

# **THESIS**

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**THE EFFECT OF NON-FINANCIAL INCENTIVES ON HUMAN  
RESOURCE DEVELOPMENT IN THE CAPITAL CITY OF LAOS**

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# **1. Introduction and objectives**

## **1.1 Objective**

The study's title, "The effect of non-financial incentives on human resource development in the capital city of Laos" is aimed to determine the positive effects of incentives and their support for human resource development.

This study will gather data on the incentives that can contribute to improved job performance. To comprehend and summarize the encouragement and effectiveness of such incentives, the employee working in Vientiane's capital city will select and score the circumstances of the incentives and determine whether they are advantageous to their performance.

The purpose of this research is to achieve and comprehend human resource development trends in Vientiane in terms of defining an incentive reason and how it is related to employee satisfaction with self-growth and purchasing their talents for working performance.

Demonstrate that the specific questionnaire will be applied to generating the numerical output to examine the function of hypothesis-finding. The main questions include: firstly, do generational differences in the organization lead to motivation for self-development? examine the collaboration with the changes in employee standards, organizational culture, and climate that make you aware of self-development; secondly, are there clear contexts for employees to understand and process information; does your leader exhibit adaptive, motivational, and transformational leadership; does you feel aligned with the organization's vision? This will be applied to examine the relationship between each and the level of perception of the effectiveness of incentives and HR development programmes in your workplace.

With the main question mentioned above, along with other questions to describe, the dimension will be operated in the format of a Google Form, which will assist me in submitting my research questionnaire to my country's fellowship, which currently faces the challenge of distance. However, under the supervision of the professor and responsible researcher, the questionnaire will contribute based on the literature review and arguments from scientific research that are best suited to the sample region specifically.

The quantitative method will function as the main approach of this research paper, and it involves the following data collection from the questionnaire set and

computation by SPSS formulations, resulting in an accurate estimation regarding each variable and clarifying the following statement with scientific resources.

## **1.2 Concepts**

The working approach is centred on the development of leaders' human resources. It is critical for a leader to structure and integrate human resources with company strategy. Human resources, on the other hand, provide the desire and motivation to take another step toward success. As a human resources representative in charge of deciding and creating the human resources strategy, you must be concerned with two aspects: the organization itself and people's core values.

To demonstrate the incentive's effectiveness, I am committed to doing this research in connection with an intrinsic reward, which will be achieved in human resource development. First, define what performance incentives are founded on theory, literature, and scientific articles that fit within the scope of this research and choose those to construct the literature review section and design the questionnaire.

Based on the facts acquired, we will identify how the non-financial incentive cause influenced human resource development and the breadth of encouragement in the following step. We will offer a result in visualization and a conclusion to the specific incentive and its influence on stimulating human resource development based on the combined source of data.

In addition to administering surveys to employees across various positions, this study also incorporates semi-structured interviews with leaders, including managers, organization owners, and human resources representatives, to gain insights into their perceptions and strategies regarding the effect of non-financial incentives on human resource development in the capital city of Laos.

## **2. Literature review**

### **2.1 Literature on early approaches to incentives on performance and human resource development**

A considerable amount of research and publications on human resource development in various fields of human resource identification, behaviours, and development were studied. To proceed with my studies on this paper, considering previous studies to support and acknowledge in advance. My foundation to proceed with this study indicates that occupational and individual procedures recognize it, which may contribute to micro and macro considerations from the perspective of the leadership role.

Occupations may present individuals with an identity, organizational environment, culture, and climate, among other factors which can influence personal behaviour, extend from those, occupations are fundamentally linked to a positive self-image, the satisfaction of being successful at something, the pleasure of serving others, or a good reputation in our surroundings (Chen et al., 2008).

Incentive is the moral to drive emotions, attitudes, and behaviours that can support, modify, and be effective in performance and action in collaboration. According to Bognanno (2001) and Boubaker et al. (2022), incentives are implemented to encourage competition among employees, with the expectation that only the best-performing potential employees will be successful. In terms of employee involvement in human resources development, incentives enable organizations to create and retain a pool of workers (Boubaker et al., 2022).

Clarify the incentives that have been utilized to motivate people to pursue goals that are more positive than ever before. Lucas and Derry (2004) state the approach to human resource development: to improve procedures for human resources, organizations need to implement the most effective methods or more situational approaches. In modern research, Boubaker et al. (2022) concluded that as the organization's best-fit human resource capital grows, the positive correlation between incentive encouragement and organizational performance increases.

Another perspective on successful organizational performance is that non-financial indicators, which include human resources issues, have a significant correlation to the achievement of organizations. Naqshbandi and Jasimuddin (2018), and Urbancova (2013) suggested that knowledge-oriented employees could assist in the

search for open-innovation technologies, which would eventually lead to a long-term competitive advantage. Lee and Lin (2019), and Lee (2023) also state that human capital, process capital, innovation capital, and customer capital are the four key dimensions of intellectual capital. The results of their research highlighted that one of the characteristics that contributed to improved operating performance was high human capital.

## **2.2 Study of human resource performance and development**

According to Bowen and Ostroff (2004), human resource management practices directly influence performance and contribute towards an organization's success. This means that human resource management is a fundamental component to driving a successful organization as well as encouraging motivation and action. According to Nishii et al. (2008), human resource policy and individuals are associated with each other through the employees' attitudes and behaviours, particularly their perception of job satisfaction.

Jia et al. (2020) state that developing individual uniqueness and proactive behaviour can lead to the strengthening of an employee's ability to perform the essential functions of the organization. Therefore, an appropriate developmental programme in the organization relates to the individual level and is supported by the organization's strategy and policy in conducting the development in a sustainable manner from the perspective of human resources and quality performance.

Priorities to assist with the goal and achievement of an organization, human resources performance, and development are subscribed to the fundamentals required for an organization (Ostroff & Bowen, 2016). Human resources were recognized as a core value condition for contributing specific information related to the organization's expectations and perspectives.

## **2.3 Influence of occupations on personal behaviour**

Where people's work is influencing them to generate appropriate and accurately perceived characteristics, lifelong experiences, which include an occupation, may modulate presentation, acting as proxies of cognitive reserve (Dodich et al., 2018). Organization and culture at workplaces are significantly associated with employee behaviour (Cherian et al., 2021). Culture has significant importance in any organization and has a prominent effect on employees. A multiple-researched interpretation of organizational culture, such as Yoo et al. (2021), Organizational culture is a collection of

mutual understandings, standards, principles, and behaviours. One of the current periods researched by Azhar and Yang (2021) states that an organization's culture is the morals of the organization that can motivate employees.

Occupation, along with perform and operate by an organization culture, is led to construct in shapes of employee integration with personality and commitment, supported by the statement that culture serves as a force that holds organizations together and reshapes employees' commitment, attitudes, and behaviour (Shahriari et al., 2022). Micro and macro environments, which surround individuals in daily life, are accurate, adaptive, and clarifying to survive, fulfil needs, and contribute to wealthiness (Karim et al., 2022). Occupation is one of the variables that determines an individual's status.

Jobs and occupations are an inclusive foundation of life satisfaction (Steger et al., 2008). Engaging in the occupations of daily life is crucial for one's sense of well-being and satisfaction with life. Combining and contributing to the environment and personal behaviours that are effective in improving performance are the procedures of the job conducted by an employee, the task, and the situation itself (Kristof-Brown et al., 2005). Person-environment fit is the compatibility of individuals with their jobs.

In contrast, if the perception of treats from occupation interrupts personal growth and wellness, it is easier for employees to clarify their jobs, which is an exhausting task and can affect human resource management for an organization. (Flatau-Harrison et al., 2023), In contexts where the environment poses uncertainties or challenges that are incongruent with the employee's personal demands or needs, the individual is likely to perceive their person-job fit as poor, denoting a situation of self-regulatory failure.

## **2.4 Literature on human resource development**

People drive and generate the creation of applications regarding incorporation and operation in organizations. Hamad (2018) defined that human resource development is a component of human resource management and is a crucial method for an organization considering its function in improving employee behaviours and productivity for individuals as well as organizations. Understanding human capital was critical for the organization to remain competitive in the marketplace. Human resource development has been identified as a significant consideration (Malik et al., 2019).



Some research states that the issue of human resource development is a combination of technical and mindset renovation. Human development involves more than simply requiring people to attend training sessions. It entails animating individuals, connecting with their existing learning to allow new learning to grow, and then transferring fresh perspectives and knowledge (Gibb, 2007).

According to historical studies on human capital, the meaning of human capital in the context of workforces is a tactical knowledge nested in the minds of employees (Bontis, 1999). In the next couple of years, the authors explain more about the content of human capital, which represents individual awareness about an organization by its employees (Bontis et al., 2002).

Recent studies also mention and give an additional explanation of the capabilities and influence of human capital, which significantly affects an organization's performance. Lee and Lin (2019), Xin et al. (2021), and Wang and Juo (2021) claim that human capital is a bunch of knowledge of an organization's employees, made up of methodologies, competencies, and resiliency, that can both entirely and partially contribute to increasing business performance.

Mainly focusing on sustainable functioning in human capital fundamentals, determining the components, and challenging innovation changes is an issue for a leader and organization. A specific action on the task is to require human capital to help in conducting those procedures (Komnenić & Pokrajčić, 2012; McDowell et al., 2018).

In the most recent mention of human capital issues in the business dimension, Prez (2023) used a statement rooted in philosophy and theory of economics to describe that people are not just a cost to a business but an investment. An effective method to operate could involve identifying and developing the skills and knowledge of employees, creating a positive work culture, and providing opportunities in a positive direction to an employee.

## **2.5 Modern approaches to human resource development**

Human resource management is a continually evolving field, influenced by the changing landscape of employment. In this discussion, we explore contemporary approaches to human resource development, emphasizing their significance and relevance in today's context.

In the context about assumption of the phylogenetic in mentality, integration with situational adjustment in an appropriate direction to drive efficiency improve-

ment in the human resource context, a framework of contemporary approach, included the sentences “You can’t force people who hate their environment to do a good job” (Beardwell & Thompson, 2017:29). This illustrates the philosophy of focusing on employee satisfaction, which is influenced by the condition and circumstances of the organization in terms of structure, leadership, and climate, among others.

Contemporary human resource management continues to both influence and be influenced by the changing context of employment, but it is still relatively new as always. The approach to understanding and implementing employee development should be adaptable. This evolution involves integrating innovative human resource practices, effective communication, and technology. Its core principles are rooted in earlier methods for enhancing productivity in today's context.

Zhang-Zhang et al. (2022) made an argument on human resource development in contemporary approaches as managing people within and beyond the organizational boundary to achieve the sustainable performance of the firm. Human resource management has risen to provide a broader and more inclusive meaning, integrating different perspectives, by using two complementary elements: innovative human resource practices and communication and technology (Reiche, 2018). Contemporary HR management is called upon to align its strategies with larger business strategies and create relevant metrics for its own strategic value and the achievement of organizational goals. that strategic management is the essential process for coping with external change, the central philosophy guiding the management of all types of contemporary organizations.

In the aspect of Southeast Asia, Agarwal et al. (2017) emphasize that innovation encompasses all the elements of an enterprise, from operational methods to strategic planning and innovative business models. Innovation is instrumental in shaping strategies for organizational growth and individual success.

Assuming the conclusion of approaches used in *The Human Resource Management* by Beardwell and Thompson (2017), a contemporary approach to human resource development and its approaches will be described in Table 1 below.

**Table 1:** Approach for human resource development  
 (Source: author's own summary based on Beardwell and Thompson, 2017)

Approach	Describe	Main activities
Learning and development	<ul style="list-style-type: none"> <li>- Critical for individuals, and the outcomes are essential to organizations and, subsequently, for the economy.</li> <li>- Organizations have to constantly and efficiently learn and develop in order to adapt, survive, and compete.</li> <li>- Learning is an evolutionary process associated with the ability to adjust, experience, and perform rather than grow.</li> <li>- Development is the process of becoming increasingly advanced, complex, and differentiated as a result of learning and maturation.</li> <li>- Learning and development are defined as continuous adaptation, learning, and growth; increasing knowledge and improved skills expand the individual's potential to adapt to the environment.</li> <li>- Learning and development often embrace behavioural change and have the potential to promote a profound effect on a person's life.</li> </ul>	<p><u>Learning activities in the workplace:</u></p> <ol style="list-style-type: none"> <li>1. Skill development</li> <li>2. Cognitive knowledge</li> <li>3. Competency development</li> <li>4. Observation</li> <li>4. Performance and feedback</li> <li>5. Evaluation, reflection.</li> </ol> <p><u>Types of development in the organization:</u></p> <ol style="list-style-type: none"> <li>1. Practical</li> <li>2. Professional</li> <li>3. Partnership</li> <li>4. Strategic</li> <li>5. Cultural</li> <li>6. Extra-organizational</li> </ol>
Leadership and management development	<ul style="list-style-type: none"> <li>- Management development is the structured process by which managers enhance their skills, competencies, and/or knowledge via formal or infor-</li> </ul>	<p><u>Method is used:</u></p> <ol style="list-style-type: none"> <li>1. Formal workshop, training courses, seminars</li> <li>2. Coaching from current boss</li> </ol>

	<p>mal learning methods to the benefit of both individual and organizational performance.</p> <p>- The critical skills of managers and organizational performance, identified as an essential dimension for the recognition and growth of managerial skills from both a current and future perspective.</p>	<ol style="list-style-type: none"> <li>3. Special projects or assignments</li> <li>4. Movement to a different position to develop targeted skills.</li> <li>5. Web-based learning</li> <li>6. Coaching with internal coaches or mentors</li> <li>7. Coaching with external coaches or mentors</li> <li>8. Virtual classroom</li> </ol> <p><u>Critical skills needed:</u></p> <ol style="list-style-type: none"> <li>1. Driving and managing change</li> <li>2. Identifying and developing future talent</li> <li>3. Fostering creativity and innovation</li> <li>4. Coaching and developing</li> <li>5. Executing organizational strategy</li> <li>6. Building customer satisfaction</li> <li>7. Improving employee engagement</li> <li>8. Making difficult decisions</li> </ol>
Organizational development	<p>- Organizational development concerns managing planned change in a flexible manner that can be revised as new information is gathered.</p> <p>- Is oriented to improving organizational effectiveness by helping members of the organization gain the skills and knowledge necessary to solve problems by involving them in the change pro-</p>	<ol style="list-style-type: none"> <li>1. Individual: training groups, coaching, mentoring, self-awareness tools, training and development, leadership development, critical reflection, 360-degree feedback, job redesign, value clarification, conflict management, and action learning.</li> </ol>

	<p>cess and promoting high performance, including financial returns, high-quality products and services, high productivity, continuous improvement, and a high quality of working life.</p> <p>- Recognizes the centrality of 'people' in the procedure of transition as both drivers and engines of progress and frequently contains progress through several methods.</p>	<p>2. Team: cross-team development and awareness building, diversity, participation, or collaboration projects.</p> <p>3. Organization: organizational redesign, surveys, culture change projects, changes to reward systems and succession planning, strategic planning, or scenario planning.</p>
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## 2.6 The relationship between the incentives and human resource development

Explanations from previous research can prove the outstanding role of incentives in human resource development and organizational strategies to better understand the relationship between incentives, performance, and human resource development. Those papers were examined and provided a statement in support.

Minhao Gu et al. (2023) state that human resource management can lead to different dimensions of internal resilience, while according to Blackhurst et al. (2011), human resource management with the goal of improving employee skills is a necessary condition for building a resilient supply chain.

Employee enhancements in quality are directly influenced by organizational principles and contexts. The findings demonstrate that internal adaptability can improve operational performance (Behzadi et al., 2017). Organizations can create highly skilled and motivated employees by creating a culture and atmosphere that emphasizes collaboration and effectiveness (Huo et al., 2015).

Positive emotions can contribute to physical movement and generate a feasibility result, as Jaaron and Backhouse (2014) argue that employees with a great deal of emotional commitment engage actively in initiatives to build resilience in performance.

## **2.7 Relationship between intellectual capital and improved operating performance**

From the past to the present, various researchers have noticed that intellectual capital has a significant impact on operating performance (Kamath, 2008; Mehralian et al., 2012; Costa et al., 2020; Campos et al., 2020; Migdadi, 2020). Extract from the common conclusion. In addition, Abualoush et al. (2018) provide the observation that a competitive advantage can also influence the corporate challenge in innovation and performance. Another perception from within the priorities of intellectual capital, Sivalogathan and Wu (2015) and Cabrilo and Dahms (2018), defied that the components of an administrative process include those that amplify and enhance its effectiveness strategies.

Captivating intellectual capital, which can contribute to interacting with the external environment, can simplify and enhance an organization's absorptive capacity to absorb new information (Ahmed et al., 2019). A combination of intellectual resources can create market value for a firm of institutions (Zhang et al., 2022). Important characteristics can be concluded from various studies. (Xin et al., 2021) forecasting as an important ingredient for organizations' future potential. Truong and Nguyen (2023) strongly agree that intellectual capital was recognized as an essential component and feature of the knowledge-based era.

Beside those arguments, operating, creating, and linking from a strategy device concern the component effectiveness in every relationship. Janssen (2004) suggests that to reduce negative emotions, innovative behaviours are encouraged in human capital. Han et al. (2011) describe the implementation of novel ideas in collaboration by organizations and employees as the concept of innovative behaviour formation. Integrating and allocating appropriate innovative behaviours at organizations could improve competitive advantage, performance at work, managerial skills, interaction, creative passion, and psychological capital (Odoardi et al., 2015).

The relationship between intellectual capital and enhanced operating performance is well established, and intellectual capital is recognized as a driver of innovation and competitiveness for both individuals and organizations.

## **2.8 Clarifying the types of incentives used to motivate**

Incentives have been defined and used in multiple contexts within different areas.

(UNDP, 2006) Assuming the characteristics of specific types of an incentive's measures for individual motivation and organizational motivations, two dimensions of categories of incentives are illustrated that effectively drive performance development and motivation as an individual integrates with organizational performance.

Those two dimensions include financial incentives (monetary) and non-financial incentives (non-monetary). These arguments were recognized by Tep (2015), and Liu and Liu (2022) to support scientific research on the human resource and organizational performance improvement context, which was aligned from a public service and economic cycle perspective.

Summarizes the different characteristics that comprise both financial and non-financial incentives are described for their definition and usual features used in Table 2.

Table 2: Characteristics of financial and nonfinancial incentives.

*(Source: author's own summary based on the authors mentioned)*

	<b>Description</b>	<b>Feature</b>
<b>Financial incentives</b>	<ul style="list-style-type: none"> <li>○ A form of payment directly linked to the performance of employees (Liu &amp; Liu, 2022).</li> <li>○ Recognize an employee's achievements by providing appropriate rewards and benefit packages as an effective strategy, not only to achieve organizational objectives but to maintain relationships with outstanding personnel (Barongo, 2013).</li> <li>○ Compensation to an employee is more than their salaries and is based on performance (Adjetey, 2013).</li> <li>○ The mode of payment as direct or indirect, but the distinction between a proper level of compensation and performance-based incentive pays (UNDP, 2016).</li> <li>○ Designed as a means of payment to increase productivity and improve employee work performance (Tep, 2015).</li> </ul>	<ul style="list-style-type: none"> <li>○ Pay (Salary or others).</li> <li>○ Pensions, bonuses, insurance (accident, health, or life insurance, etc.)</li> <li>○ Allowances (accommodation, clothing, childcare, travel, etc.)</li> <li>○ Fellowships</li> <li>○ Tuition fee reimbursement</li> <li>○ Subsidized meals, clothing, housing</li> <li>○ Subsidized transport</li> <li>○ Childcare subsidy</li> <li>○ Other direct and indirect financial benefits.</li> </ul>

<p><b>Non-financial incentives</b></p>	<ul style="list-style-type: none"> <li>○ The value is perceived as a function of psychological processes (UNDP, 2016).</li> <li>○ Uninvolved directly with money, transfers of monetary values or equivalents (Mathauer and Imhoff, 2006).</li> <li>○ Can be tangible or intangible and usually do not involve a form of payment (WHO, 2000).</li> <li>○ Sometimes known as moral incentives, Moral incentives are mostly based on the respect of a human being who has an emotion feeling, hopes, and aspirations (Johnson, 2005).</li> <li>○ A set of motivations designed to fulfil employees' emotional and psychological specifications. It has a significant role in raising motivation and promoting employee work performance (Tep, 2015).</li> </ul>	<ul style="list-style-type: none"> <li>○ Safe and clear workplaces</li> <li>○ Job, stability, security, autonomy</li> <li>○ Flexibility in working time.</li> <li>○ Planned career beaks.</li> <li>○ Occupational counselling service</li> <li>○ Direction, supervision</li> <li>○ Career advancement</li> <li>○ Support for capacity development: training or education, etc.</li> <li>○ Coaching and mentoring structures</li> <li>○ Social activities, recreational facilities</li> <li>○ Equal opportunities policy</li> <li>○ Holiday/vacation</li> <li>○ Others</li> </ul>
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## **2.9 An intrinsic reward incentive on performance (non-financial reward)**

Intrinsic rewards produce an emotional reaction that is positive and assist in motivating individuals to stay motivated to develop and make permanent behavioural modifications when necessary (Ryan & Deci, 2020). Pride in your work, feelings of respect from supervisors and/or other employees, personal growth, gaining more trust from managers, doing work that is enjoyable, feelings of accomplishment, learning something new or expanding competence in a particular field, and being part of a team are all examples of workplace incentives (Liu & Liu, 2022).

According to Tymon et al. (2010), intrinsic rewards are a significant component of employee retention, organizational satisfaction, and career success.



Clarify the meaning of each incentive included in this research, considering that the definition and explanation of each incentive are according to Armstrong (2010), Armstrong and Baron (2002), Armstrong and Long (1994), Delery and Doty (1996), Johansen and Andrews (2014), Kelley (1991), Miller and Rice (1967), Scarborough et al. (1999), and Schuler (1992).

#### Organizational function environment

An organization is an entity that exists for the purpose of achieving a goal through the collaborative efforts of the people that operate it or are responsible for it, and organizing is the procedure that involves creating structures in the form of specified or recognized responsibilities and relationships to enable those individuals to collaborate (Armstrong, 2010).

Organizational environment approaches demonstrate that the resources available in the environment, the diversity of stakeholder demands to be managed, and the rates of change in these all have significant implications for the performance of an organization (Johansen & Andrews, 2014).

Organizations should be treated as open systems that are continually dependent upon and influenced by their environments. The basic characteristic of the enterprise as an open system is that it transforms inputs into outputs within its environment (Miller & Rice, 1967).

#### Model of leadership

Leadership is the process of establishing direction and ensuring all members of the leader's firm or group perform their best to accomplish what is expected. Motivation is widely spread throughout the organization (Armstrong, 2010).

Leadership-employee connections typically drive efficiency and contribute to completing tasks. Those who are concerned with team morale and a common sense of purpose, in addition to those concerned with individuals and the way they are motivated (Armstrong, 2010).

Kelley (1991) advised that the function of the follower should be examined as extensively as the function of the leader. Leaders need qualified followers. Leadership should demonstrate that good leaders are assured and recognize wherever they desire to go and the goals they are seeking to accomplish (Armstrong, 2010).

### Knowledge management

Knowledge management is 'any process or practice of creating, acquiring, capturing, sharing, and using knowledge, wherever it resides, to enhance learning and performance in organizations' (Scarborough et al., 1999).

Armstrong stated that organizational and individual knowledge may be essential to the interests of the business. Knowledge management involves transforming knowledge resources by identifying relevant information and then disseminating it so that learning is feasible. Knowledge management and human resource management techniques support the sharing of knowledge by linking different individuals and connecting them to information so that they can benefit (Armstrong, 2010).

### Employee value proposition

Armstrong (2010) defined employee value propositions as one of the resourcing strategies. An employee value proposition is what an organization offers to prospective or current workers that they are likely to value.

The compensation and benefits, which are significant but frequently overemphasized compared with additional non-financial elements that could be critical in attracting and maintaining employees and include the attractiveness of the organization.

This is positive in terms of employer reputation; it treats people with consideration and respect, promotes diversity and inclusion, work-life balance, and personal development.

### Organizational perspective

Organizations with greater integration among HR and business strategy should enjoy superior performance (Delery & Doty, 1996). According to Schuler (1992), strategic human resource management is primarily concerned with integration and adaptation. Its focus is to guarantee that HR procedures are changed, accepted, and applied as part of line managers' and workers' routine assignments.

An organization has the capability of ensuring it has the skilled, engaged, committed, and motivated employees necessary to preserve a sustained competitive advantage (Armstrong, 2010). According to Armstrong and Long (1994) and Armstrong and Baron (2002), HR strategies are capable of being classified as specific approaches relating to various components of human resource management. This study will gather data on the incentives that can contribute to improved job performance. To comprehend and summarize the encouragement and effectiveness of such incentives, the em-

ployee working in Vientiane's capital city will select and score the circumstances of the incentives and determine whether they are advantageous to their performance.

## 2.10 Non-financial indicators and organizational achievement

### 2.10.1. Non-financial indicators in human resource development for organizational success

Non-financial indicators in human resources development for organizational success are significant influences on employee satisfaction in jobs and motivation within the company. McKinsey Quarterly's (June 2009) survey's top three nonfinancial motivators play critical roles in making employees feel that their companies value them, take their well-being seriously, and strive to create opportunities for career growth.

**Figure 1:** Non-financial indicators survey  
(Source: McKinsey Quarterly's, June 2009)

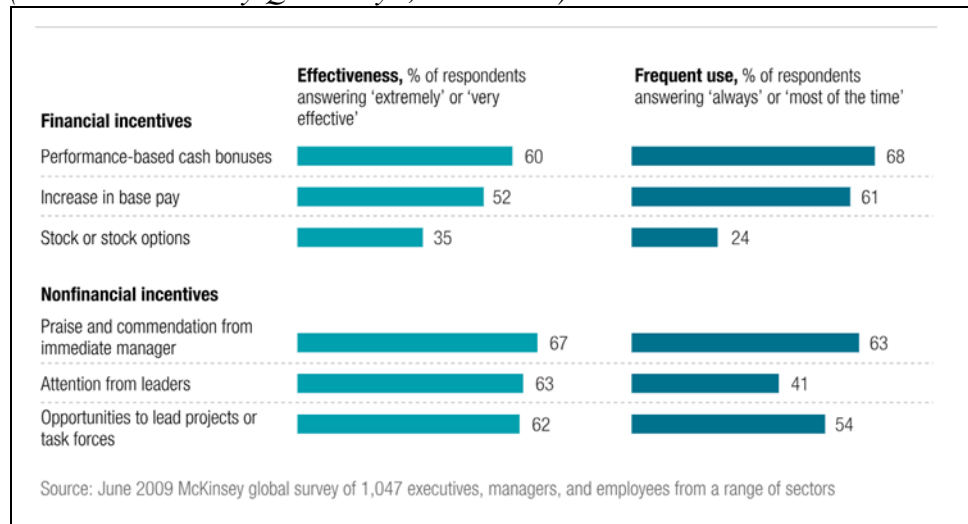


Figure 1 shows a comparison between the top three highest-rated indicators for both financial and non-financial incentives, with the percentage defining the level of effectiveness as extremely or very effective. The highest percentage belongs to the non-financial incentives, which include praise and commendation from managers, attention from leaders, and opportunities to lead the project.

In the framework of promoting best practices of the European Union in government strategic planning, EU4PFM (October 2021) has also revealed the content and significance of the non-financial incentives for different types of employees. Construct a realistic, precise implementation of the non-financial incentives that an organization needs to understand and conduct in each portion as productive consumption (Losina, 2023). Non-monetary incentives, including the office environment, extra leave, and

professional development, offer a powerful tool for unlocking employee potential and driving company success.

#### 2.10.2. The non-financial indicators in the context of changes and competitive advantage

Consuming the productive way of establishing and implementing non-financial incentives in an organization is questionable and reasonable for an organization to answer, as is collaboration with employees in development and encouragement. Choosing the incentives to offer and matching employee expectations, the values of communication, and measuring implementation effectiveness are the challenges of non-financial incentives implemented (Stacey, 2023).

The global reward management platform (Losina, 2023) clarified the objective factor, which can be considered a challenge for non-financial incentive implementation in employee development and organizational growth. Those that are included as a foundation element conducted in the appropriate way include: identifying the employee's needs and preferences; making communication strategies; defining the goal and expectations; measuring effectiveness; and receiving feedback and suggestions from stakeholders and employees. In addition, the statement also points out that to balance policy implementation, both financial and non-financial incentives need to be considered in quantitative equalization, as each has unique benefits and considerations.

Non-financial indicators play an outstanding role in modern human resources management. As evidenced by historical research and contemporary perspectives, they increase levels of engagement, satisfaction, and loyalty. In a dynamic economic climate, these indicators provide a way to evaluate an organization's success beyond monetary value. Recognizing the potential of non-financial indicators in human resource development is an essential requirement for sustained achievement as organizations change.

Another conclusion from McKinsey's exhibition research is that non-financial incentives in human resource development are not only optional but fundamental to organizational performance. The European Union's framework for government planning emphasizes the importance of non-monetary incentives for enhancing employees' behaviour and performance while performing public services.

Identified the challenges of establishing and implementing non-financial incentives in organizations, relying on these challenges being practical, expected to provide a roadmap, effective communication, and careful planning and collaboration. Fur-

thermore, the strategies of balancing both financial and non-financial incentives are compulsory in the organization to benefit the potential workforce and generate growth.

### **3. Methodology**

#### **3.1 Hypotheses**

The main objective of this study will be to determine the term and direction of the relationship between non-financial incentives and human resource development, and it is also intended to encompass the data collected for each variable in the hypothesis, which will assist in providing a wide range of incentives that are both cause and effect in the human resource development process and generate aspects of the intrinsic reward of non-financial incentives.

H1: I assume that generational differences have a significant impact on individual self-development.

H2: I assume that a clear context of knowledge and information within an organization has a positive influence on human resource development.

H3: I assume that the leadership displayed by management has a positive influence on human resource development within the organization.

H4: I assume that alignment with the organization's vision influences the perceived effectiveness of HR development programmes in the workplace.

To precisely identify the best-fit data, this study concludes from the primary assumption indicated that the relationship between each incentive and human resource development is associated. To clarify the place of an incentive element, and modifications in behaviour in human resource development.

Studying each component and their effect on human resource development improvements for each incentive might help explain the causal connection within the scope of each detail, in addition to learning greater detail about the behaviour of an employee in the sampling group.

The research defines the four core incentives, along with four hypothesis measurements, to examine the relationship between incentive performance and human resource development. The components and their explanations are presented in Table 3.

**Table 3:** Hypothesis explanation

(Source: author's own research)

Measuring variable	Measuring question	Measuring effectiveness
Organization environment and individual development		
H1: I assume that generational differences have a significant impact on individual self-development		
<p>Examine the impact of generational differences on behavioural changes within organizations.</p> <p>With a particular focus on elucidating age gap dynamics. Additionally, investigate the effectiveness of these dynamics in fostering individual development as a key aspect of human resource development.</p>	<p>Independent variable</p> <p>Questionnaire 14:</p> <p>Do generational differences in the organization lead to motivation for self-development?</p> <p>A. Yes</p> <p>B. No</p> <p>Dependent variable</p> <p>Questionnaire 19:</p> <p>Do changes in employee standards, organizational culture, and climate make you aware of self-development?</p> <p>A. Yes</p> <p>B. No</p>	<p>Examines the impact of generational differences on individual self-development within the organizational context, investigating how factors including age, values, beliefs, and experiences associated with different generational cohorts' shape employees' approaches to self-development. Assessing this variable offers insights into the nuanced dynamics of generational diversity and its implications for individual development in the workplace.</p>
Knowledge management and human resource development		
H2: I assume that a clear context of knowledge and information within an organization has a positive influence on human resource development		

<p>Contextual clarity of knowledge and information to facilitate consistent comprehension and communication among employees.</p> <p>This study aims to examine the effectiveness of this pattern on human resource development.</p>	<p>Independent variable Questionnaire 16: Are their clear contexts for employees to understand and process information? A. Yes B. No</p> <p>Dependent variable Questionnaire 7: How do you perceive the effectiveness of incentives and HR development programmes in your workplace? Please, select one option. A. Highly effective B. Moderately effective C. Somewhat effective D. Not effective</p>	<p>The clarity, organization, and accessibility of knowledge resources to support human resource development initiatives. Assessing this variable offers insights into the effectiveness of the organizational context in facilitating the acquisition, utilization, and dissemination of knowledge, thereby impacting the effectiveness of human resource development efforts.</p>
<p>Leadership dimensions and human resource development</p>		
<p>H3: I assume that the leadership displayed by management has a positive influence on human resource development within the organization</p>		
<p>Leadership dimensions Impact on human resource development</p> <p>Examining the relationship of human resource development which demonstrated by organizational leaders and their impact on fostering employee growth.</p>	<p>Independent variable Questionnaire 11: Does your leader exhibit adaptive, motivational, and transformational leadership? A. Yes B. No</p> <p>Dependent variable Questionnaire 7: How do you perceive the effec-</p>	<p>Examines how various leadership dimensions can foster a supportive environment for human resource development activities. Evaluating this variable offers insights into the alignment between leadership practices and the organization's endeavours to enhance the capabilities and potential of</p>



	<p>tiveness of incentives and HR development programmes in your workplace? Please, select one option.</p> <p>A. Highly effective  B. Moderately effective  C. Somewhat effective  D. Not effective</p>	<p>its workforce through human resource development initiative.</p>
<p>Organization perspective</p>		
<p>H4: I assume that alignment with the organization's vision influences the perceived effectiveness of HR development programmes in the workplace</p>		
<p>Degree of alignment with organizational vision</p> <p>Examine the effectiveness of this pattern in assessing how employees perceive the alignment between their organization's vision or strategic goals and the objectives and content of human resource development programmes implemented in the workplace.</p>	<p>Independent variable</p> <p>Questionnaire 18:  Do you feel aligned with the organization's vision?  A. Yes  B. No</p> <p>Dependent variable</p> <p>Questionnaire 7:  How do you perceive the effectiveness of incentives and HR development programmes in your workplace? Please, select one option.  A. Highly effective  B. Moderately effective  C. Somewhat effective  D. Not effective</p>	<p>Assessing employees' perceptions of the integration of HR development initiatives with the overarching vision of the organization involves capturing the extent to which these programmes resonate with the organizational direction and contribute to the achievement of its long-term goals.</p>

### **3.2 Interviewing the leadership at the management level**

This study employs a qualitative research approach utilizing semi-structured interviews to explore the effects of non-financial incentives on job performance and human resource development in Vientiane, the capital city of Laos. The interviews are conducted with leaders, managers, organization owners, and human resources representatives from various industries and sectors within the city.

Qualitative interviews offer a rich and in-depth understanding of participants' perceptions, experiences, and insights regarding organizational incentives. By engaging directly with key stakeholders in Vientiane, this methodology allows for the exploration of nuanced factors that may influence the effectiveness of non-financial incentives in driving job performance and fostering human resource development.

The semi-structured nature of the interviews provides flexibility for participants to elaborate on their responses and share specific examples, thereby capturing the complexity and contextuality of incentive practices within different organizations.

### **3.3 Methodology**

This study employs a mixed-methods approach to investigate the effects of non-financial incentives on human resource development in the capital city of Laos. The methodology encompasses both quantitative survey analysis and qualitative semi-structured interviews to comprehensively explore the research objectives.

#### Quantitative Survey Analysis

##### Chi-square Test

For hypotheses 1, which aim to explore the relationship between non-financial incentives and individual self-development, Chi-square tests will be conducted to examine the association between categorical variables. The focus will be on identifying any significant relationships or patterns between these variables, providing insights into the effectiveness of incentives in promoting individual growth within the organization (Agresti, 2018).

##### Logistic Regression

For hypotheses 2 to 4, logistic regression analysis will be employed to examine the predictive relationship between non-financial incentives and various outcome variables. This method allows us to model the probability of a binary outcome (e.g., high vs. low performance) based on the values of predictor variables (e.g., types of incentives). By focusing on specific outcome variables related to performance and human

resource development, we can determine the extent to which non-financial incentives influence these outcomes and identify any significant predictors or patterns (Hosmer, Lemeshow, & Sturdivant, 2013).

#### Qualitative Semi-Structured Interviews

Semi-structured interviews will be conducted with leaders, managers, organization owners, and human resources representatives to gain deeper insights into their perspectives on non-financial incentives and their role in human resource development. These interviews will provide qualitative data that complements the quantitative findings from the survey (Smith, Flowers, & Larkin, 2009).

## 4. Results and discussion

### 4.1 Hypothesis 1

H1: Generational differences have a significant impact on individual self-development.

Applying the cross-tabulation chi-square test to methodically analyse the likely connection that exists between two categorical variables, examining the likelihood assumption of a relationship between them.

**Table 4:** Chi-Square tests for hypothesis 1

(Source: own work based on a questionnaire survey and analysis)

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.760 <sup>a</sup>	1	.029		
Continuity Correction <sup>b</sup>	3.168	1	.075		
Likelihood Ratio	4.212	1	.040		
Fisher's Exact Test				.043	.043
Linear-by-Linear Association	4.729	1	.030		
N of Valid Cases	154				
a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 2.29.					
b. Computed only for a 2x2 table					

The results of the Pearson Chi-Square test all indicate a significance level below 0.05 ( $P=0.029$ ), suggesting statistical significance. Therefore, the output suggests that there is a significant relationship between generational differences in the organization and individual self-development awareness due to the organizational environment aspect.

### 4.2 Hypothesis 2

H2: A clear context of knowledge and information within an organization positively influences human resource development.

By applying logistic regression to methodically examine the potential connection between predictor variables and binary outcomes, the aim is to evaluate the hypothesis regarding the influence of these predictors on the likelihood of an occurrence.

**Table 5:** Logistic regression tests for hypothesis 2

(Source: own work based on a questionnaire survey and analysis)

Variables in the Equation		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 <sup>a</sup>	Clear contexts for employees to understand and process information?	1.358	.504	7.263	1	.007	3.889
	Constant	-2.611	.618	17.820	1	<.001	.073

a. Variable(s) entered on step 1: Clear contexts for employees to understand and process information? .

**B (Coefficient):** The coefficient for this variable is 1.358. This indicates that for every one-unit increase in the perception of clear contexts for understanding and processing information within the organization, the log odds of perceiving incentives and HR development programmes as effective increases by 1.358 units.

The P-value is less than 0.05 (P=0.007). This indicates that the coefficient for the variable is statistically significant.

**Exp(B) (Odds Ratio):** The odds ratio for the variable is 3.889. This suggests that respondents who perceive clear contexts of knowledge and information within an organization are approximately three times more likely to perceive incentives and HR development programmes as effective than those who do not perceive clear contexts.

**Constant:**

The coefficient for the constant is -2.611, and it is statistically significant with a P-value is less than 0.001; The odds ratio for the constant is 0.073, indicating that when the perception of clear contexts is zero, the odds of perceiving incentives and HR development programmes as effective are much lower.

### 4.3 Hypothesis 3

H3: The leadership exhibited by management positively influences human resource development within the organization.

By applying logistic regression to methodically examine the potential connection between predictor variables and binary outcomes, the aim is to evaluate the hypothesis regarding the influence of these predictors on the likelihood of an occurrence.

**Table 6:** Logistic regression tests for hypothesis 3

(Source: own work based on a questionnaire survey and analysis)

Variables in the Equation		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 <sup>a</sup>	Leader adaptive, motivational, and transformational?	.967	.392	6.096	1	.014	2.631
	Constant	-2.321	.564	16.952	1	<.001	.098

a. Variable(s) entered on step 1: Leader adaptive, motivational, and transformational? .

**B (Coefficient):** The coefficient for this variable is 0.967. This indicates that for every one-unit increase in the perception of leadership exhibited by management, the log odds of perceiving incentives and HR development programmes as effective increases by 0.967 units.

The P-value is less than 0.05 (P=0.015). This indicates that the coefficient for the variable is statistically significant.

**Exp(B) (Odds Ratio):** With an odds ratio of 2.631, this suggests that respondents who perceive their leader as exhibiting adaptive, motivational, and transformational roles are approximately two times more likely to perceive incentives and HR development programmes as effective compared to those who do not perceive their leader in such roles.

**Constant:**

The coefficient for the constant is -2.321, and it is statistically significant with a P-value of less than 0.001, indicating a highly significant relationship. The odds ratio for the constant is 0.098, meaning that when the perception of the leader as exhibited by management decreases by one unit, the odds of perceiving incentives and HR development programmes as effective decrease by a factor of 0.098.

#### **4.4 Hypothesis 4**

H4: Alignment with the organization's vision influences the perceived effectiveness of HR development programmes in the workplace.

By applying logistic regression to methodically examine the potential connection between predictor variables and binary outcomes, the aim is to evaluate the hypothesis regarding the influence of these predictors on the likelihood of an occurrence.

**Table 7:** Logistic regression tests for hypothesis 4

(Source: own work based on a questionnaire survey and analysis)

<b>Variables in the Equation</b>	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Step 1 <sup>a</sup> feel aligned with the organization's vision?	2.043	.543	14.151	1	<.001	7.714
Constant	-3.393	.656	26.780	1	<.001	.034
a. Variable(s) entered on step 1: feel aligned with the organization's vision? .						

**B (Coefficient):** The coefficient for this variable is 2.043. This indicates that for every one unit increase in the perception alignment with the organization's vision, the log odds of perceiving incentives and HR development programmes as effective increases by 2.043 units.

The P-value, being less than 0.05 ( $P < 0.001$ ), indicates a statistically significant relationship between the two variables.

According to an odds ratio of 7.714, respondents who perceive alignment with the organization's vision are approximately seven times more likely to perceive incentives and HR development programme as effective than those who do not perceive such alignment.

**Constant:**

The coefficient for the constant is -3.393, and it is statistically significant with a P-value of less than 0.001. The odds ratio for the constant is 0.034, indicating that when the perception of alignment with the organization's vision decreases by one unit, the odds of perceiving incentives and HR development programmes as effective decrease by a factor of 0.034.

#### **4.5 Non-financial incentives and human resource development: Perspectives from leaders**

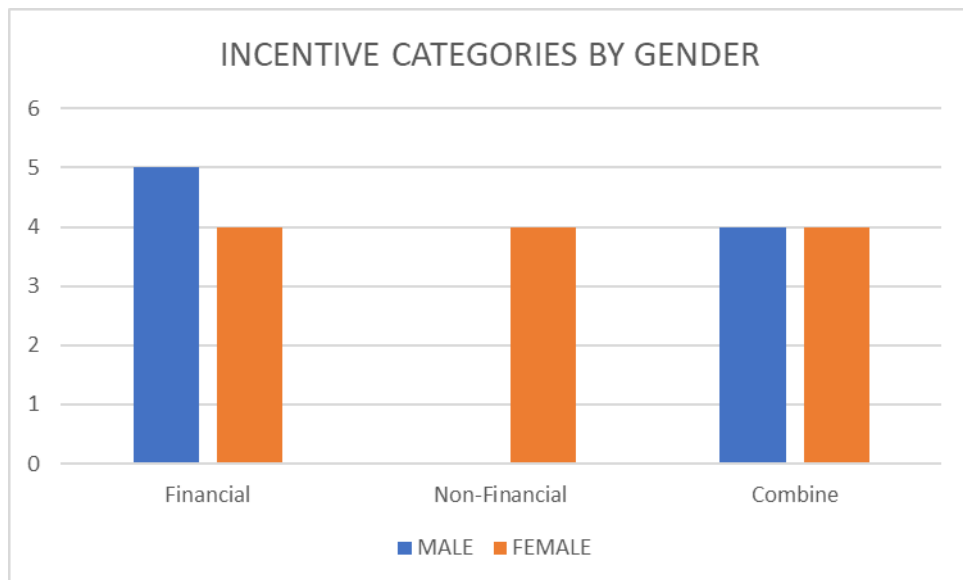
This section will discuss information and insights gained from qualitative interviews with executives and leaders about non-financial incentives and their impact on human resource development. Investigate leaders' perceptions of the effectiveness of these incentives for motivating and developing employees, as well as the techniques organizations use. By addressing the consequences of these perspectives for organizational practices and policies concerning non-financial incentives and human resource development.

#### 4.5.1. Demographic of interviewer

The 21 interviewees in this study encompass a broad spectrum of generations, professional backgrounds, and industries, each potentially influencing perceptions of non-financial incentives (Figure 2). However, despite the complexity involved, this data was purposefully integrated into the discussion due to its relevance in addressing the challenge of establishing connections regarding the factors shaping management effectiveness in the domain of non-financial incentives and human resource development relationships.

**Figure 2:** Incentive categories by gender of leadership position

*(Source: author's own work based on an interview and analysis)*



As Figure 2 shows, the analysis reveals gender disparities in incentive preferences: Financial incentives were preferred by a greater proportion of males (5) compared to females (4).

Females exhibited a preference for non-financial incentives (4), whereas males did not express any specific preference within this category (0).

Both genders demonstrated equal appreciation for combined incentives, with an equal distribution of 4 responses each.

Furthermore, these results highlight the significance of recognizing non-financial incentive perceptions among leaders of different genders, which may influence management approaches and workplace environments.



#### 4.5.2. Non-financial incentives on workplace promotion and employee engagement

Take a closer look at leaders' opinions on the effectiveness of non-financial incentives in creating a positive workplace culture and increasing employee engagement (Figure 3). This investigation proposes to delve into the perceived influence of these incentives on organizational dynamics and satisfaction with work by gathering insights from individuals in positions of leadership. Consequently, the results of this study may impact strategies for improving workplaces and optimizing employee engagement programmes.

**Figure 3:** The role of non-financial incentives by gender in leadership positions  
(Source: author's own work based on an interview and analysis)

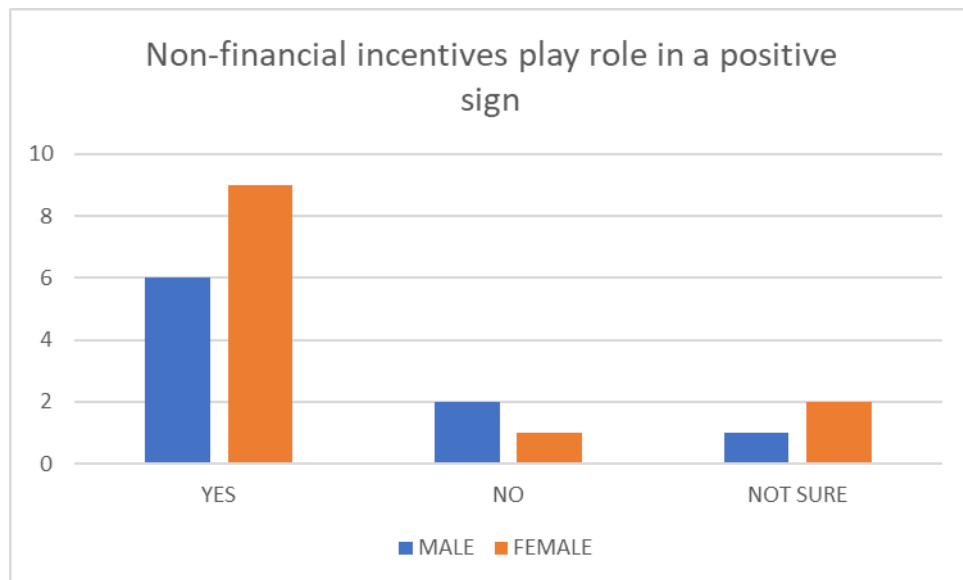


Figure 3 shows the perceptions of non-financial incentives by the leader's gender. Among males, 6 respondents affirmed that non-financial incentives play a positive role, with 2 disagreeing and 1 unsure. For females, 9 respondents believed that non-financial incentives contribute positively, with 1 disagreeing and 2 expressing uncertainty.

These responses highlight a generally favourable view of non-financial incentives, particularly among individual leaders' positions, both female and male, with respondents affirming their positive role. This underscores the potential significance of non-financial incentives in fostering positive workplace environments.

**Figure 4:** Value of non-financial incentives by year of experience  
(Source: author's own work based on an interview and analysis)

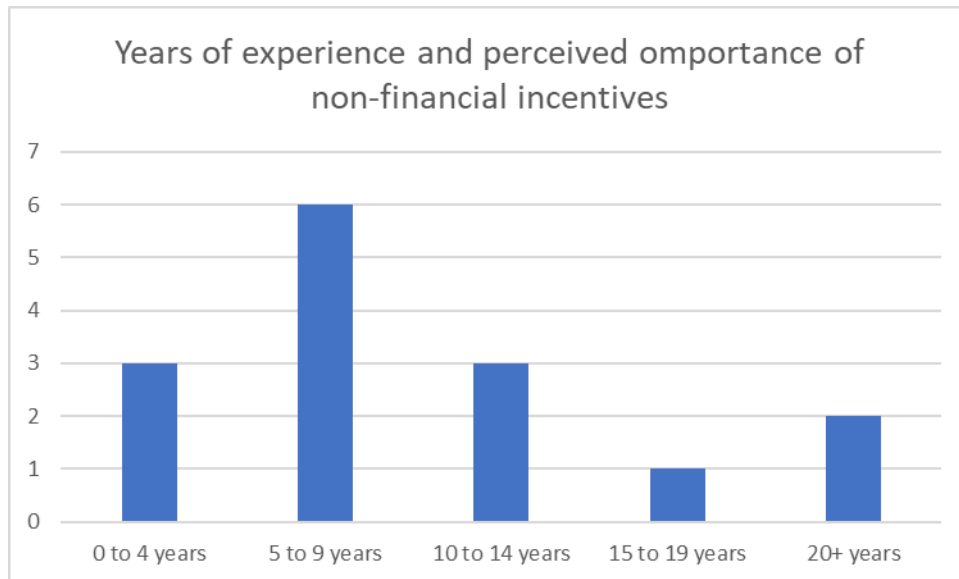


Figure 4 demonstrates that respondents with varied years of experience determine the value of non-financial incentives differently.

Employees with 5 to 9 years of experience reported the highest count, indicating a strong valuation of non-financial incentives. Similarly, individuals with 0 to 4 years and 10 to 14 years of experience also perceived non-financial incentives to be important. However, respondents with 15 to 19 years and 20+ years of experience reported lower frequencies.

In summary, the evidence supports an association across years of experience in leadership and perceptions of the importance of non-financial incentives (Figure 4). While individuals in mid-career phases of leadership, particularly those with 5 to 9 years of experience, are the most significant leaders with more time on the job, they appear to be placing a lesser priority on non-financial incentives. This finding highlights the need for firms to customize their incentive programmes to fit the changing tastes and expectations of leaders throughout different career stages.

#### 4.5.3. Non-financial incentive policies and implementation

The fundamental elements of non-financial incentive schemes and their implementation are comprehensively outlined from the perspective of key stakeholders. Each category, ranked by percentage, signifies a strategic priority area aimed at en-

hancing employee engagement, development, and satisfaction within the workplace. Table 8 offers a succinct overview of initiatives geared towards promoting learning and development opportunities, recognition and support, motivation, and engagement, as well as improvements to the workplace environment.

**Table 8:** Non-financial incentive policies from leadership opinions

(Source: author’s own work based on an interview and analysis)

1: Learning and development	33%
<ul style="list-style-type: none"> <li>• Learning and development opportunities (training programmes, promotions)</li> <li>• Access to further education and professional development opportunities</li> <li>• Capacity-building through training programmes</li> </ul>	
2: Recognition and support	28%
<ul style="list-style-type: none"> <li>• Recognition and support during difficult times (sickness, family events)</li> <li>• Acknowledgement and rewards for outstanding achievements</li> <li>• Promotion of accountability and shared responsibility</li> </ul>	
3: Motivation and engagement	22%
<ul style="list-style-type: none"> <li>• Implementation of goal challenges and competitions</li> <li>• Trustworthy and less stressful working environment</li> <li>• Improvement in employee motivation and team spirit</li> </ul>	
4: Workplace environment	17%
<ul style="list-style-type: none"> <li>• Team building activities and extracurricular events.</li> <li>• Creation of positive workplace environments through social gatherings</li> <li>• Reduction in turnover rates and support for employees' families</li> </ul>	
	100%

#### 4.5.4. Challenges encountered in implementing non-financial incentives

The insights obtained from key stakeholders provide an in-depth description of workplace challenges and their impact on organizational dynamics. Each category, listed by percentage, highlights crucial areas that require attention to maintain a positive work environment and increase employee satisfaction. The table below summarizes the challenges experienced in communication, leadership and management, team dynamics and workplace environments, recognition and motivation, and training and development programmes. Table 11 presents an in-depth description of these difficul-

ties and their implications.

**Table 9:** Challenges in implementing non-financial incentives

(Source: author's own work based on an interview and analysis)

1: Communication Issues	33%
<ul style="list-style-type: none"> <li>• Misunderstandings between management and employees</li> <li>• Lack of attention to employees' value proposition</li> <li>• Differences in ideas and perspectives within the team</li> <li>• Challenges in understanding employees' needs to motivate them effectively</li> </ul>	
2: Leadership and Management	27%
<ul style="list-style-type: none"> <li>• Need for leader presence in conflict resolution</li> <li>• Ensuring fairness and respect from leaders towards employees</li> <li>• Helping leaders and managers understand employee roles and engagement</li> </ul>	
3: Team Dynamics and Workplace Environment	20%
<ul style="list-style-type: none"> <li>• Challenges in building a strong and cohesive team</li> <li>• Maintaining unity among employees</li> <li>• Overload of responsibilities and project changes affecting team dynamics</li> </ul>	
4: Recognition and Motivation	13%
<ul style="list-style-type: none"> <li>• Need for employee recognition and respect</li> <li>• Importance of teamwork and a positive workplace environment</li> </ul>	
5: Training and Development	7%
<ul style="list-style-type: none"> <li>• Selecting the right individuals for grooming and training to address skill gaps</li> </ul>	
	100%

## 5. Conclusions and recommendations

### 5.1 Generational differences and individual self-development

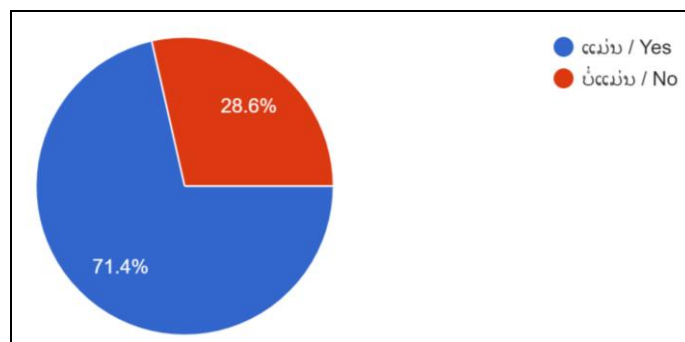
A study indicating that there is a significant relationship impact on individual self-development indicates that generational differences in organizations.

To address generational differences, the organization should develop HR initiatives that cater to the diverse preferences and needs of different generational cohorts. Consider each generation's chance, opportunity, and potential to create workplace strategies, cultures, working climates, and environments. This could entail creating flexible work arrangements, mentoring programmes, and methods for interaction geared to each generation.

Additional explanation as Figure 5 shows the percentage of employees who believe that generational disparities in the organization influence motivation for self-development. According to the results, more than 70% of respondents agreed that intergenerational gaps motivate them to develop themselves. Understanding this phenomenon is critical because it can increase individual self-awareness, encouraging people to improve their skills and abilities in response to these variances. This proactive approach can result in beneficial changes in individual competences and capacities, which eventually benefit both the individual and the organization.

**Figure 5:** Generation influence on self-development motivation

*(Source: own work based on a questionnaire survey and analysis)*



### 5.2 A clear context of knowledge and information and human resource development

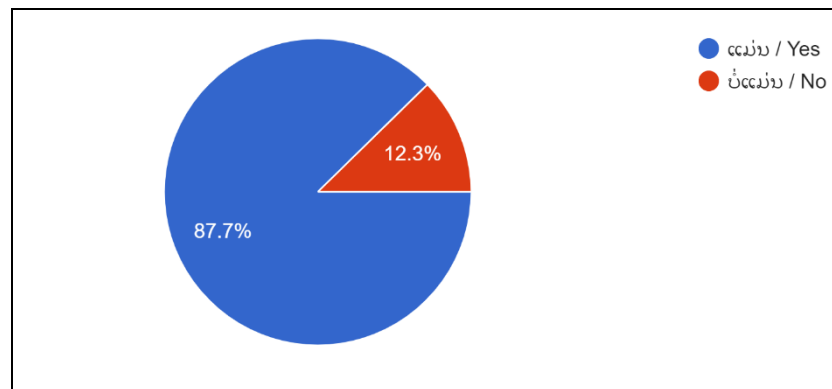
An analysis reveals that a clear context of knowledge and information within an organization positively impacts human resource development, demonstrating substantial value and a predictive ratio for outcomes.

Organizations should prioritize creating a transparent and communicative work environment where employees have access to clear information and knowledge resources. This might include the implementation of knowledge-sharing platforms, regular communication channels, and information dissemination training programmes. Consider accountability for being precise in the content and channel to assure reliability and satisfaction, as well as professional support in terms of working scenarios, besides other responsibilities.

Furthermore, Figure 6 shows an additional significant aspect of employee attitudes. It emphasizes that, within the framework of productivity, knowledge transformation, and communication, there is an enormous opportunity to improve efficiency in comprehending and processing information. Individuals benefit greatly from this efficiency since it helps them acquire skills. The significant result of 87% respondent agreement indicates the crucial nature of these issues in the workplace.

**Figure 6:** Productive knowledge acquisition for skill development

*(Source: own work based on a questionnaire survey and analysis)*



Additionally, perceiving the context of knowledge and learning dimensions, this study also highlights the knowledge activities and elements that rank highly among respondents, which can provide courage and insight to support the gains valuable to this hypothesis finding (Figure 7).

**Figure 7:** Types of knowledge opportunities experienced by employees  
*(Source: own work based on a questionnaire survey and analysis)*

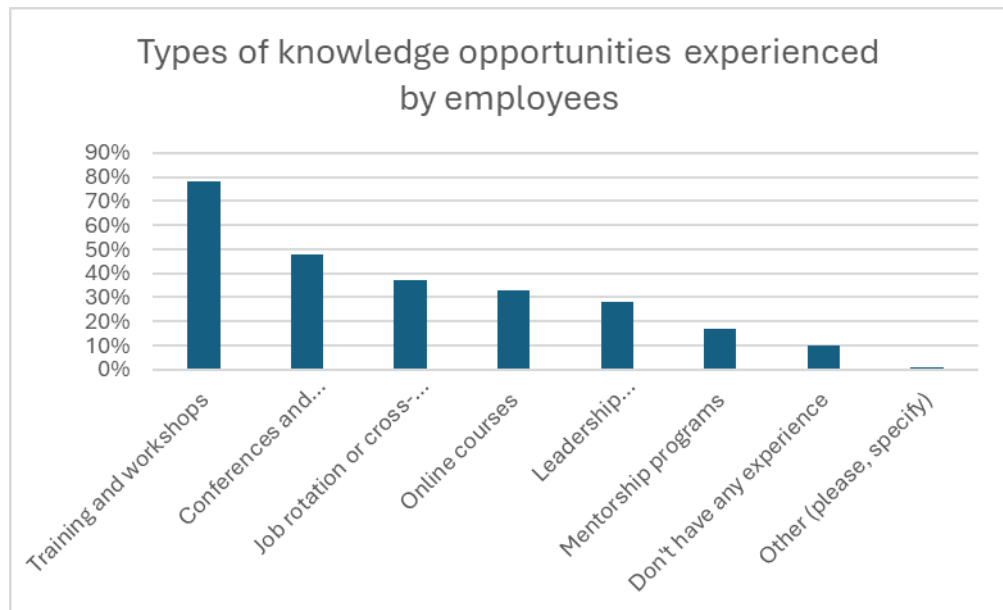


Figure 7 illustrates the various self-development opportunities experienced by employees, along with their respective percentages. The most prevalent opportunities include training and workshops, followed by conferences and seminars. Job rotation or cross-training, online courses, and leadership development programmes are also commonly experienced. A notable portion of respondents have not experienced any self-development opportunities, while a small percentage specify other forms of development.

Contributing to the design and maintenance of a clear context through those channels might serve to increase the effectiveness of the knowledge management element, which the hypothesis examines the relationship's significant effect on human resource development.

### **5.3 The leadership exhibited by management and human resource development**

The analysis indicates a significant positive result between leadership exhibited by management and human resource development within the organization, as indicated by the statistical outcome.

Organizations should make investments in initiatives aimed at developing leadership that foster adaptable, motivating, and transformational leadership capabilities within their executives. Providing opportunities for leadership training and mentoring can improve

managerial effectiveness while also encouraging staff growth and development. Additionally, the initial scheme, investigating and understanding the motions and gestures in change management for different factors, could be essential for assessing the effectiveness of leadership.

**Figure 8:** Leader influence on employee engagement

(Source: own work based on a questionnaire survey and analysis)

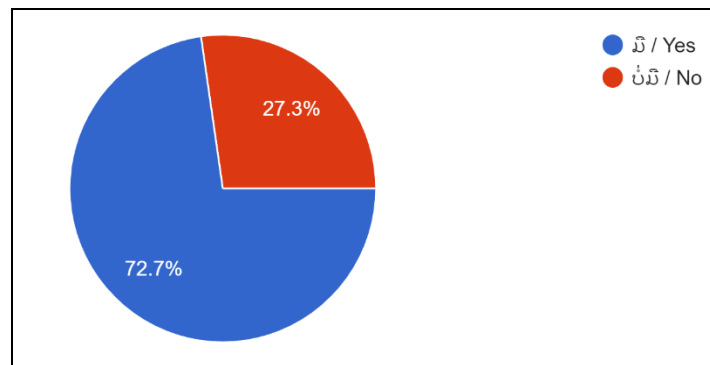


Figure 8 shows that 72% of respondents believe their leaders exhibit positive characteristics, behaviours, and leadership styles. This research emphasizes the critical role that leaders play in building business culture and increasing employee engagement. Furthermore, evidence implies that leaders who exhibit certain positive traits contribute to increased self-awareness. Recognizing the changing needs of the present day motivates these leaders to improve their own efficiency in generating success. This proactive approach not only benefits the leader, but it also helps to enhance management practices, ultimately building an organization-wide culture of continual development and innovation.

#### **5.4 Alignment with the organization's vision and HR development programmes**

The results from the analyses demonstrate a significant influence of alignment with the organization's vision on the perceived effectiveness of HR development programmes, as evidenced by the numerical statistics.

Organizations ought to concentrate on creating alignment with their strategic plan by expressing clear goals and objectives to employees and additionally ensuring that HR development programmes are designed toward assisting employees to accomplish these goals. This might include regular communication conferences, setting objectives workshops, and employee feedback techniques.

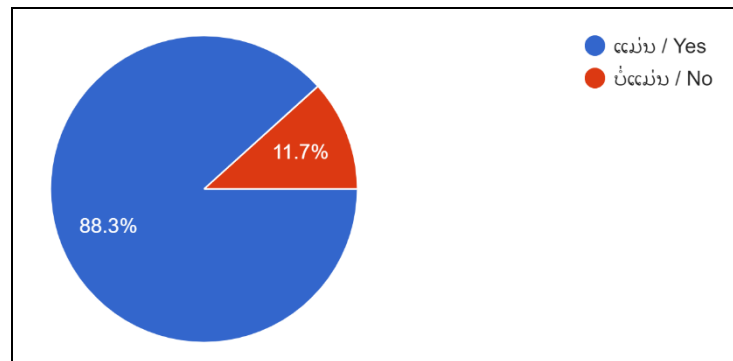
Figure 9 shows that a large proportion of respondents, more than 88%, express



alignment between their personal perception and the organization's goal. This collaboration is especially noticeable in their understanding of the key values and strategies for creating organizational success from an employee perspective. The findings from this study emphasize the importance of organizational alignment in generating a sense of purpose and commitment in employees.

**Figure 9:** Alignment with organizational vision

*(Source: own work based on a questionnaire survey and analysis)*

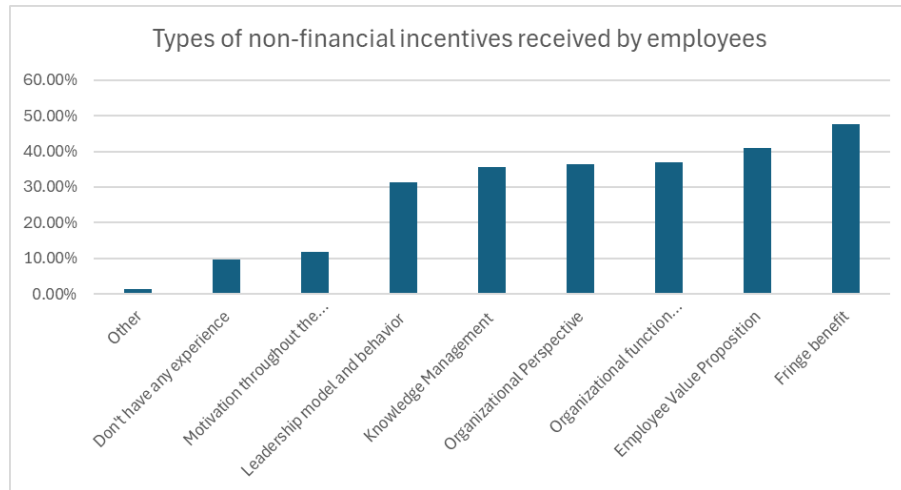


## 5.5 Perspective form employees with the framework of non-financial incentives

While examining those hypotheses and stimulating the leader's position, opinion, strategy, and approach to driving non-financial incentives, it aims to contribute to the sustainability of human resources development procedures and strategies. A study provides the common point of integrating that information and extending the understanding and direction of non-financial incentives in activating this dimension among leadership positions and employees.

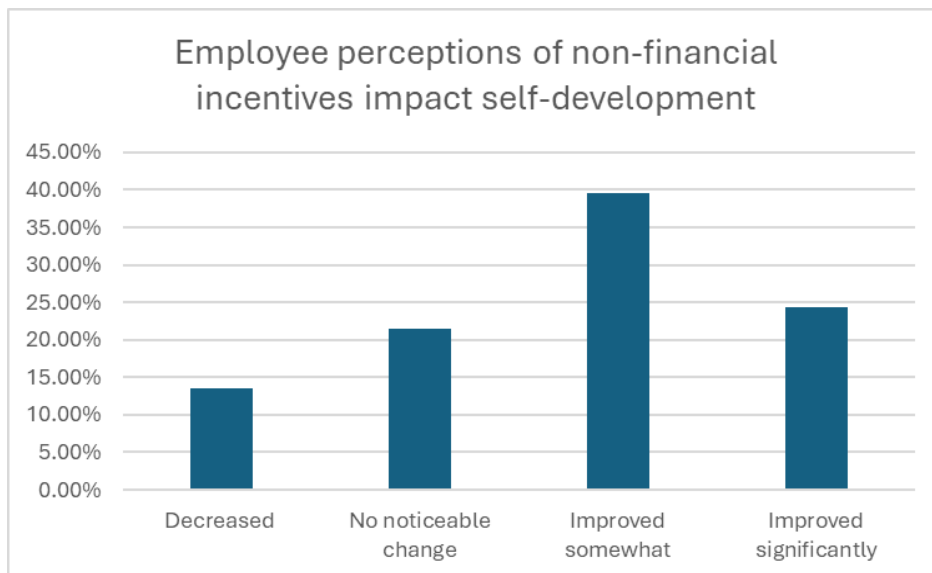
Figure 10 presents the key findings from employees' experiences with various types of non-financial incentives. Each element, including leadership behaviour and fringe benefits, has an approximate percentage greater than 30% compared to the overall common non-financial incentives. This demonstrates the complex and multi-dimensional character of non-financial incentives in the workplace, in which numerous elements interact to shape employees' attitudes and contribute to human resource development.

**Figure 10:** Types of non-financial incentives based on employee experience  
*(Source: own work based on a questionnaire survey and analysis)*



The observation also depicts employees' perceptions regarding the impact of non-financial incentives on self-development, which serves as a catalyst for human resources development, reflecting a prevailing trend in organizational scenarios (Figure 11).

**Figure 11:** Level of perception of non-financial incentives on self-development  
*(Source: own work based on a questionnaire survey and analysis)*



The findings show that a substantial number of individuals believe non-financial incentives have a positive effect on their self-development, with nearly two-thirds reporting some level of improvement or a significant improvement. In contrast, a minority responds

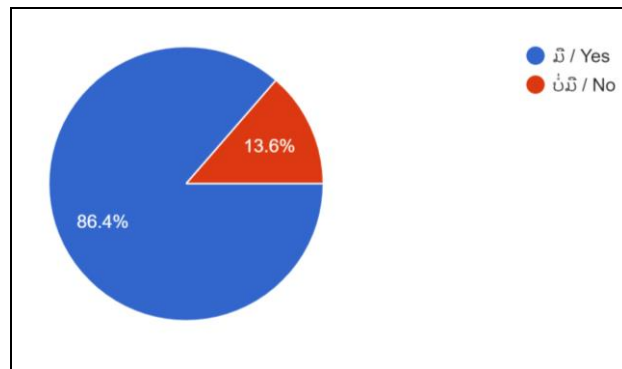
with a reduction or no noticeable change, indicating that while non-financial incentives typically promote self-development, individual experiences might be different.

## 5.6 The conclusion of the research framework

The results of the study of several hypotheses highlight the significance of non-financial incentives in driving human resource development within firms. As a result, firms in Laos' capital city should keep looking for strategies for acknowledging and valuing employees' efforts, as this can have broad implications for employee engagement and organizational success.

In various numbers of respondents, 86.4% claim that they have experienced non-financial incentives in their professional careers. This high frequency shows widespread awareness and application of non-financial incentives, emphasizing their importance in working environments (Figure 12).

**Figure 12:** Non-financial incentive experience among respondents  
(Source: own work based on a questionnaire survey and analysis)



The leadership interviews in Laos' capital highlighted gender discrepancies in incentive determinations, with respondents showing distinct preferences for financial and non-financial incentives. However, all participants preferred combination incentives, underscoring the importance of complex incentive design. Leaders also highlighted the importance of non-monetary incentives in creating healthy workplace environments and increasing employee engagement. Perceptions differed depending on years of leadership experience, underscoring the importance of personalized incentive schemes at various career phases.

The interviews additionally identified obstacles to implementing non-financial incentives, which varied from communication issues to leadership and management concerns, team dynamics, recognition, and motivation. Those issues emphasize the complexi-

ties of properly using non-financial incentives to drive organizational human resource development activities.

This study's remarkable work could serve as evidence for a human resources firm in Laos' capital city. To optimize the effectiveness of HR development initiatives, organizations should prioritize the implementation of comprehensive human resource development policies, tailored leadership development programmes, transparent communication strategies, and initiatives aimed at fostering alignment with the organization's vision and enhancing the employee value proposition. Organizations that invest in these areas can foster a supportive and empowering work environment that fosters individual and organizational growth.

This study's scope is limited to a specific sample group and a conditional research project focused on aspects. Therefore, the findings may not fully represent the comprehensive factors across all areas but rather offer an overview of the specific social dynamics observed.

## **6. Summary**

This dissertation investigates the effect of non-financial incentives on human resource development in Vientiane, Laos' capital city. Applying a combination-methods approach, the study studies the relationship among various incentives and characteristics of human resource development. A quantitative survey of the employees and qualitative, semi-structured interviews with leaders and key stakeholders provide comprehensive insights about the efficacy of non-monetary incentives. The findings illustrate that there are substantial connections between generational differences, knowledge context, leadership, and organizational vision alignment with HR development programmes. Challenges in implementing non-financial incentives are also identified. This research highlighted the critical importance of concentrated incentive schemes and comprehensive human resource strategies for fostering growth for both individuals and organizations.

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## **Annexes:**

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## Annex 2: Questionnaire survey

### Section 1: Understanding Incentives and HR Development

1. What kind of job incentives are you familiar with? Please, select one option.
  - A. Monetary rewards
  - B. Non-monetary rewards (e.g., recognition, promotions)
  - C. Both monetary and non-monetary rewards
2. Do you receive or experience any form of non-financial incentive or reward for your work? Please, select one option.
  - A. Yes
  - B. No
3. If your answer is "Yes," please select the types of non-financial incentives or rewards you receive (you can select multiple options)
  - A. Organizational function environment (e.g., human resource development policies)
  - B. Leadership model and behaviour (e.g., leadership style and attitude)
  - C. Motivation is widely spread throughout the organizational (e.g., achievement recognition)
  - D. Knowledge Management (e.g., knowledge-sharing initiatives)
  - E. Employee Value Proposition (e.g., performance recognition)
  - F. Organizational Perspective (e.g., opportunities for professional growth)
  - G. Fringe benefit (e.g., company car, IT equipment support, fuel/food voucher, club membership)
  - H. Other (please, specify)

### Section 2: Human Resource Development

4. Have you received any professional development incentives from your organization? Please, select one option.
  - A. Yes
  - B. No
5. If yes, please describe the types of development opportunities provided. (you can select multiple options)
  - A. Training and workshops
  - B. Mentorship programmes
  - C. Online courses
  - D. Conferences and seminars

- E. Leadership development programmes
- F. Job rotation or cross-training
- G. Other (please, specify)

6. How do you think these development opportunities have influenced your career growth and job satisfaction? Please, select one option.

- A. Positively influenced.
- B. No significant influence
- C. Negatively influenced.

### Section 3: Perspective by workplace

7. How do you perceive the effectiveness of incentives and HR development programmes in your workplace? Please, select one option.

- A. Highly effective
- B. Moderately effective
- C. Somewhat effective
- D. Not effective

8. Do you believe that employee motivation has an impact on job performance, regardless of the workplace? Please, select one option.

- A. Yes
- B. No
- C. Not sure

### Section 4: Incentive and variable testing

Please select one option from the answers below.

#### Organizational Function Environment

9. Are there policies or projects for human resource development in your organization?

- A. Yes
- B. No

10. Does your organization have incentives to motivate employees?

- A. Yes
- B. No

#### Model of Leadership

11. Does your leader exhibit adaptive, motivational, and transformational leadership?

- A. Yes



B. No

12. Is your leader interested in motivating your performance?

A. Yes

B. No

#### Motivation Across the Organization

13. If recognition for outstanding achievements is a part of the employee value proposition, does your organization adopt this approach?

A. Yes

B. No

14. Do generational differences in the organization lead to motivation for self-development?

A. Yes

B. No

#### Knowledge Management

15. Are knowledge and learning materials easily accessible for employees?

A. Yes

B. No

16. Are there clear contexts for employees to understand and process information?

A. Yes

B. No

#### Employee Value Proposition

17. Do you believe the benefits and compensation you receive are suitable for your organization's type and condition?

A. Yes

B. No

18. Do you feel aligned with the organization's vision?

A. Yes

B. No

#### Organizational Perspective

19. Do changes in employee standards, organizational culture, and climate make you aware of self-development?

A. Yes

B. No

## Section 5: Demographics

### 20. Current Job Sector:

- A. Public sector (government officer, state enterprise)
- B. Private sector (also NGOs)

### 21. Education Level:

- A. High school diploma or lower
- B. Higher diploma / vocational degree
- B. Bachelor's degree
- C. Master's degree
- D. Doctoral degree

### 22. Age:

- A. Under 25 years
- B. 25-34 years
- C. 35-44 years
- D. 45-54 years
- E. 55 and above

### 23. Gender:

- A. Male
- B. Female
- C. Prefer not to answer.

### 24. Years of Work Experience:

- A. 0-4 years
- B. 5-9 years
- C. 10-14 years
- D. 15-19 years
- E. 20+ years

### Annex 3: Interview questions

#### Section 1: Organization information

1. What specific industry or sector does your organization operate in?
  - A. Agriculture
  - B. Industry
  - C. Services
  - D. Government 4
  - E. Non-governmental organization
2. Could you provide a brief overview of the products or services your company specializes in?
3. How many employees work in your organization?
  - A. Less than 20 employees
  - B. 20-50 employees
  - C. 51-100 employees
  - D. 101-200 employees
  - E. 201-500 employees
  - F. More than 500 employees

#### Section 2: Demographic information

4. How long have you been a part of the organization?
  - A. 0-4 years
  - B. 5-9 years
  - C. 10-14 years
  - D. 15-19 years
  - E. 20+ years
5. Age group
  - A. Under 25 years
  - B. 25-34 years
  - C. 35-44 years
  - D. 45-54 years
  - E. 55 and above

#### Section 3: Organizational incentives

6. Can you provide examples of incentives that your organization provides to employees?

7. In your opinion, do you think non-financial incentives play role in a positive sign to promote workplace culture and enhancing employee engagement?

8. What strategies or initiatives has your organization adopted to ensure that non-financial incentives align with the overall organizational goals and values?

9. Can you share a specific success story or example where the implementation of a non-financial incentive positively impacted employee motivation, performance, or professional development?

10. From your perspective, what challenges have you encountered in implementing non-financial incentives, and how has your organization addressed or overcome these challenges?

Annex 4: Statistics from the survey questionnaire

**Table 10:** Statistics of responses to the questionnaire survey by job sector

(Source: own work based on a questionnaire survey and analysis)

Response to the questionnaire survey by job sector		Frequency	Percent	
Male	Public sector	36	59%	
	Private sector	25	41%	
	Sub total	61		40%
Female	Public sector	58	67%	
	Private sector	28	33%	
	Sub total	86		56%
Prefer not to answer	Public sector	3	43%	
	Private sector	4	57%	
	Sub total	7		5%
Total		154		100%

**Table 11:** Statistics of responses to the questionnaire survey by education level

(Source: own work based on a questionnaire survey and analysis)

Response to the questionnaire survey by education level		Frequency	Percent	
Male	High school diploma or lower	2	3%	
	Higher diploma/vocational degree	1	2%	
	Bachelor's degree	58	95%	
	Sub total	61		40%
Female	Higher diploma/vocational degree	3	3%	
	Bachelor's degree	81	94%	
	Master's degree	2	3%	
	Sub total	86		56%
Prefer not to answer	Bachelor's degree	7	100.0	
	Sub total	7		5%
Total		154		100%

**Table 12:** Statistics of responses to the questionnaire survey by age group*(Source: own work based on a questionnaire survey and analysis)*

Response to the questionnaire survey by ages group		Frequency	Percent	
Male	Under 25 years	3	0.05	
	25-34 years	35	0.57	
	35-44 years	22	0.36	
	45-54 years	1	0.02	
	Sub total	61		40%
Female	Under 25 years	3	0.035	
	25-34 years	51	0.59	
	35-44 years	28	0.32	
	45-54 years	4	0.05	
	Sub total	86		56%
Prefer not to answer	Under 25 years	1	0.14	
	25-34 years	5	0.72	
	35-44 years	1	0.14	
	Sub total	7		5%
Total		154		100%

**Table 13:** Statistics of responses to the questionnaire survey by year of experience*(Source: own work based on a questionnaire survey and analysis)*

Response to the questionnaire survey by year of experience		Frequency	Percent	
Male	0-4 years	9	14%	
	5-9 years	23	38%	
	10-14 years	24	39%	
	15-19 years	4	7%	
	20+ years	1	2%	
	Sub total	61		40%
Female	0-4 years	11	13%	
	5-9 years	35	41%	
	10-14 years	24	28%	
	15-19 years	9	10%	
	20+ years	7	8%	
	Sub total	86		56%
Prefer not to answer	0-4 years	3	43%	
	5-9 years	2	29%	
	10-14 years	1	14%	
	15-19 years	1	14%	
	Sub total	7		5%
Total		154		100%

**Table 14:** Statistics of responses to the questionnaire survey experience with non-financial incentives

*(Source: own work based on a questionnaire survey and analysis)*

Response to the questionnaire on experience with non-financial incentives			Frequency	Percent
Under 25 years	Male	Yes	2	1.30%
		No	1	0.65%
	Female	Yes	2	1.30%
		No	1	0.65%
	Prefer not to answer	Yes	1	0.65%
	Sub total		7	4.55%
25-34 years	Male	Yes	31	20.13%
		No	4	2.60%
	Female	Yes	43	27.92%
		No	8	5.19%
	Prefer not to answer	Yes	5	3.25%
	Sub total		91	59.09%
35-44 years	Male	Yes	18	11.69%
		No	4	2.60%
	Female	Yes	25	16.23%
		No	3	1.95%
	Prefer not to answer	Yes	1	0.65%
	Sub total		51	33.12%
45-54 years	Male	Yes	1	0.65%
	Female	Yes	4	2.60%
	Sub total		5	3.25%
Total			154	100.00%

**Table 15:** Statistics of responses to the questionnaire survey on perceptions of changes in performance from non-financial incentives

(Source: own work based on a questionnaire survey and analysis)

Perception of changes in performance from non-financial incentives			Frequency	Percent
Under 25 years	Male	Improved	3	2%
	Female	Improved	3	2%
	Prefer not to answer	No change	1	1%
	Sub total		7	5%
25-34 years	Male	No change	15	10%
		Improved	20	13%
	Female	No change	20	13%
		Improved	31	20%
	Prefer not to answer	No change	1	1%
		Improved	4	3%
Sub total		91	59%	
35-44 years	Male	No change	7	5%
		Improved	15	10%
	Female	No change	12	8%
		Improved	16	10%
	Prefer not to answer	Decreased	1	1%
Sub total		51	33%	
45-54 years	Male	No change	1	1%
	Female	No change	1	1%
		Improved	3	2%
	Sub total		5	3%
Total			154	100%



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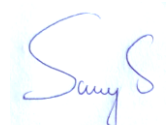
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