Insight
Supportive Work Environment	72.4	82.1	77.2	Stronger organizational climate in Facility B
Training Workshops	66.3	75.2	70.8	More frequent capacity building in Facility B
Professional Development	62.5	71.9	67.3	Better career growth support in Facility B
Recognition Awards	52.1	62.4	57.3	Higher employee recognition in Facility B
Team-building Activities	45.8	55.6	50.9	Slightly better teamwork culture in Facility B
Flexible Work Arrangements	31.2	43.5	37.4	More adaptive systems in Facility B

Source: Field Data, (2026)

Qualitative findings

Perceived Effectiveness of Incentives

Participants expressed mixed views on the effectiveness of current incentives in motivating performance.

One participant stated:

“Incentives do motivate us, especially when they are fair and predictable. But when they are irregular, they lose meaning.” (R2)

Another respondent shared a contrasting experience:

“Honestly, sometimes the incentives don’t change how we work because we are already overwhelmed with workload.” (R9)

A more positive perspective was also observed:

“Recognition, even a simple ‘thank you’, can really boost morale and make you want to do more.” (R14).

These findings suggest that the effectiveness of incentives is highly dependent on consistency, fairness, and the working environment.

4.3 Discussion of Findings

Monetary Incentives and Performance

Quantitative findings show that while salaries and allowances are widely available, a substantial proportion of respondents perceive them as inadequate.

This perception is reinforced by qualitative responses, where participants emphasized that salaries often do not reflect workload demands. This finding is consistent with Becker and Huselid (2023), whose meta-analysis demonstrates that financial incentives positively influence employee performance, particularly when they are performance-linked and perceived as equitable. However, when compensation is insufficient, its motivational effect diminishes. Similarly, Alabi et al, (2022) argue that inadequate financial rewards may undermine motivation, suggesting that “pay enough or don’t pay at all.”

In healthcare contexts, competitive salaries are critical for attracting and retaining skilled professionals (Zhang et al., 2024). The dissatisfaction observed in this study therefore reflects broader structural challenges in health systems, particularly in low-resource settings. From the perspective of Expectancy Theory, these findings indicate a weak instrumentality component employee do not strongly believe that increased effort will lead to commensurate rewards. This weak linkage reduces motivation and may explain why monetary incentives alone are insufficient to drive performance improvements. Herzberg’s Two-Factor Theory further supports this interpretation. Salary is categorized as a hygiene factor, meaning its absence leads to dissatisfaction, but its presence alone does not guarantee motivation. The findings confirm this, as employees reported dissatisfaction with pay levels but still maintained relatively high-performance levels.

Non-Monetary Incentives and Performance

The study also finds that non-monetary incentives, including training opportunities, recognition, and supportive work environments, play a critical role in enhancing employee motivation and performance.

This aligns with Patel and Sharma (2023), who found that non-monetary incentives significantly improve job satisfaction and long-term engagement in healthcare settings. Similarly, Green and Johnson (2024) emphasize that professional development and positive workplace culture are key drivers of employee engagement.

Qualitative findings strongly reinforce this, with participants highlighting the motivational impact of recognition and career development opportunities. This reflects the concept of perceived organizational support (Alshaji, et al, n.d), where employees respond positively when they feel valued and supported by their organization. From a theoretical standpoint, these findings align closely with Herzberg’s motivators, which include recognition, achievement, and personal growth. These factors directly enhance job satisfaction and intrinsic motivation, thereby improving performance.

Differences Between Private and Public Healthcare Facilities

The study reveals significant differences in incentive structures between Good Hope Private Clinic and Kabudula Rural Hospital. Private facilities tend to offer more structured and diversified incentive systems, while public facilities rely primarily on basic salaries.

This finding is consistent with Smith and Brown (2023), who observed that private healthcare institutions are more likely to implement performance-based incentives, whereas public institutions face budgetary and administrative constraints.

The case of Good Hope Private Clinic reflects the broader role of private healthcare providers in Malawi, which often complement public services by offering better working conditions and incentive structures (Chirwa & Manda, 2022). In contrast, Kabudula Rural Hospital operates within a resource-constrained environment, as highlighted by Phiri and Chikafunga (2021), who note challenges such as limited funding and staffing shortages in rural healthcare facilities.

These disparities can also be understood through Expectancy Theory. In private facilities, clearer links between performance and rewards enhance expectancy and instrumentality, leading to higher motivation. In public facilities, weaker linkages reduce motivational effectiveness.

Herzberg’s framework further explains that while private facilities may better address both hygiene factors and motivators, public facilities often struggle to meet even basic hygiene needs, leading to dissatisfaction.

5 Conclusions and Recommendations

5.1 Conclusions

The study concludes that monetary and non-monetary incentives are both critical determinants of employee performance in healthcare settings, but their effectiveness depends on how well they are designed and implemented. Monetary incentives provide the essential foundation for meeting employees’ basic needs, and when they are inadequate, they lead to dissatisfaction and reduced motivation. However, the findings demonstrate that monetary incentives alone are insufficient to drive optimal performance, particularly in resource-constrained environments. Non-monetary incentives, including recognition, training, and supportive work environments, play a crucial role in enhancing intrinsic motivation, job satisfaction, and long-term employee engagement. These incentives address higher-level psychological needs and are particularly important in sustaining performance when financial resources are limited.

The study also concludes that institutional context plays a significant role in shaping incentive systems. Private healthcare facilities are generally better positioned to provide diversified and performance-based incentives due to greater financial flexibility and more efficient management structures. In contrast, public healthcare facilities face significant constraints, including limited funding and bureaucratic inefficiencies, which hinder the effective implementation of incentive systems. Despite these challenges, the relatively strong performance observed among employees suggests that intrinsic motivation and professional commitment remain key drivers of performance in healthcare settings.

5.2 Research Recommendations

Based on these findings, it is recommended that healthcare institutions strengthen monetary incentive structures by ensuring that salaries and allowances are commensurate with employee workload and responsibilities. Introducing transparent and performance-based financial incentives can further enhance motivation and productivity. In addition, institutions should prioritize the expansion of non-monetary incentives by investing in professional development programs, recognition systems, and supportive work environments that promote employee well-being and engagement.

Declaration of Competing Interests

The authors declare that they are not aware of any competing financial interests or personal relationships that may have influenced the work described in this document.

Funding

This research did not receive specific grants from any public, commercial, or non-profit sector funding bodies.

Acknowledgements

I would like to offer my heartfelt gratitude to everyone who made a contribution to this research

Ethical considerations

The article followed all ethical standards appropriate for this kind of research.

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