

**EXPLORING WAYS TO IMPROVE THE SPORTS INCENTIVES  
AND REWARDS SCHEME FOR SPORTS OFFICIALS AND  
SPORTSMEN THROUGH ACTION RESEARCH**

**IK PAHON JOYIK**

**A thesis submitted  
in partial fulfillment of the requirements for the degree of  
Master of Science**

**Faculty of Cognitive Science and Human Resource Development  
UNIVERSITI MALAYSIA SARAWAK**

**Kota Samarahan  
1998**

## ACKNOWLEDGEMENTS

First and foremost I would like to extend my sincere thanks and gratitude to the State Government of Sarawak for having given me the opportunity to pursue this study.

The completion of this thesis would not have been possible without the efforts and involvement of these helpful people: My deepest appreciation and thanks to the Permanent Secretary of the Ministry of Social Development, Mr. Nellie Tangai for his support and constant words of encouragement and inspiration, the Director of the Sarawak Sports Council, Mr. Kameri Affendi, the SSC Action Research Group members and all the staff of SSC and the Ministry of Social Development, Sarawak, for their undivided support and tireless assistance.

To my supervisor, Dr. Gabriel Tonga Noweg, your continuous guidance and words of advice will always remind me of your dedication and concern to see me through the study.

# TABLE OF CONTENTS

	<b>Page</b>
<b>ACKNOWLEDGEMENTS</b>	i
<b>TABLE OF CONTENTS</b>	ii
<b>LIST OF TABLES</b>	iv
<b>LIST OF FIGURES</b>	v
<b>LIST OF ABBREVIATIONS</b>	vi
<b>ABSTRACT</b>	vii
<b>ABSTRAK</b>	viii
<b>CHAPTER 1: INTRODUCTION</b>	
1.1 Overview	1
1.2 Background of Study	3
1.3 Statement of Problem	5
1.4 Objectives of Study	6
1.5 Assumptions of Study	6
1.6 Significance of Study	6
1.7 Definition of Terms	7
1.8 Scope and Limitations of Study	8
<b>CHAPTER 2: LITERATURE REVIEW</b>	
2.1 Introduction	10
2.2 The Concept of Incentives and Rewards	10
2.2.1 Definition	10
2.2.2 Designing an incentive scheme	11
2.3 Extrinsic and Intrinsic Rewards	12
2.3.1 Extrinsic rewards	13
2.3.2 Intrinsic rewards	15
2.4 The Concept of Motivation	19
2.4.1 Motivation defined	19
2.4.2 Theoretical framework of motivation	20
2.4.3 Motivation in sports	22
2.5 The Concept of Performance and Commitment	24
2.5.1 Performance	25
2.5.2 Commitment	26
2.6 Sports Incentives Practices and Issues	28
<b>CHAPTER 3: RESEARCH METHODOLOGY</b>	
3.1 Introduction	33
3.2 Purpose of the Study	33

3.3	Research Questions	33
3.4	Site, Background and The Thematic Concern	33
	3.4.1 Site	33
	3.4.2 Background	34
	3.4.3 The thematic concern and need for the project	34
3.5	Justification of The Action Research Method	35
	3.5.1 Introduction	35
	3.5.2 Action research defined	35
	3.5.3 Characteristics and features of action research	36
	3.5.4 The action research process	38
	3.5.5 Action learning and action research	41
	3.5.6 Justification for the use of action research method	44
	3.5.7 Action research method as used in the study	46
	3.5.8 The action plan and action research cycle adopted in this study	48
3.6	Chapter Summary	52

#### **CHAPTER 4: FINDINGS**

4.1	Introduction	57
4.2	Purpose of Study	57
4.3	Research Questions	57
4.4	Action Steps Taken and The Findings	57
	4.4.1 First mini-cycle	57
	4.4.2 Second mini-cycle	62
	4.4.3 Third mini-cycle	81
	4.4.4 Fourth mini-cycle	91
4.5	Chapter Summary	94

#### **CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

5.1	Introduction	96
5.2	Summary	96
	5.2.1 Purpose of the study	96
	5.2.2 Background to the problem	96
	5.2.3 The use of action research method	97
	5.2.4 Characteristics of action research methods that appears in the study	98
5.3	Conclusion	99
5.4	Recommendation for Implementation	100
5.5	Recommendation for Further Research	101

#### **BIBLIOGRAPHY** 103

#### **APPENDICES**

Appendix A - State Cash Incentives and Award Scheme	107
Appendix B - National Cash Incentives Award Scheme	117
Appendix C - Letter to Permanent Secretary	118
Appendix D - Reply from Permanent Secretary	119
Appendix E - Minutes of Meeting of SSC Board of Management	120
Appendix F - Appointment letter for AR Group Members	124
Appendix G - Questionnaires for Sports Officials	125
Appendix H - Questionnaires for Athletes	126
Appendix I - Individual learning outcomes from SSC Action Research	130

## LIST OF TABLE

	Page
Table 1 Overview of the Action Research Plan for the study	62

## LIST OF FIGURES

	<b>Page</b>	
Figure 1	Motivation, Ability and Clarity of Task	11
Figure 2	The Seven Stages of Incentive Scheme Design	13
Figure 3	Fisher's Motivation Process	20
Figure 4	The Motivation Process	22
Figure 5	The Interaction of Extrinsic and Intrinsic sources of Motivation	23
Figure 6	Performance Equation	25
Figure 7	The Sports Commitment Model	27
Figure 8	Lewin's Cyclic Model of Action Research	39
Figure 9	The Spiral of Action Research	40
Figure 10	Reg Raven Action Learning Formula	42
Figure 11	The SSC Action Research Group Members	50
Figure 12	The Action Plan for the Study	53
Figure 13	The 1 <sup>st</sup> and 2 <sup>nd</sup> Action Research Cycle	80
Figure 14	The 3 <sup>rd</sup> and 4 <sup>th</sup> Action research Cycle	95

## LIST OF ABBREVIATIONS

<b>SSC</b>	- Sarawak Sports Council
<b>SUKOM</b>	- Sukan Kommonwealth
<b>SUKMA</b>	- Sukan Malaysia
<b>SEA Games</b>	- Southeast Asian Games
<b>AR</b>	- Action Research
<b>UNIMAS</b>	- Universiti Malaysia Sarawak

## ABSTRACT

The issue of incentives and rewards in today's sports participation is becoming a growing concern among sportsmen, sports administrators and bodies. While the feelings of enjoyment and self-fulfillment come along with winning, sportsmen too are expecting some form of rewards and recognition for their contribution and sacrifice. Rewards are perceived as motivational tools for enhancing performance and commitment.

The purpose of this study was to explore ways to improve the existing sports incentives and rewards scheme for sportsmen in Sarawak. Action research methodology was used in this study. **An** action research team comprising of 8 staffs of the Sarawak Sports Council (SSC) was formed to assist the researcher. The data gathering process **was** carried out mainly through participant observation. Most of the respondents in this study are sports officials, coaches and athletes who participated in the 7<sup>th</sup> Malaysian Games (SUKMA).

The outcome of this study showed that both extrinsic and intrinsic rewards played equally important role in motivating sportsmen in pursuit of excellence in sports. While the importance of short-term incentives such **as** cash reward, awards, allowances, subsidies, and various forms of appreciation and recognition were positively identified **as** motivational, a new trend that emerged from this study was the emphasis given to long term incentives. Athletes were hoping that through their involvement in sports, they would be considered for scholarship awards to pursue their studies and career development and advancement. Sports can no longer be viewed as merely a past time hobby. **A** commercial value had been added to it. To warrant the incentives and rewards schemes effective, it is recommended that the aspect of long-term incentives that can bring long lasting benefit to sportsmen be incorporated into the scheme.

## ABSRTAK

*Insentif dan ganjaran merupakan isu yang semakin mendapat perhatian di kalangan ahli sukan dan juga badan-badan pengurusan sukan hari ini. Di samping merasai keseronokan dan kepuasan diri apabila memenangi sesuatu pertandingan, ahli sukan juga mengharapkan ganjaran dan penghargaan ke atas sumbangan dan pengorbanan mereka. Ganjaran dianggap sebagai peransang dan pendorong yang dapat meningkatkan pencapaian, kesungguhan dan kecemerlangan ahli sukan.*

*Penyelidikan ini bertujuan untuk mencari cara baru bagi meningkatkan lagi keberkesanan skim insentif untuk ahli sukan Negeri Sarawak. Kaedah penyelidikan tindakan (action research methodology) digunakan. Satu pasukan penyelidik terdiri daripada 8 kakitangan Majlis Sukan Negeri Sarawak dilantik untuk membantu. Pengumpulan data dibuat melalui pemerhatian peserta (participants observation). Responden terdiri daripada pegawai sukan dan athlit yang telah menyertai SUKMA ke-7.*

*Hasil penyelidikan ini menunjukkan bahawa ganjaran yang berbentuk kebendaan dan bukan kebendaan memainkan peranan yang sama penting sebagai pendorong. Ganjaran jangka pendek seperti wang, elaun latihan, subsidi, peluang ke luar negeri, pelbagai anugerah dan penghargaan dianggap penting. Satu trend baru yang muncul daripada penyelidikan ini adalah mengenai penekanan yang diberi oleh ahli sukan berhubung dengan ganjaran berbentuk jangka panjang seperti peluang mendapat biasiswa untuk melanjutkan pelajaran dan peluang perkerjaan. Mereka amat mengharapkan sesuatu yang lebih bermakna dan yang dapat menjamin masa depan mereka. Sukan pada hari ini tidak lagi boleh dipandang sebagai sesuatu aktiviti masa lapang semata-mata. Ianya sudah mempunyai nilai komersial. Adalah disyorkan bagi mereka yang membuat dasar, aspek ganjaran jangka panjang ini diberi pertimbangan sewajarnya.*

# CHAPTER 1

## INTRODUCTION

### 1.1 Overview

Sport is assuming an increasingly important role and is becoming an important social phenomenon in today's modern life. Many countries regard sports as a lasting social investment for building a physically fit and healthy society, and as a way of life, rests on the assumption that it is a natural, worthwhile healthy and enjoyable form of human expression.

According to Freeman (1992), millions of people all around the world participate in sports, watch and read about sports. Millions of dollars too are being spent on sports. It is a rare conversation that does not turn to sports at some point. Every newspaper has a sports section. Every radio and television news program has a sportscaster who reports on events of local, national and international interest.

From a nation point of view, participation in sports and international competitions is not merely for the sake of contest, but it is one of the yardsticks that gauge the success and progress of that country. Sports carry along with it national prestige, denotes international acceptance, helps to foster goodwill and friendship among countries and sometimes. Sports can be a source of national pride, too. It can create a strong feeling of nationalism and unity among athletes especially those coming from new emerging and independent nations. The Prime Minister of Malaysia, YAB Datuk Seri Mahathir Mohamad in his forward address for the souvenir program in conjunction with the national sports convention held in Langkawi in April 1996 (as quoted by the newspaper STAR, 10 April 1996) stressed the role of sports in nation building as follows, Quote;

“ Sports has assumed increasing importance as it is no longer merely a contest but one of the yardsticks to gauge the success and progress of a country. As an indicator of the identity, image and integrity of a country, sports should be given its proper place.”

From the social and cultural aspect, sports foster cultural exchange and understanding, act as a venue for social interaction and integration among people of various nationalities, origins, races and religions. Sports promote the development of physical and moral qualities, provides a conducive platform for integration and forging the spirit of a united nation. The most unique thing in sports, regardless of whether you are a competitor or a spectator, is that it does not distinguish and discriminate between races. For the society, sports provide the opportunities for the whole family members to be involved in an activity be it beach football or jogging. Sports too create a reason for people to come together, for sharing a communality of experience for developing self-esteem and for enriching the inner life through fantasy.

According to Vernacchia, McGuire & Cook (1992), sports provide excitement, involvement, enjoyment and entertainment to all spectrums of society. It offers a meaningful focus for an important part of our lives, an outlet from the drudgery, frustration and pressures of daily activities. Modern day life are full of challenges and

stress. Many people are becoming more conscious of their health and are falling to sport to keep themselves fit.

Margenau (1990) outlines two basic reasons why peoples involve themselves in sports. The first is physical. Man is a physical animal, made to move, to walk, to run, to jump but not to sit still. Sports and games provide the kind of physical activity that meets man's basic needs to be active, vital and healthy. The second reason and possibly the most important, is psychological and emotional. Sports provide both participants and spectators the opportunity to satisfy two important psychological needs that are vital to healthy development – fantasy or escapism and self-esteem. Sports provide an abundance of fantasy opportunities for spectators and participants alike. As spectators in a football match for example we easily transport ourselves into a fantasy in which we are one of the players in the field. This mental exercise helps boost our psyches and helps to relieve our anxieties. As participants one can transport oneself into the fantasy of playing and serving the final match point in the Grand Slam Tennis championship against world stars like Pete Sampras or Michael Chang. Most important though, is the psychological reward offered by sports. That is the opportunity to experience and build self-esteem, to actually go all out and do something as well as you can possibly do.

From the economic point of view, sport is being seriously looked upon as a new industry that can generate income for the country. New industries devoted to meeting the special needs of exercisers have emerged. The clothing industry for example has responded immediately by providing special clothes, shoes and sports equipment. Special shoes for every sport from walking, jogging to mountain climbing is fast appearing in the market.

Hosting the Olympic Game, Commonwealth Game, Asian Game and SEA Game provides business opportunity for many industries ranging from general services, hotel, foods, drinks, souvenir, and sports wears. Major international sport events are also becoming a popular tourist attraction. Many countries are willing to spend huge amount of budget in building, upgrading and repairing their sports facilities and for the preparation of their athletes. Malaysia for example has allocated a sum of RM 160 million in preparation for it's athletes for the 16<sup>th</sup> Commonwealth Game which will be held in Malaysia in September 1998 (Source : National Sports Council Magazine No. 1/1994: p.25).

From the individual point of view, participation in sports not only keep one fit and healthy, but also provides one with the challenges and opportunities to prove one's talents, skills and abilities. Through sports individuals rise to popularity and stardom very fast. They have a lot of fans and are being **look** upon as role models by the younger generation. Winning gives the athletes that feeling of personal satisfaction, personal pride and that feeling of self-esteem and self-actualization. Sporting success is much more than just a fleeting moment of euphoria. Most importantly is the respect and the image that the country earns through it's sports glory and the inculcation of values such as of discipline, culture, confidence, pride and loyalty. Those are the achievements that are priceless.

Recognising the contributions and importance of sports in nation building and international relationship, the Government had made various efforts to develop and promote sports. Among them are the building of sports infrastructures, hosting of various competitions at regional and world level and the introduction of a very comprehensive National Sports Policy. Various forms of incentives and rewards are also introduced to attract more people to participate in sports. In recent years, the issue of sports incentives and rewards has been a very popular discussion topic in sports.

In Sarawak, the Sarawak State Sports Council (SSC) has been entrusted with the responsibility of developing, promoting and ensuring Sarawak's success in the field of sports. In SSC's effort for the quest and pursuit for excellence in sport, it is faced with the challenge of how to maintain and sustain commitment among its sports officials and sportsmen. Commitment and dedication are very essential ingredients for success in such endeavour.

In the words of the Chief Minister of Sarawak (excerpt from an interview from the book: Sarawak The Sports PowerHouse, 1993),

" Sarawakians should be inspired to carry the honour of Sarawak even further in the national arena... to get people to realize the potential and the seriousness of Sarawak. I think that Sarawak will be and continued to be the sports powerhouse given our determination, there is no reason why we cannot continue to be number one."( p. 159)

Sports today and sports say **fifty** (50) years ago show two completely different scenes. In the past, individuals participated in sports for the leisure and joy of it, today's participation is valued in terms of cash gained and rewards. The world today is very highly competitive and commercialized. Everything we do is linked to a commercial value. If we accept sports as part of our life, sports must be viewed as a commercial commodity, too. For sports to continue to develop and improve, the incentives and rewards element has to come into play. In today's sports, it is a known fact that incentives and rewards plays a very important roles in determining and influencing sports officials and sportsmen commitment and hence their performance.

In Sarawak, various forms of sports incentives and rewards schemes have been introduced. Of prominent was the introduction of the cash incentive in 1989. The purpose and objectives of the schemes are very noble and are meant to motivate sportsmen to enhance their performance and commitment. Nevertheless, in the last few years, the incentives and rewards scheme seemed to be a burden to SSC. The issues of late payment of cash incentives and training allowances among others and limited fund to execute the scheme effectively have been bothering SSC. If Sarawak is to progress and emerge as the sport powerhouse in Malaysia as in the words of the Chief Minister, some action steps and remedial actions need to be taken to improve the present situation. The focus of this paper therefore is to explore ways to improve the incentives and rewards schemes for sports officials and sportsmen.

## **1.2 Background of Study**

The Sarawak State Sports Council (SSC) was set up in 1985 under the National Sports Council of Malaysia Act, 1971. The roles and functions of SSC are as follows:-

- i. To develop, upgrade and uplift the overall standard of sports (especially high performance sports) in Sarawak in order to achieve excellence in the arena of sports.
- ii. To achieve the recognition in sports and to promote Sarawak through sports.
- iii. To motivate and manage the State's sports talents so as to realise the maximum potential.
- iv. To play an active role in the social development aspect in the State through sports.

- v. To help build a healthy, cultured and disciplined society through sports and its various development programs.

In its efforts to execute its roles and functions effectively, SSC faces several obstacles and has to operate within certain limitations. Among these limitations are:

- No clear and proper career path for staff in SSC. Most of the staff employed by SSC (sports coordinators and coaches) are recruited on either contract or part-time basis. Although their initial reason for joining SSC was because of their love and interest in sports, their attachment and commitment slowly dwindled and died when they later realised that the opportunities to progress further in their career were not there. Retaining them (especially the good ones) is an issue that SSC has to really look into with urgency.
- The sports incentives and rewards scheme currently practiced by SSC needs to be reviewed and expanded to cover more areas. The cash incentive scheme was introduced in 1989. Unfortunately, the implementation could not be carried out smoothly and effectively due to shortages of funds. The payment of cash incentives was seldom made on time to the sports officials and athletes. As a result, SSC was often the target of criticism from coaches, athletes, sports bodies and parents of athletes. SSC need to look into the financial aspect and delivery system to rectify the situation. Appended as Appendix A is the rate provided under the Sarawak cash incentive award scheme.
- In 1992, the state government announced the introduction of the Sports Scholarship Award. A sum of RM 1 million was set aside to finance potentially good sportsmen to further their studies locally and abroad. Six years (1992-1998) has elapsed but so far no one has benefited from the scheme despite a continuous flow of application from athletes and numerous queries and appeals from parents. Until April 1998, SSC had received not less than 20 applications but none of the application had been processed. The scholarship selection committee that had been appointed to do the selection did not seem to function effectively. The sum of RM 1 million that was set aside too have been utilized for other purportedly more worthy purposes.
- To most sportsmen, the Annual Sports Award is a very significant event in their life. It has always been the moment that they have been waiting and longing for. The true expression of joy, satisfaction and self-fulfillment is expressed on the sportsmen faces during this event. The announcement for the best athletes, the best team and numerous other awards is made at a special ceremony attended by all the state dignitaries. The fame, glory, praised and publicity one receives would be the most memorable event in one's life. To most sportsmen, that moment of joy cannot be measured in monetary form. Unfortunately, the annual sports award ceremony, which is a much awaited event has not been carried out for the last three years (1995-1997). A lot of sportsmen is kept in the dark and is wondering why the annual sports award ceremony is not being carried out.

The annual sports awards categories are as follows:

- Best Male and Female Athlete
- Potential Male and Female Athlete
- Best Team Award ( Male and Female)
- Sports Leadership Award (Male and Female)

- Best Sports Writer Award
- Best Sports Photography Award.

Although the issues stated above need to be addressed urgently, in the view of SSC, its realization will not guarantee and enhance the commitment and performance of sports officials and sportsmen. With sports becoming more commercialized and professional in approach, the demand and expectation from coaches and athletes too increases. For this reason, the incentive scheme need to be expanded to cover more areas and factors related to motivation need to be looked into and be further explored.

### **1.3 Statement of Problem**

The development of sports in Sarawak is closely guided by the National Sports Policy, which was introduced and implemented in 1982. The National Sports Policy was directed towards the promotion, progression and development of sports in the country. At the national level, the National Sports Council was entrusted with the task of coordinating and assisting in the development of sports in order to enhance the performance of sportsmen at national and international competitions (National Sports Policy).

Incentives are given to sports officials and sportsmen as an appreciation for their sacrifices and contributions in the field of sports. The various incentives scheme introduced include:

- Cash Incentives (introduced in 1989)
- Sports Scholarship Awards (1992)
- Annual Sports Award (1986)
- Training Allowances
- Educational Incentives
- Medical and Insurance Coverage
- Sports Facilities and Equipment
- Career Opportunities

For those who excel in sports, special consideration is given to them in terms of recruitment for jobs and for admission into institutions of higher learning, provided they possess the required minimum academic standards in discipline suitable to them. Sarawak sports incentive scheme follows closely the guideline implemented at the national level.

Lately, Sarawak has not been able to keep up with its steady winning track record in numerous competitions at the national level. In the prestigious Malaysian Game (SUKMA) for example, Sarawak was dethroned by Selangor in SUKMA VI in Pahang in 1996 as the overall champion. In 1998 (SUKMA VII), Sarawak once again loss to Selangor. Sarawak has been the overall champion for the last three SUKMA's consecutively (SUKMA III, IV & V). Sports like athletics, volleyball, basketball and swimming which used to be Sarawak's traditional stronghold and gold contributor were slowly slipping away from its grips. Other States like Selangor, Kuala Lumpur, Pahang, Penang and Perak are fast catching up. This does not necessarily mean that the standard of sports in Sarawak is going down, but rather an indication that other states are becoming stronger. Therefore, in order to stay ahead of other states, Sarawak need to plan its strategy and tactics systematically and effectively. Incentives and rewards play an important role in this strategic planning.

In term of athletes potentials, Sarawak has the biggest pool and advantage because of its vast geographical size and large population. In the words of the Chief Minister's of Sarawak (excerpt from the book: Sarawak the Sports PowerHouse, 1993).

" Sarawak can be the best place to look for talent for the simple reason that it is not as organised as any other states. Almost from the day you were born, children in the rural areas have to learn how to develop their skill quite well in the disorganised surroundings. They have learned how to swim in the river and walk to the padi field. Talent will appear in such an environment. That is, if you talk about raw talent. But the best sportsmen are not the products of talent alone. They are the products of training. You've got to bring out the best in a person who has got talent." (p.149)

In terms of sports infrastructures, and facilities, Sarawak is fast catching up with most other states in Malaysia. SSC engaged foreign coaches in sports like swimming, shooting, taekwando, archery, boxing, diving, and probably many more to come. Despite all the above, Sarawak's performance in sports in general does not seem to improve.

This study attempts to look into the current sports incentive and rewards practices and other benefits offered by SSC and to determine its effectiveness. It also attempts to explore ways to improve the system.

#### **1.4 Objectives of the Study**

The objectives of the study are as follows:-

- o To assess and evaluate effectiveness of current incentive practices provided by the Sarawak State Sports Council to its sports officials and sportsmen.
- To gather feedback from various sources (sports organisation, sport officials and sportsmen) on their views regarding the incentives scheme and other factors that influence commitment and performance in sports.
- o To come up with a systematic and practical incentives and rewards scheme and policies for sports officials and sportsmen.

#### **1.5 Assumptions of Study**

The study is based on the following assumptions:

- The sports incentive schemes that SSC is currently providing to its sports officials and sportsmen can be further improved and diversified to render it more effective and meaningful.
- o Motivational factors play a very important role in influencing the commitment of sports officials and sportsmen towards their performance.
- o There are other factors and variables that influence commitment and performance that need to be considered and explored.

#### **1.6 Significance of the Study**

This research is expected to contribute enormously towards the success of SSC and the state of Sarawak in its effort to produce committed and dedicated sports officials and sportsmen who are to represent the state in various sports competition at state, national and international level.

Firstly, the finding will provide useful information, and enrich our knowledge and insight regarding incentive schemes and motivational issues that are being implemented and associated with sports. This will provide useful feedback to SSC as to

how they could approach the issue of incentives and motivation when handling their sports officials and sportsmen. Further, this study will be able to assist SSC in formulating a more effective and practical policy guidelines in the area of incentives and motivation.

Secondly, the study will provide a useful insight for other organisations and sports bodies when it comes to the issue of developing and implementing their incentives and motivation policies for their coaches and sportsmen.

Thirdly, it is believed that this study is the first of its kind ever being done in Sarawak using action research methodology. The finding can therefore be used as a base or starting point for other studies in the field of sports in the future.

## 1.7 Definition of Terms

The following terms are used in this research:-

**Action research methods** – Action research methodology involving the cyclical process of planning, acting, observing, reflection and evaluation was used in this study. Action research focuses on a thematic concern or a specific problem within an organisation. Action research requires the formation of an action research group to work on the problem. Action research is collaborative in approach and emphasised team efforts in problem solving.

**Sports** –It is a physical activity that involves the performance of a specific skill, characterized by some form of competition, either with self or others.

**High performance sports** – In the context of this study high performance sports, refer to competitive sports organised in accordance with International Federation and Olympics Committee rules and conditioned at national or international level to determine the winner.

**Sports officials** – A term use to encompass those people who are being engaged by SSC as sports coordinators, coaches and team managers. These are the people who are directly involved in the training aspect of the respective sport. They wear many different hats, playing the role of a strategist, a tactician, a recruiter and trainer, psychologist and above all as a caring and committed teacher to the athletes. Most of their time is spent either in the field or running track with the athletes.

**Sportsmen** – These are the people who participate directly in sports competition. In respect to SSC their sportsmen are those who are being trained by their coaches in preparation for major competitions.

**Sports incentives** – A form of rewards normally in terms of cash and in kinds given to sports officials and sportsmen as a mean of recognition and appreciation for their contribution in the field of sports.

**Motivation** – In this study “*motivation*” is primarily concerned with the factors that directs, energised and reinforced behaviour, making it the driving force that maintain and sustain sports officials and sportsmen commitment and performance in the field of sports.

**Commitment** – In this study “commitment” is used to describe a behaviour among sportsmen that reflect a kind of high-intensity attachment and the degree of involvement in a particular task or competition.

**Performance** – “Performance” refers to the outcome or a result of the interaction of people, resources and environmental factors in a given situation. In the field of sports, performance often denote achievement in competition like winning a goal medal or be the champion in a local football league.

## **1.8 Scope and Limitations of the Study**

### **Scope**

The scope covered in this study are as follows:

#### **a. Incentives and rewards**

The study looks into the current incentive and rewards practices for sports officials and sportsmen. The strength and weakness of the scheme are identified and highlighted with the hope of reviewing and improving it. The role of incentives and rewards as a motivational tool in enhancing sportsmen commitment and performance is also analyse.

#### **b. Identifying the existing problems.**

The factors that had caused the delay and late payment of cash incentive and allowances for coaches and athletes and the implementation of other rewards schemes is highlighted in this research.

#### **c. Practices elsewhere.**

An attempt is made to look at incentives and rewards practices at the national level and in other countries. This will enable us to get an insight as to how sports incentives and rewards practices are handled and managed.

#### **d. Steps taken to improve the system.**

A proposed action steps and guidelines is designed and will be forwarded to SSC and the Ministry of Social Development for their further action and implementation.

### **Limitations**

The limitations to this study are as follows:

- a. **The focus** - the focus of this study is on the sports incentives and rewards practices as adapted by SSC. The problems and other related issues under study are peculiar to Sarawak only and does not necessarily apply to other States elsewhere in Malaysia.
- b. **Literature review** - literature review that are related to motivation, incentives and rewards in the field of sports are highlighted. In order to enrich the literature, the issue on motivation, incentives and rewards as practices at the organisational level are also highlighted.

- c. Action research methods - the use of action research methods is a new methodological approach that the researcher and the action research group have to explore and utilise. Initially, the researcher was exposed to the conventional research methodology, but latter, it was decided that the action research methods was to be used in this study. With only two weeks of orientation and exposure on the use of action research methods at Gibaran Institute, Adelaide, the researcher found that the task ahead was very challenging and a lot of constraints and limitations emerged along the way.
- d. Time frame - the research was carried out in December **1997** and was to complete in May **1998**. Within a time period of six (**6**) month, the researcher and the action research group members had to struggle to collect the necessary data for the study.
- e. Organisational support - action research methodology requires the researcher to return to the workplace or organisation to do the research. To make the research more effective and meaningful the researcher needs to have some form of control in the organisation. This was seen as quite necessary to ensure that the action research group members give their fullest support and participate actively in the research. In this particular research that privilege was not fully given to the researcher as he was relieved of his executive power. There had been times when action group meetings could not be started on time and held with full quorum as some of the members came late or were away on official duty. The commitment and interest shown by some of the action group members was also sometimes questionable. This was the situation beyond the control of the researcher. Despite these constraints, the research was able to proceed on quite smoothly.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter attempts to review related literature associated with incentives and rewards, motivation, performance and commitment in the field of sports. The first section describes the concept of incentives and rewards. The second section describes the distinction and relationship between extrinsic and intrinsic rewards. The third section touches on the concept of motivation and its significance in sports. The fourth section describes the concept of performance and commitment and its relationship with the incentive and reward system. The fifth section touches on some of the sports incentives and rewards practices at the national level (Malaysia) and in some other countries.

#### 2.2 The Concept of Incentives and Rewards

##### 2.2.1 Definition

Rewards and incentives come in two common forms: financial rewards and non-financial rewards. These forms of rewards are also referred to as extrinsic and intrinsic rewards.

Several writers such as Reeve (1992), Fisher (1995), and Beer and Walton (1990) shared quite similar views and opinions on the concept of incentives and rewards. The opinions and views of these writers are highlighted below.

Incentive according to Reeve (1992) is an environmental object that attracts or repels the individual to engage or not engage in a sequence of behaviour. It occurs before behaviour and gives rise to an expectation that attractive or unattractive consequences are forthcoming. Fisher (1995) viewed incentives as payments linked to the achievement of previously set and agreed objectives and targets, aiming to motivate people to achieve higher levels of performance by means of rewards which are in fixed proportion to the extent to which a target has been achieved. Incentives are forward looking, designed to motivate people to achieve higher levels of performance. Fisher (1995) stressed that one of the main purposes of incentive scheme is to get people to work harder. This can be done successfully if:

- The reward is clearly linked to the effort.
- Individuals can control their pace of work.
- The reward is worth having.
- The pay-off takes place quickly

Reward on the other hand is an attractive environmental object that occurs at the end of a sequence of behaviour and acts to increase the possibility that the behaviour will recur. Fisher (1995) viewed rewards as retrospective payments which recognise achievement but can also act as an incentive in the sense of encouraging people to continue performing well in the hope of a future reward. Rewards according to Beer and Walton (1990) are intended to motivate certain behavior. In the field of sports, rewards according to Warren (1983) are used to motivate players to produce desired behaviour. To be useful, reward must be seen as timely and tied to effective performance.

Rewards according to Fisher (1995) can be in the form of financial or non-financial reward. Financial rewards relate to pay and cash gained as a consequence of our effort or performance while non-financial reward consists of the satisfaction that are gained from performing a certain task. Non-financial rewards relate to the needs people have for achievement, recognition, responsibility, influence and personal growth.

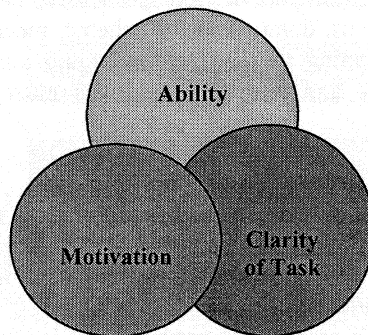
Since both incentive and rewards are intended to motivate desired behaviour (Fisher (1995), Beer and Walton (1990) and Warren (1993), these two terms will be used interchangeably for the purpose of this study.

### 2.2.2 Designing an incentive scheme

In designing an effective incentive scheme, Friedman (1990) outlined seven general stages that should be followed. They are:

#### Stage One – Why is there a need for such scheme?

Before introducing the scheme, the organisation must consider the rationale for such move and what the scheme is meant to achieve. Incentives are meant to motivate people to perform better. Performance however is not simply a matter of motivation. It also involves the elements of ability and understanding of the task. The interplay of the three elements (motivation, ability and clarity of task) are as shown in Figure 1.



**Figure 1:** Motivation, Ability and Clarity of Task.

Source: Friedman (1990 p: 2)

Incentive alone will not determine maximum performance without the necessary ability and the understanding of what it is that is required of an individual. Before introducing an incentive scheme, the rationale for its introduction must be justified and whether alternative solutions may be preferable. Once a scheme has been introduced it can be extremely difficult to discontinue it. People who have become used to receive substantial incentive payment are unlikely to be impressed if these stop unless a similar or more attractive option is introduced.

#### Stage Two – Objectives

Incentive schemes are meant to motivate people towards achieving the targets established by the scheme. Incentive schemes must be tailored to meet the objectives of the organisation to which they relate.

### **Stage Three – Selecting the Participants.**

The organisation must make it clear right from the onset as to who are eligible to participate in the scheme. This is because the introduction of an incentive scheme into one part of the organisation may have a demotivating effect in other areas. This situation however can be rectified if organisations are willing to pay higher basic salary and issue bonuses to those concerned.

### **Stage Four – Choosing the Performance Measure.**

The questions to ask at this juncture are:

- Why is an incentive scheme beneficial?
- What are we seeking to achieve?
- Who do we need to motivate?

The performance measure chosen should be one that the employee can directly affect. There must exist a relationship between the efforts of the employee put in and the rewards he gets out. Target should be specific, realistic and achievable. In selecting the appropriate performance monitor it is advisable that employees should be consulted. If the scheme is to be successful, it is important that the employees appreciate, respect and understand the choice of performance monitor.

### **Stage Five – Scheme Design**

The content of the scheme must cover a comprehensive detail of the rules. Important issues like definition of terms, duration of the scheme, mechanism linking to payment, distribution of payment, timing of payment, minimum and maximum rate, rights to amendment to the scheme and other general rules must be properly laid out and documented.

### **Stage Six – Launch**

The incentive scheme must be properly communicated to those concerned. The rules must be set clear and the benefits explained.

### **Stage Seven – Post Launch/Monitoring**

Monitoring of the scheme is essential to ensure that it is used to its greatest potential. An effective incentive scheme benefited both the employer and employees. Friedman (1990) also suggested that it is helpful and motivational for organisation to inject a degree of ceremony into its incentive presentation. Simple ceremony or gathering should be organised in conjunction with the incentive presentation. Friedman (1990) however warned that incentive scheme have a limited life. To warrant it to be continuously effective, fresh ideas need to be injected. Incentive scheme should not be allowed to run indefinitely as it will lose their motivational sparkle. Friedman (1990 p: 1) summarised the seven stages in designing an incentive scheme as shown in Figure 2.

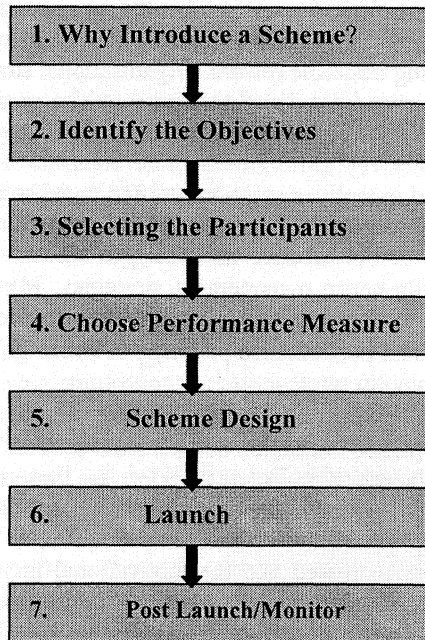
## **2.3 Extrinsic and Intrinsic Rewards**

At this juncture it is useful to distinguish between what are termed extrinsic and intrinsic rewards. An individual is motivated to perform a certain task because of the extrinsic or intrinsic values associated with such task. Rewards are intended to motivate certain behaviours.

According to Beer and Walton (1990), rewards comes in two categories, extrinsic and intrinsic form. Extrinsic rewards come from the organisation eg.

promotions, fringe benefits, pensions etc. Intrinsic rewards on the other hand accrue from performing the task itself, the satisfaction of accomplishing a task and a sense of influence on something that has been performed.

### THE SEVEN STAGES



**Figure 2 :** The Seven Stages of Incentive Scheme Design

#### 2.3.1 Extrinsic rewards

Extrinsic rewards are usually associated with material incentives. Most people believe that it is the primacy of money that motivates people to work. But according to Hagemann (1992), cash incentive is not the main motivating factor. It must be seen in the context of the whole range of motivating factors. **Money** is frequently the number one talking-point at work. Of course the significance of money in our life cannot be denied. Our needs know no boundaries. The more we earn the more we will spend. Salary guarantees a livelihood and thus an incentive to work. Money is one of the motivational factors but an organisation can increase their employees' motivation without costing them an extra cent. Employee performance can be enhanced through other factors such as personal well-being, relationships, type and nature of work itself, good atmosphere, interesting and challenging work and real prospects for personal development.

Kanter (1991) argued that pay should stay but an organisation must look at pay from a different view. Pay is still a motivational factor. Nevertheless, the organisation should discard the traditional systems of determining pay. Traditionally compensation

plan for each job comes with a pay level that stays about the same regardless of how well the job is performed or what the real organisational value of the performance is. The new bottom line suggested Kanter (1991) in deciding what an employee received should be determined by what he can contribute to the organisation.

Nelson (1994) is also of the opinion that incentive program can work and motivate employees provided that they are properly and timely executed. Extrinsic motivators like rewards does not necessary destroy individual intrinsic motivation and enjoyment of work itself if managers are able to approach the job of managing their employees as partners. Employees should be involved in both developing supportive goals, and determining desirable reward. Organisational strategy should be shared among all employees. In this way, intrinsic motivation can be preserved. Effective management today according to Nelson (1994) is what you can do with your employees, not what you do to them.

Reward and incentives system are often considered as demotivating because of poor planning and management practices and not due to defective motivation theory. For incentive programs to be effective according to Nelson (1994) they need to be well integrated with performance management strategies. Managers have to improve their individual performance management and most seriously look into the following aspects:-

- Individual performance planning in which goals, expectations, and rewards are mutually set.
- Day-to-day coaching to help employees achieve their goals.
- Performance evaluation and personal feedback.

The most effective incentive programs therefore are those rewards that are individualised to those who are participating in the program. The crux of the matter according to Nelson (1994) is partnership.

Fisher (1995) stressed that the motivational impact of a pay increase quickly disappears. Research have shown that an increase in pay, even a substantial one, may cause satisfaction at the time but this feeling seldom lasts long. Fisher (1995) added that many people hold the general assumption that people will only work hard if they are offered more money. Many rewards system are based on the belief that people only work for money and therefore money is the only way to get people to work. The long lasting impact of non-financial rewards seems to be neglected.

Another author, Kohn (1994) likened reward to punishment. Both according to him are extremely effective at producing one thing that is temporary compliance. Carrots and sticks are strikingly ineffective at producing lasting change in attitudes or even behaviours. They do not create an enduring commitment. Punishment and reward are not really opposite, they are two sides of the same coin, and the coin does not buy very much. **“Do this and you will get that”** is no different from **“Do this or else here’s what will happen to you.”**

Reward system is also punitive for another reason. A person who does not get the reward he is hoping for will result in him being demoralized. Kohn (1994) outlined the following factors to support his argument on why rewards are not an effective motivational tool:-

- Rewards rupture relationship. The scramble for rewards particularly when they are made scares creates competition hence weaken the effectiveness of teamwork.
- Rewards discourage risk-taking. Whenever people are led to think about what they will get for doing something, they will be less inclined to take risks or explore possibilities. People refused to attend to anything whose

relevance to the problem at hand isn't immediate. Hence the number one casualty of reward according to Kohn (1994), is creativity.

- Rewards undermine interest. Artificial incentives are not only less effective than intrinsic motivation-they tend to undermine it. The more a manager gets employees to think about what they will earn for doing their jobs well, the less interested they will be in what they are doing.

A study that was done in the University of Rochester in the 1970's found out that people who are promised rewards for doing something are less likely to continue doing it when they have a choice as compared with people who are not promised anything (Kohn, 1994).

Managers should stop asking how motivated employees are, and start asking how employees are motivated. There is a complete difference between intrinsic motivation (**loving what you do**) from extrinsic motivation (**doing something to get goodies**). More of the latter often means less of the former.

The carrot and stick psychology in rewards system according to Kohn (1994), should be broadened and modified. He suggested the use of the three C's, which are :-

- Choice
- Collaboration
- Content

Choice means allowing employees to participate in decision making about what they do every day. Collaboration concerns the need to structure effective teams while content refers to the task on which people work.

A study that was carried out by Hudetz.F.C, who was chairman and CEO of Solar Press Inc. questioning the effectiveness of incentives system as a motivational tools was cited by Kohn (1994). Hudetz believed that appreciation like giving a sincere thank you at the right time from the right person works to build self-esteem and motivation. Every employee wants to be recognised. Incentives plan work, some short term, others long term. What we want to achieve is an incentive system that brings along a long-term effect. Cash bonuses, employees-of-the-month award, free vacation, however appealing and motivating are all short-term rewards and short-lived. Too often the rewards itself becomes the focus. When it's gone, so is the incentive. Hudetz experience with Solar Press. Inc. show that long-term incentives tied to organisation philosophy can prove worthy of the highest employee performance and actually build intrinsic motivation - **the highest order of incentive**.

Among the long-term incentives suggested by Kohn based on the study done by Hudetz includes paid education and training, career advancement opportunities, open communication, involvement in decision-making, meaningful work, quality health insurance, improve work areas and lunchroom, retirement and investment programs.

### 2.3.2 Intrinsic rewards

Beer and Walton (1990) describes intrinsic rewards as those rewards accrued from performing a task itself, the satisfaction of accomplishing it and the sense of influence or ownership attached to the task. Intrinsic rewards are intangible in nature.

Mahesh (1993) associated intrinsic rewards with the intense interest, enjoyment, satisfaction and challenge of the endeavour itself an individual can obtain from performing a task. Intrinsic rewards according to Fisher (1995) focus on the needs most people have- the needs that are related to the content of the job or what is sometimes called "**the quality of working life**".