

ROLE OF NON-MONETARY MOTIVATION OF EMPLOYEES: A QUANTITATIVE STUDY

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ABSTRACT

Employee energy, dedication, and creativity are used as a gauge of a person's motivation for their profession. The most crucial management idea is to continually seek methods for ensuring high motivation levels among the workers. Employee rewards, both monetary and non-monetary, are essential in this regard. In the modern era, financial incentives, without a doubt, increase employees' performance levels because money is what keeps the average person going. Promotion, job stability, training, and a friendly working environment are non-monetary benefits boosting motivation. Training and growth, a pleasant work atmosphere, preferred lunch hours, business cards, and a secretary were non-monetary perks. The most effective technique to inspire your team is using non-monetary incentives. They may be a powerful way to show appreciation and increase employee retention. Motivational features or non-monetary advantages are examples of benefits that are fundamental to work. These non-cash benefits are given to employees by their employers. Status, recognition and gratitude, work-life balance, delegation, workplace conditions, job enrichment, and employment stability are some non-financial factors.

KEYWORDS- Non-Monetary, Motivation, Staff Retention, Non-Financial, Appreciation And Recognition, Delegation, Job Stability, Working Environment.

INTRODUCTION

Organizational theorists generally concur that because employees carry out tasks for an organization, they are one of its most valuable resources. In other words, a company's ability to achieve its goals depends significantly on how well its personnel performs. It is essential to focus on the factors affecting employees' performance.

Performance is connected to aptitude, opportunity, and drive. Skills, education, experience, and training all influence ability. The infrastructure required to carry out a task is an opportunity. Finally, motivation is the willingness to work hard to achieve a goal. When additional criteria are met, motivation might result in improved performance. However, it has a benefit over others. Unlike opportunity and ability, which are frequently rigid and challenging for personnel to modify, motivation is flexible, meaning it can be altered somehow.

Additionally, more than ability and opportunity is needed to produce the intended outcomes (Habib et al., 2017). In addition to the other characteristics, all organizations—public or private—need motivated people to be effective and efficient in their functioning. One of the most crucial components of an organization's success is having motivated employees that work enthusiastically and creatively to achieve corporate goals. Therefore, the problem for businesses is guaranteeing their personnel is highly motivated.

Most of the time, people act as they desire or are motivated to do so, whether through internal or external stimuli. Therefore, motivation is a desire that encourages people to do an excellent job at their jobs (Sorauren, 2000). Performance is, therefore, entirely dependent on aptitude and inspiration in individuals. Human nature, which can be both straightforward and complicated, is strongly related to motivation. Employee needs are met, and financial and non-financial incentives encourage hard effort for the company's benefit. Since financial rewards are not always necessary for motivation, we have focused our research on the non-financial advantages associated with employee motivation. Non-monetary incentives are used in organizations, among other things, to encourage employees to execute their jobs well. Non-monetary rewards are "non-cash awards given in recognition of a high level of accomplishments or performance, which is not dependent on the achievement of a pre-determined target, such as customer care or support to colleagues." Non-monetary incentives are viewed as accessible ways to compensate staff, and recruit, motivate, and retain workers (Markos & Sridevi. 2010).

They continue to contribute to the positive work atmosphere regardless of the economy. The value of job happiness and non-cash perks in boosting employee productivity cannot be overstated. When it comes to motivation, one of the first ideas that come to mind is an incentive, which is any strategy that encourages a worker to perform better, strive more, and put in more effort. Private firms have more financial resources to encourage their personnel than public organizations in terms of monetary incentives (Okoye & Ezejiofor, 2013). A country with a weak economy can find it challenging for the public sector to give the same financial incentives that many private enterprises do, such as bonuses, commissions, cash awards, etc.

LITERATURE OF REVIEW

Tang et al. (2005) said that numerous variables, including national policy, the external environment, economics, the availability of resources, and competent, motivated public personnel, affect public organizations' success. For all businesses, whether public or private, to be productive and efficient in their operation, businesses need motivated staff. One of the cornerstones of organizational success is having motivated employees who work enthusiastically and creatively to achieve organizational goals. Governmental organizations require motivation in particular because their capacity to motivate their workforce to perform better is crucial to their ability to increase performance.

Abdullah & Wan (2013) described that since employees now carry out most tasks for every organization, they are an essential resource. Whether an organization succeeds or fails largely depends on how well its employees perform. Therefore, it is crucial to concentrate on the variables influencing employees' performance. Performance is seen to be connected to the ideas of opportunities, opportunities, and motivation. Abilities training, experience, and academic achievement all impact ability. The infrastructure required to perform an activity is referred to as an opportunity. Motivation is the desire to achieve a goal and the readiness to make the necessary efforts. Performance may be enhanced by motivation when additional requirements are satisfied.

Owolabi et al. (2014) researched that the outcome demonstrates that non-monitory incentives provided by the institute, such as employee training and development, a comfortable work environment, and preferred office furnishings for doctors and nurses, do not increase employees' levels of engagement. Hiring a personal secretary and using business cards do not improve the degree of involvement of doctors and nurses, but all of the previous characteristics do. The management of employee engagement is a frequent task. Every industry and field has unique variables, so managers must change their priorities and remain flexible.

Bari et al. (2013) said that the brain of any process, whether it is constituted as an institution, corporation, or organization, whether it is private or public, is its human capital. The success of the company in this regard depends on its staff. Motivation is one of the most critical components of employee performance when this technique is applied to the workforce. Therefore, this factor needs to receive the proper attention. Organizations need motivated people who work with excitement, energy, and dedication to succeed and meet their strategic objectives. On the other hand, organizational management must make every effort to recruit and retain a team of motivated, healthy workers.

Yousaf et al. (2014) said that numerous studies had disregarded the role of non-monetary incentives in affecting employees' job performance. The Hertzberg two-factor hypothesis makes non-monetary incentives important. Employees should still be complemented with non-financial rewards while earning monetary compensation. In summary, at IBB University, a statistically significant relationship exists between workers' job performance and non-financial motivation. This is due to the significant relationship between employee appreciation and work performance. However, employees' involvement in making decisions, their receipt of monetary awards, and their work performance have very little to do with one another.

Zaidi & Abbas (2011) depicted that Employee motivation boosts enthusiasm, promotes job satisfaction, lessens stress connected to the job, and enhances engagement and productivity. Employee inspiration serves as a booster for improved career planning and advancement that helps with retention, strengthens the company, and promotes business excellence. The study's findings make it abundantly evident that incentives that are not financial have a positive influence on employee engagement. Employees indeed receive compensation for their

efforts. However, they also want a stable employment, good working relationships with others in the company, the freedom to be creative, and an environment that enables them to perform at their highest level. Organisations should thus emphasise non-financial rewards more.

Zani et al., (2011) described that according to this study, non-monetary incentives have been shown to be successful at motivating lower-level workers, so is there a low-cost strategy to maintain a highly engaged workforce for retail human resource managers. In order to do this, non-financial incentives must be used to foster genuine appreciation, and on the other hand, monetary incentives should be employed as rewards that are directly tied to compensation rather than just motivation. Second, the findings showed that flexible work schedules are very motivating. As a result, managers should implement the new Shamrock organization planning to promote flexibility at work.

Rich, Lepine & Crawford. (2010) said that Non-monetary incentives are used in organizations, among other things, to encourage employees to execute their jobs well. Non-monetary incentives are regarded as accessible ways to compensate staff, recruit, motivate, and retain workers. They continue to contribute to the supportive workplace environment despite the state of the economy. The value of job happiness and non-cash perks in boosting employee productivity cannot be overstated. The study conceptually examines the existing links between the factors and employee work performance in light of the relevance of non-monetary incentives and job satisfaction in increasing employee job performance.

Objective of the Study

To measure the role of non-monetary motivation of employees

Methodology

This study utilized a structured questionnaire to conduct a survey, and statistical methods such as mean & t-test were used to analyze the responses from 213 participants. The sampling method used in this research was convenience sampling, where individuals were selected based on their accessibility & willingness to participate.

Table 1 Role of Non-Monetary Motivation of Employees

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	Non-monetary motivation can lead to a positive work culture where employees feel valued and supported.	4.20	9.010	0.000
2	Providing non-monetary motivation can be cost-effective compared to offering large financial incentives to employees.	4.31	9.806	0.000

3	Non-monetary motivation can be particularly effective for employees who already receive competitive salaries.	4.43	10.979	0.000
4	By providing non-cash incentives, you can convey to your staff that you value their efforts.	4.05	5.546	0.000
5	Employees should be complemented with non-financial rewards while earning monetary compensation.	3.87	3.915	0.000
6	Offering non-monetary motivation can help increase employee engagement, job satisfaction.	4.48	11.695	0.000
7	Non-monetary motivation can help with employee retention.	4.46	11.903	0.000
8	Non-monetary motivation can help differentiate a company from its competitors.	4.14	8.777	0.000
9	Non-monetary incentives have been shown to be successful at motivating lower-level workers.	3.77	3.524	0.000
10	Non-monetary motivation can help foster a sense of purpose and meaning in employees' work.	4.42	12.083	0.000

Table1 demonstrates the mean values for each of the statement of the study done on the “role of non-monetary motivation of employees”, examining the average scores, the statement that obtains the highest mean score can be described as “Offering non-monetary motivation can help increase employee engagement, job satisfaction”, which has the mean score of 4.48, Looking at the next statement which is “Non-monetary motivation can help with employee retention” the mean score is found to be 4.46. Looking at the mean value of 4.43 for the statement “Non-monetary motivation can be particularly effective for employees who already receive competitive salaries” shows that competitive salaries is also responsible for non-monetary motivation. Looking at the other benefit of non-monetary motivation is, “Non-monetary motivation can help foster a sense of purpose and meaning in employees' work” which displays the mean score of 4.42, and the statement “Providing non-monetary motivation can be cost-effective compared to offering large financial incentives to employees” showcase the mean value of 4.31. Then the statement “Non-monetary motivation can lead to a positive work culture where employees feel valued and supported” obtains mean value of 4.20 and the statement “Non-monetary motivation can help differentiate a company from its competitors” has 4.14. The statement “By providing non-cash incentives, you can convey to your staff that you value their efforts” showcase the mean value of 4.05. Therefore, the last two statements fall within the lowest category or level, “Employees should be complemented with non-financial rewards while earning monetary compensation” mean value of 3.87, the statement “non-monetary incentives have been shown to be successful at motivating lower-level workers” has 3.77. The significance of the t-value for each statement in the investigation on the role of non-monetary motivation of

employees is significant. The t-value statements were positive, and their significance value was less than 0.05, indicating a significant relationship between the two variables.

CONCLUSION

Employee motivation is strongly influenced by non-monetary incentives. Although these benefits are not monetary, they have a significant impact on the workers' overall performance and attitude. They significantly increase staff performance. When workers are inspired, they give their jobs their all. Effective non-monetary incentives can influence a person's mood at work, improving the working atmosphere and boosting staff productivity. When employees approach their work with a positive attitude, they feel engaged and devoted to the company. Your employees may value non-cash benefits equally as highly as cash ones. They can even be worth more than money in some circumstances. By providing non-cash incentives, you can convey to your staff that you value their efforts. Additionally, you're giving them a sense of value. Non-monetary awards can help employees feel like they are a part of something greater than themselves, which is something they seek for in their work. Non-cash incentives convey your concern for your employees' welfare and your appreciation of their contributions to the business.

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