The effect of monetary packages on job performance at Kinondoni Municipal council, Tanzania

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ABSTRACT

This study examined the effect of monetary packages on job performance at Kinondoni Municipal Council (KMC), Tanzania. The study adopted a mixed-method cross-sectional survey design grounded in Herzberg's Two-Factor Theory and Vroom's Expectancy Theory. Stratified random sampling was used to select 351 respondents from a population of 2,847 employees, and 20 key informants were purposively selected for in-depth interviews. Quantitative data were analysed using descriptive statistics in SPSS Version 26, while qualitative data were analysed thematically using NVivo Version 12. The results showed that salary (73.0% agreement), allowances (76.9%) and performance bonuses (67.8%) have a positive effect on job performance. However, the impact of these financial rewards is seriously limited by delayed remuneration (68.7%), irregular bonus payment (65.2%) and unclear promotion criteria (41.6% dissatisfied). The study concluded that there is a strong positive relationship between the level of employee motivation and job performance, with 83.2% of respondents indicating that their motivation positively affects the quality of their work. Monetary packages are therefore key performance factors, but their effectiveness is undermined by implementation problems and structural disadvantages. It is recommended that KMC establish timely and transparent salary disbursement systems, introduce clear performance-based bonus systems, and build merit-based career progression systems to maximise the performance dividend of investments in monetary incentives.

Keywords: Herzberg's Two-Factor Theory, Job Performance, Kinondoni Municipal Council, Incentive Systems, Monetary Packages, Tanzania

I. INTRODUCTION

In sub-Saharan Africa, employee performance in the public sector is a pivotal issue in both public administration scholarship and public policy for reform. Local Government Authorities (LGAs) in Tanzania, including Kinondoni Municipal Council (KMC), are charged with providing basic services health, education, water and infrastructure to a rapidly increasing urban population. The quality of this service delivery relies mainly on the performance of frontline and managerial staff, which is greatly influenced by the incentives an organisation has in place (Adam & Taylor, 2021; Karyeija, 2012).

Among organisational rewards, the most direct and tangible are monetary packages, which include basic salary, allowances and performance bonuses. In the Tanzanian public sector, remuneration policy is regulated by national pay scales managed by the President's Office - Public Service Management (PO-PSM), with localised supplementation through allowances and, in some cases, performance-based bonuses (United Republic of Tanzania [URT], 2010). However, these financial tools are not without concerns regarding their timeliness, adequacy and the clarity of the principles governing their allocation (Zubair et al., 2021; Mwita, 2021).

The theoretical discussion of monetary incentives and performance is grounded in Herzberg's Two-Factor Theory, which treats salary and monetary benefits as hygiene factors: they are necessary to avoid dissatisfaction but are not sufficient on their own to produce high performance and motivation (Herzberg et al., 1959). Vroom (1964) similarly argued that employees are willing to expend effort only if they believe that increased effort will lead to higher performance, which in turn will lead to a valued reward. These frameworks indicate that the motivational power of monetary packages derives not only from their quantum but also from the reliability, fairness and transparency of their administration.

Empirically, research on public sector employment in Tanzania has been inconclusive. Mwita (2021) reported that the implementation of performance-related pay schemes was largely unsuccessful because of irregular payments and a weak link between pay and performance outcomes. Ngirwa et al. (2019) found that salary and allowances are determinants of job satisfaction and job performance. However, few studies specifically address the effect of monetary incentives at KMC, leaving a limited understanding of how they operate within one of the most populated and strategic urban local authorities in Tanzania.

1.1 Statement of the Problem

Incentive packages are widely acknowledged as an effective strategy for improving employee performance, yet performance problems persist across Tanzania's local government authorities. Before the public service reforms of the early 2000s, low and compressed pay scales, limited allowances and weak promotion structures were associated with low morale, absenteeism and poor service delivery in local government (United Republic of Tanzania [URT], 2008). Subsequent reforms under the Public Service Reform Programme and the Local Government Reform Programme introduced improved salary scales; responsibility and hardship allowances, training opportunities and performance-based promotions, and several councils reported reduced absenteeism and improved staff attendance (Karyeija, 2012). Despite these gains, quarterly and annual performance reports at KMC, together with successive reports of the Controller and Auditor General (2021), continue to reveal problems of service delivery quality, staff responsiveness and uneven departmental productivity. Incentives are available, but their effect on sustaining employee performance remains unclear.

This persistent gap reflects three limitations in the existing evidence. First, although the importance of incentives is recognised in national-level studies, there is little empirical work grounded in organisational reports and performance data at the LGA level. Second, prior research has largely examined monetary and non-monetary incentives in isolation, rather than assessing the combined effect of the incentive package as experienced by council employees. Third, little is known about how specific incentive components shape employee motivation, and how that motivation, in turn, translates into job performance within the local government context (Kessy, 2020). Because organisational reports rarely capture this mediating role of motivation, councils risk investing in incentive components that raise recurrent expenditure without a proportional improvement in performance (Karyeija, 2012). This study therefore examines the effect of monetary packages on job performance at KMC and the extent to which implementation challenges moderate their motivational impact, thereby providing evidence to guide more effective incentive management in Tanzanian LGAs.

1.2 Research Objectives

i. To determine the effect of monetary packages on job performance at KMC
ii. To examine how implementation challenges moderate the motivational impact of monetary incentives on employee performance.

II. LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Herzberg's Two-Factor Theory

The Two-Factor Theory, also referred to as the Motivation Hygiene Theory, was developed by Frederick Herzberg and his associates following extensive empirical research into workplace motivation (Herzberg et al., 1959). The theory holds that work-related factors affecting employee satisfaction can be divided into two types: motivators (satisfiers) and hygiene factors (dissatisfiers). Motivators such as achievement, recognition, responsibility and growth actively produce satisfaction and enhance performance when present.

Extrinsic hygiene factors salary, company policy, supervision and working conditions create dissatisfaction when absent, but when present they merely prevent dissatisfaction rather than generating motivation. The key implication is that although monetary incentives are, in the main, hygiene factors, they are theoretically necessary but not sufficient as drivers of performance. Herzberg (1966) argued that adequate reward keeps a person from being dissatisfied and sustains a minimum level of effort, but does not motivate performance beyond expectations.

This proposition has been broadly supported in the African public sector literature (Sachau, 2007; Tietjen & Myers, 1998), although some scholars contest the dichotomisation of monetary incentives, arguing that in resource-constrained economies typical of the public sector in developing countries monetary rewards can act as direct motivators (Ewen et al., 1966). In the Tanzanian context, where public servants' pay has long been restricted and delayed, Herzberg's theory suggests that improving the adequacy and timeliness of pay is necessary but not sufficient to raise performance. The theory provides the basis for analysing the effect of salary, allowances and bonuses at KMC.

2.1.2 Vroom's Expectancy Theory

According to Expectancy Theory, employee motivation depends on the interplay of three perceptual variables: expectancy (the belief that effort will result in performance), instrumentality (the belief that performance will result in outcomes), and valence (the value the person places on those outcomes). The motivating power of a reward is a product of all three factors, so that if anyone is perceived to be missing or weak, motivation declines substantially (Vroom, 1964). Applied to KMC, Expectancy Theory suggests that the motivation to exert work-related effort depends on the perception that (i) effort will lead to identifiable outcomes, (ii) those outcomes will be recognised, and (iii) the resulting rewards will be worthwhile relative to the effort (Vroom, 1964). These three links are consistently found lacking in the Tanzanian public sector, with unclear performance-appraisal systems weakening expectancy, irregular bonus disbursement weakening instrumentality, and salary compression weakening valence (Zubair et al., 2021; Temu & Due, 2000). This study adopts Expectancy Theory to examine the extent to which implementation gaps moderate the motivational effect of monetary packages at KMC.

2.2 Empirical Review

2.2.1 The Effect of Monetary Packages on Job Performance

The first objective of this study was to determine the effect of monetary packages on job performance, and the empirical literature offers substantial evidence on this relationship across the three main components of the package: salary, allowances and performance bonuses. With respect to salary, a meta-analysis by Jenkins et al. (1998) of 39 studies confirmed the positive effect of financial incentives on performance quantity ($r = 0.34$), an effect that was stronger for simple, performance-oriented tasks. From a compensation-theory perspective, both the level and the structure of pay jointly shape performance outcomes, so that the design of the pay system is as consequential as its absolute value (Milkovich et al., 2020). In the sub-Saharan African public sector, Ndedi (2020) found that poor pay is a major demotivator affecting attendance, effort and commitment, while in Tanzania specifically, Mwita (2021) identified salary level as a strong predictor of reported motivation and performance in the public service. Similarly, Ngirwa et al. (2019) concluded that competitive salaries in Tanzanian LGAs were associated with lower absenteeism and higher task-completion rates.

Allowances and supplementary monetary benefits constitute a second component with demonstrated performance effects. In the Tanzanian public sector, where basic pay has long been below market rates, a significant portion of monetary compensation is provided as allowances such as housing, transport and medical benefits. Effective total-reward management recognises that engaging employees involve more than base salary, and that well-designed total compensation packages are especially valuable in resource-constrained environments (Adam & Taylor, 2021; Graham et al., 2008). Karyeija(2012) found that hardship and responsibility allowances were positively linked to measurable gains in staff attendance and reported commitment across a sample of Tanzanian LGAs, and international evidence shows that supplementary monetary incentives can function as effective performance enablers by reducing the financial stressors that hinder employees from performing their work (Rynes et al., 2005).

Performance bonuses represent the most direct attempt to link an incentive to measurable output, and they have a firm theoretical basis in Expectancy Theory: bonuses raise instrumentality by making it clear and visible that performance leads to financial gain. Taken together, the empirical evidence indicates that each element of the monetary package, when adequate and well designed, exerts a positive effect on employee job performance in public sector settings comparable to KMC.

2.2.2 Implementation Challenges Moderating the Motivational Impact of Monetary Incentives

The second objective of this study was to examine how implementation challenges moderate the motivational impact of monetary incentives, and here the empirical literature is equally instructive. Although salary is a strong predictor of performance, Mwita (2021) found that timely payment functions as a stronger motivator than the quantum of salary, and Ngirwa et al. (2019) reported that salary effects were moderated by perceived procedural fairness: where pay increased but the salary system was still perceived as unfair, performance declined. In a study of medical officers in Tanzanian public hospitals, Adebayo et al., (2021) found that delayed salary payment was the most demotivating factor, with direct effects on absenteeism, moonlighting and commitment to organisational goals. These results corroborate Expectancy Theory: when instrumentality is undermined by delayed payment, the motivational power of salary is nullified even when the nominal incentive level is high.

Similar moderating conditions apply to allowances. Their motivational effect depends strongly on whether they are perceived as adequate relative to the real cost of living, and on equity in their distribution across employee groups (Gerhart & Rynes, 2003). Their capacity to motivate performance is limited where allowances are seen as insufficient to cover commuting or medical expenses, as is often the case in Dar es Salaam, where the cost of living is continually rising.

Implementation failures are most pronounced in relation to performance bonuses. Numerous studies find that the motivational effect of performance-based incentives in the African public service is often not realised because of implementation problems (Zubair et al., 2021; Ohemeng, 2019). Mwita (2021) reported that performance-linked pay schemes under the Public Service Reform Programme in Tanzania achieved only limited success, largely because of inadequate funding, untimely disbursement and weak linkage to objective performance assessment. Temu and Due

(2000) similarly found that performance bonuses in Tanzanian LGAs are often paid on the basis of seniority or management discretion rather than as genuine incentives. This pattern erodes the instrumentality relationship that Vroom's theory regards as crucial to bonus motivation: if employees do not perceive a consistent link between performance and bonus, the potential bonus ceases to motivate.

These findings are reinforced by international evidence reviewed by Bellas et al. (2019), who found that incentive programmes in developing countries improved performance only under specific conditions. That review identified three conditions under which performance bonuses reliably motivate: payment must be consistent and predictable; the award criteria must be clear and known to employees; and the bonus must be large enough for employees to value it and to be willing to exert additional effort to earn it. These conditions are seldom fully satisfied in resource-constrained public sector settings, and this is applicable to the KMC context. The literature therefore suggests that implementation challenges do not merely reduce the effect of monetary incentives at the margin, but can substantially moderate, and in some cases nullify, their motivational impact.

2.3 Research Gap

The literature on monetary incentives and public sector performance is substantial, both internationally and in Tanzania, but there is little research focused on how the overall package of salary, allowances and performance bonuses affects job performance at KMC. Previous research has examined monetary incentives either individually or at the national level, without a detailed analysis of how implementation challenges dampens or enhances incentive effectiveness at the LGA level. This article contributes in this regard by providing empirical evidence based on primary data collected from KMC, strengthening the evidence base for human resource management policy in Tanzanian local government.

III. METHODOLOGY

3.1 Research Design and Approach

This study adopted a cross-sectional survey design, which was appropriate because it captured a snapshot of the relationships between monetary-incentive perceptions and job performance at a single point in time across different groups of employees at KMC (Bryman, 2016). A convergent parallel mixed-methods approach was used, in which quantitative survey data and qualitative interview data were collected concurrently and interpreted together (Creswell & Plano Clark, 2017). The quantitative strand provided statistical description of incentive perceptions and performance ratings, while the qualitative strand provided depth of understanding of the underlying mechanisms, contextual factors and employee experiences.

3.2 Study Area

The study was conducted at Kinondoni Municipal Council, one of five municipal councils in the Dar es Salaam region, an area with a population of more than 1.7 million inhabitants (National Bureau of Statistics [NBS], 2022). KMC was selected because it is among the most populous municipalities in Tanzania and because persistent performance problems have been identified among its employees (Controller and Auditor General, 2021). The council delivers a broad range of public services through departments including Health, Education, Finance, Administration, Public Works, Community Development, Planning and Revenue Collection, which makes it a suitable setting for examining how monetary incentives relate to job performance in an urban local government authority.

3.3 Target Population

The target population comprised all permanent and contract staff of KMC who had served for at least one year across the council’s various departments. Based on the council’s human resource records, this population totalled 2,847 employees. Restricting the population to staff with at least one year of service ensured that respondents had sufficient exposure to the council’s incentive and performance-management systems to provide informed responses.

3.4 Sample Size and Sampling Procedures

The quantitative sample size was determined using Yamane’s (1967) formula:

$n = N / (1 + N (e)^2) = 2{,}847 / [1 + 2{,}847(0.05)^2] = 2{,}847 / 8.1175 \approx 351$

Stratified random sampling was then used to draw a sample of 351 respondents, ensuring that each department and organisational level was proportionally represented. For the qualitative phase, purposive sampling was used to select 20 key informants (5 senior managers, 7 middle managers and 8 operational staff) on the basis of their first-hand involvement in performance management and their length of service (Guest et al., 2006).

3.5 Data Collection Methods

Primary data were collected using two instruments: a structured questionnaire administered to the 351 quantitative respondents, and a semi-structured in-depth interview guide used with the 20 key informants. The questionnaire comprised five sections: (1) demographic characteristics; (2) monetary-incentive perceptions (measured on a five-point Likert scale from 1 = strongly disagree to 5 = strongly agree); (3) non-monetary incentives; (4) level of motivation; and (5) self-rated job performance. The questionnaire was developed in English and translated into Kiswahili to accommodate respondents' language preferences. To assess the clarity and reliability of the instruments, a pilot test was conducted with 30 employees drawn from outside the main sample.

3.6 Data Analysis

Quantitative data were coded and entered into SPSS Version 26. Response patterns and variable distributions were summarised using descriptive statistics, including frequencies, percentages, means and standard deviations. Qualitative data from the interviews and documentary review were analysed thematically following the six-phase approach of Braun and Clarke (2006), with NVivo Version 12 used to organise and code the data. The results of the two strands were then combined during interpretation using a convergent approach, in which areas of convergence and divergence were identified to support nuanced conclusions (Creswell, 2014).

3.7 Validity, Reliability, and Ethical Considerations

Validity was addressed through expert review of the instruments, pilot testing and triangulation of data sources. Reliability was strengthened through standardisation of data-collection procedures and consistent application of the coding framework. The study received ethical approval from the Mzumbe University Research Ethics Committee, and written informed consent was obtained from all respondents. The confidentiality and anonymity of responses were ensured throughout data collection, storage and reporting.

IV. FINDINGS & DISCUSSION

4.1 Demographic Profile of Respondents

Table 1 presents the demographic profile of the 351 respondents who participated in the study.

Table 1

Demographic Profile of Respondents

Variable	Frequency	Percent (%)
Sex		
Male	191	54.4
Female	160	45.6
Age Group		
Below 25 years	63	17.9
26–35 years	122	34.8
36–45 years	112	31.9
46 years and above	54	15.4
Education Level		
Certificate	56	15.9
Diploma	118	33.6
Degree	141	40.2
Master's Degree	36	10.3
Total	**351**	**100.0**

As shown in Table 1, the gender distribution of respondents was relatively balanced, with 54.4% male and 45.6% female, broadly reflecting the general gender composition of KMC across its departments. The age distribution shows that the most common age groups were 26–35 years (34.8%) and 36–45 years (31.9%), indicating a predominantly mid-career workforce with substantial exposure to the council's benefit structures. The relatively high proportions of degree holders (40.2%) and diploma holders (33.6%) point to a generally well-educated workforce, which enhances the reliability of self-reported data on performance and incentive perceptions.

4.2 Effect of Monetary Packages on Job Performance

The core findings on monetary incentives are presented in Table 2.

Table 2
Effect of Monetary Packages on Job Performance (n = 351)

Statement	SD F(%)	D F(%)	N F(%)	A F(%)	SA F (%)
1. My current salary is adequate and motivates me to perform my duties effectively	18 (5.1)	42 (12.0)	35 (10.0)	142 (40.5)	114 (32.5)
2. Allowances (housing, transport, medical) positively influence my job performance	14 (4.0)	38 (10.8)	29 (8.3)	151 (43.0)	119 (33.9)
3. Performance bonuses motivate me to work harder and improve my output	22 (6.3)	51 (14.5)	40 (11.4)	138 (39.3)	100 (28.5)
4. The current remuneration structure is competitive compared to other public institutions	45 (12.8)	88 (25.1)	62 (17.7)	96 (27.4)	60 (17.1)
5. Salary increments and promotions are based on transparent performance criteria	51 (14.5)	95 (27.1)	55 (15.7)	88 (25.1)	62 (17.7)
6. Monetary incentives are sufficient to sustain my commitment to work	39 (11.1)	78 (22.2)	48 (13.7)	121 (34.5)	65 (18.5)

Note. SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree. Source: Field Data (2026).

As presented in Table 2, the findings show that 73.0% of respondents (40.5% agreed and 32.5% strongly agreed) indicated that their current salary is adequate and motivates them to perform their duties effectively, while 17.1% disagreed or strongly disagreed and 10.0% were neutral. Allowances recorded the highest level of endorsement among the monetary-incentive components, with 76.9% of respondents (43.0% agreed and 33.9% strongly agreed) reporting that housing, transport and medical allowances positively influence their job performance. Performance bonuses were endorsed by 67.8% of respondents (39.3% agreed and 28.5% strongly agreed) as motivating them to work harder and improve their output.
The findings were less favourable for the structural aspects of the remuneration system. Only 44.5% of respondents agreed or strongly agreed that the current remuneration structure is competitive compared to other public institutions, while 37.9% disagreed or strongly disagreed. Similarly, only 42.8% agreed or strongly agreed that salary increments and promotions are based on transparent performance criteria, against 41.6% who disagreed or strongly disagreed, making this the least endorsed statement. Finally, 53.0% of respondents agreed or strongly agreed that monetary incentives are sufficient to sustain their commitment to work, while 33.3% disagreed. Overall, these findings indicate that respondents perceive the individual components of the monetary package positively, but hold markedly weaker perceptions of the competitiveness and transparency of the system through which those components are administered. The subsections that follow discuss each component of the monetary package in detail.

4.2.1 Salary and Job Performance

Table 2 shows that 73.0% of respondents (40.5% + 32.5%) agreed or strongly agreed that their current salary motivates them to perform their duties well. This majority finding indicates that the KMC salary framework provides a reasonable financial base for the performance motivation of most employees, consistent with Herzberg et al.'s (1959) argument that an adequate salary level keeps employees from general dissatisfaction and supports a minimum level of performance. The results are also consistent with Mwita (2021), who reported salary as a major predictor of employee motivation in Tanzanian public institutions, and Ndedi (2020), who found that low pay was the strongest demotivator in sub-Saharan public sectors.

However, the proportion dissatisfied with salary adequacy (17.1%) and the substantial share who did not agree that increments and promotions are based on transparent criteria (Statement 5: 41.6%) reveal significant structural concerns. Vroom's (1964) Expectancy Theory is relevant here: salary is motivational to the extent that its amount is perceived as fair and its delivery predictable. Where employees do not understand how salary increases are obtained, or perceive that increases are not linked to performance, instrumentality is weakened and the motivation to work harder declines.
Qualitative data strongly corroborated these quantitative patterns. A Health Officer stated:

> *"The salary I receive is not always on time, and when it comes, the amount barely covers my basic living expenses. When I compare what I earn to colleagues in other municipalities, I feel undervalued. But the allowances do help. My transport allowance ensures I report to work every day without financial stress. Without it, my attendance and performance would definitely suffer."* (KII 07, Health Officer, Rebecca, 11 February 2026)

This narrative captures the paradox described in the literature: low pay creates a sense of deprivation and reduced drive, while supplementary payments serve a compensatory role in maintaining performance. Consistent with this, Adebayo et al., (2021) found that delayed salaries were the most common demotivator among Tanzanian public servants, with direct effects on commitment and attendance. The expectancy instrumentality chain that Vroom (1964) describes is therefore clearly at work at KMC, but only tenuously, because of delays in reward and perceived inequity.

4.2.2 Allowances and Job Performance

The findings on allowances (Statement 2) show that 76.9% of respondents agreed or strongly agreed that housing, transport and medical allowances positively affect their job performance the highest level of agreement among the monetary-incentive components. This reinforces the importance of allowances within the Tanzanian public sector pay system, in which basic pay has historically been capped by nationally agreed scales (URT, 2010). Both Herzberg's and Vroom's theories help explain this result. In Herzberg et al.'s (1959) terms, adequate allowances address hygiene factors such as transport and housing costs that are significant in the Dar es Salaam urban setting.

Vroom's (1964) concept of valence also applies: allowances are valued because they meet immediate, concrete living needs and therefore carry a high perceived value. This aligns with total-reward perspectives holding that non-basic monetary components make a meaningful contribution to employee engagement in resource-constrained public sector environments (Adam & Taylor, 2021). A similar study by Karyeija (2012) found that staff attendance and engagement improved significantly in Tanzanian LGAs offering hardship and responsibility allowances. A Finance Officer at KMC reinforced this:

> *"Monetary incentives are important, but the issue here at the council is implementation. We have policies on paper about salary grades and performance pay, but in practice, promotions and increments are delayed or sometimes tied to seniority rather than actual performance. When employees see that effort is not financially rewarded, the natural response is to reduce effort."* (KII 04, Finance Officer, Finance Department, personal interview, 13 February 2026)

This perspective echoes Temu and Due (2000), who found that the motivational impact of monetary packages in Tanzanian LGAs is frequently undermined not by the absence of policy but by failures of implementation delays, inconsistencies and the disconnection of financial rewards from actual performance outcomes.

4.2.3 Performance Bonuses and Their Limitations

Responses to performance bonuses were more varied. The most frequently endorsed statement was that bonuses motivate employees to work harder and improve output (39.3% + 28.5% = 67.8%). This suggests that the principle of performance bonuses is appreciated, but that concerns about their application substantially limit their motivating effect. This outcome can be directly explained by Vroom's (1964) Expectancy Theory.

To motivate, employees must believe there is instrumentalitya reliable expectation that demonstrated performance will be rewarded with a bonus. If bonuses are not distributed regularly, are poorly communicated, or are seen as unrelated to objective measures, instrumentality is lost. This confirms the instrumentality failure associated with inconsistent bonus disbursement shown in Table 3, where 65.2% of respondents identified inconsistent bonus payment as a key challenge at KMC. Similarly, Zubair et al., (2021) found that unreliable disbursement of performance-based pay schemes in the Tanzanian public sector can breed cynicism and reduce motivation. In their systematic review of health-worker incentive programmes in developing countries, Bellas et al. (2019) likewise found that incentives improved performance only when three conditions were met: payments were regular, targets were clear to all involved, and the amounts were adequate. KMC has considerable difficulty in satisfying all three conditions simultaneously. An Education Officer's interview response was particularly illuminating:

> *"I would say monetary incentives have a significant bearing on how hard staffs work here. When the performance bonus was last disbursed, colleagues were more enthusiastic and output improved markedly. The challenge is that bonuses are not predictable. You cannot plan around something you are not sure will come. If there were a clearer system where performance was tracked and rewarded consistently, I believe the council would see a significant improvement in overall service delivery."* (KII 09, Education Officer, Martin 18 February 2026)

This account illustrates precisely the mechanism of Expectancy Theory: the perception of instrumentality is strengthened through past experiences of receiving a bonus, leading to enhanced performance. However, uncertainty about future disbursement subsequently nullifies this linkage, returning motivation to baseline. The practical implication is clear: if bonuses are to be paid, they should be regular and linked to performance rather than discretionary, as this is likely to deliver significantly better performance outcomes.

4.3 Implementation Challenges Moderating Monetary-Incentive Effectiveness

Table 3 summarises the key challenges that respondents identified as undermining the effectiveness of monetary-incentive packages.

Table 3

Challenges Affecting Monetary-Incentive Effectiveness (n = 351)

Challenge	Frequency (n = 351)	Agree/SA (%)
Irregular and delayed salary payments demotivate staff	241	68.7
Performance bonuses are not consistently disbursed	229	65.2
Career advancement is influenced more by favouritism than performance	227	64.7
Training opportunities are unequally distributed among staff	218	62.1
Recognition of good performance is rare or inconsistent	205	58.4
Inadequate working environment reduces productivity	196	55.8

The most common problem, identified by 68.7% of respondents, was irregular and delayed salary payments. This finding is significant because it indicates that, for a substantial majority of KMC employees, payment reliability rather than the size of pay is the greatest monetary demotivate. Consistent with the findings of Adebayo et al., (2021) and Mwita (2021) on delayed payment, this aligns with the theoretical predictions of Herzberg's hygiene-factor model and Vroom's instrumentality construct, both of which imply that unreliable payment is more psychologically damaging than the absolute level of pay in the Tanzanian public sector. The second and third most frequent challenges were inconsistent bonus payment (65.2%) and favouritism in promotion (64.7%).

Taken together, these results point to a performance–pay relationship at KMC that is perceived as weak, arbitrary and inequitable precisely the combination that Expectancy Theory predicts will demotivate employees and depress performance. Similar patterns have been reported in other Tanzanian LGAs and attributed to budget constraints, weak performance-appraisal systems and political interference in human resource decisions (Kessy, 2020). The results also reveal a link beyond the monetary domain: the perceived unequal distribution of training opportunities parallels the perceived unequal distribution of monetary rewards attached to promotion. Where promotion is seen as politically rather than merit-driven, monetary rewards lose their incentive value, because employees do not believe that their performance will lead to advancement. A senior manager from the Administration Department reflected:

> *"We acknowledge that salaries in the public sector are generally lower than in the private sector. However, the council has tried to compensate through various allowances and capacity-building programmes. The problem is that some staff only look at the monetary side. Non-monetary incentives are equally important, and we encourage supervisors to recognise and appreciate staff contributions. But I agree more needs to be done on the salary structure front."* (KII 01, Senior Manager Milswad 6 February 2026)

This managerial perspective is significant. It reflects awareness, at leadership level, of the complementarity between monetary and non-monetary incentives, but suggests that implementation capacity rather than policy intent is the binding constraint on performance improvement through incentive management.

4.4 Monetary Incentives, Employee Motivation, and Job Performance

A further set of results concerned the relationship between monetary-incentive perceptions and overall motivation levels. The study found that 83.2% of respondents believed that their motivation directly affects the quality of their work, while 85.7% believed that their motivation contributes to the timely completion of tasks. These results indicate a very strong relationship between self-reported motivation and self-reported performance, consistent with both Herzberg et al.'s (1959) and Vroom's (1964) theories of motivation.

More importantly, however, only 49.3% of respondents believed that management is doing enough to improve employee motivation. These points to an important discrepancy between what drives motivation and the managerial action taken to sustain it. Burns (2022) argues that motivating employees requires deliberate and sustained managerial effort, including frequent staff involvement, clear communication of expectations, and regular recognition of accomplishments. Similarly, Karyeija (2012) argue that the technical design of incentive systems is as important as building managerial capacity for people-centred leadership. Qualitative data reinforced the links between monetary incentives and motivation. A Private Sector Liaison Officer stated:

> *"When our staffs are motivated, the quality of service delivery improves remarkably. Clients are attended to promptly, queries are resolved efficiently, and the council's reputation improves. Conversely, when morale is low due to unpaid allowances or poor working conditions, we receive more complaints from the public. The link between staff motivation and service delivery outcomes is direct and measurable."* (KII 12, Private Sector Liaison Officer Ahmed, 20 February 2026)

This organisational-level perspective aligns with Ndedi (2020), who found that in sub-Saharan public institutions the impact of incentive packages on performance was significantly stronger where employees perceived a clear link between their effort, the incentives and the anticipated outcomes. The qualitative data from KMC confirm that this expectancy–performance chain is operative but repeatedly broken by implementation failures. A Human Resources respondent added a structural dimension to this analysis:

"Our biggest challenge is that motivation is treated as an afterthought. Staff receive their salaries, and management assumes that is sufficient. But modern public service management research consistently shows that intrinsic motivation the desire to do good work because you believe in it is as important as extrinsic rewards. We need to invest in cultivating that culture at the council, which requires deliberate strategy and sustained leadership commitment." (KII 03, Human Resources Officer Samuel, 25 February 2026)

This testimony integrates the theoretical frameworks informing this study: Herzberg et al.'s (1959) insistence that hygiene factors such as salary must be complemented by motivators such as recognition, meaning and growth, and Vroom's (1964) emphasis on expectancy and valence in driving sustained performance. Together, the quantitative and qualitative findings present a coherent picture: KMC possesses the structural elements of a monetary-incentive system capable of motivating performance, but implementation gaps primarily in payment reliability, bonus consistency and promotion transparency systematically weaken its motivational effect.

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

The various monetary rewards at KMC salary (73.0%), allowances (76.9%) and bonuses (67.8%) were found to have a positive effect on job performance, with allowances proving to be the most important enabler in the urban setting of Dar es Salaam, consistent with the hygiene-factor classification. There are, however, implementation gaps that severely limit effectiveness: delayed payments (68.7%), inconsistent bonus disbursement (65.2%) and unclear promotion criteria (41.6% dissatisfied) impede the effort–reward connection that Expectancy Theory regards as vital. Most importantly, payment unpredictability rather than low pay emerged as the single most damaging factor in the Tanzanian public sector context. A strong motivation performance relationship was confirmed, with 83.2% of respondents indicating that motivation affects the quality of their work. However, only 49.3% believed that sufficient effort is being made to sustain motivation, revealing the largest actionable gap. Reliable and transparent incentive administration therefore represents the highest-leverage intervention for improving performance at KMC.

5.2 Recommendations

To strengthen the instrumentality link in Expectancy Theory, KMC should establish a robust monitoring mechanism for salary payment, with automated alerts and clear accountability procedures to ensure that salaries are paid on time; 68.7% of respondents identified salary-payment delay as the major demotivating factor. At the same time, the council should establish an objective, criteria-based performance-bonus programme in which performance criteria are documented and clearly communicated at the beginning of each evaluation period and are assessed through a standardised, multi-source evaluation process. Bonus disbursements should be made on a regular basis (quarterly or half-yearly) rather than at management discretion, thereby building on the performance–reward instrumentality that sustains motivation. These two interventions directly address the bonus inconsistencies identified by 65.2% of respondents and constitute the two priority institutional interventions for improving the effectiveness of monetary incentives at KMC.

Declaration of Interest

The authors declare that they do not have any known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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