

## **Role of Non-Financial Benefits in Motivating Employees in an Organisation: A Quantitative Investigation**

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### **ABSTRACT**

This study aims to explain and understand the role of several non-financial benefits that help towards motivating employees in a company or organisations. During the findings of the study, it made us realise that motivational factors were also, different from organisations to organisations, class to class of workers like high level and low level employees. The present research, work is going, to be a good contributor to the issues faced by an employee and this paper will provide a solution at their jobs. Although, the financial rewards are very important because during the recent few years the inflation rate went so high, that employees also find difficulties to attain their social status despite such situations non-financial benefits cannot even be discriminated. Non-financial benefits also make an immediate impact because; they are also considered a better alternative for retention. Non-financial benefits will let us know how; it helps to build a relationship among the employees and organisation, which employees are not given at other companies. Offering the employees with non-monetary rewards that aren't financial is also a cost-effective way for engaging with the teams and encouraging employees to work efficiently. Utilising non-financial rewards will also reach and reward all of the employees.

**KEY WORDS:** Motivational factors, Non-financial benefits, Inflation, Organisations, Employees.

### **INTRODUCTION**

In the present scenario, many organisations face difficulties and feel strapped for cash and they are not able, to afford and provide them with appraisal or bonuses that employees in a company deserve. But, many interesting efforts and non-financial forms of benefits which do not involve monetary are being considered by an organisation which therefore, act as a motivational retention tools to increase the employees engagement and loyalty towards organisation (Victor & Hoole, 2017). Non-financial rewards can help to satisfy employees in

an organisation just as monetary benefits by making the employees feel like a valued part of a company and also showing them that they are appreciated (Haider, et.al, 2015). Therefore, the success of an organisation towards achieving their objectives eventually relies on their overall performance of employees as well as it also depends on their motivational levels of employees. All companies require an efficient and effective number of employees but they need to be motivated through non-financial benefits which have a significant impact on their performance. It is very crucial for an employer to recharge their organisational work culture by providing smart rewards in order to maintain the productivity of employees for an organisation. In an organisation, the essence of rewards is to set-up linkage with desired behaviour and the outcome that makes the employee experience appreciated. Benefits are important elements that explain certain process factors which make contributions significantly to the company along with job satisfaction. The above mentioned benefits or rewards to an employee for their performance and contribution towards an employee are one of the best methods of motivating employees. Therefore, non-financial benefits are as important as financial benefits. Nowadays, many employers of different organisations are increasingly introducing non-financial benefits as an incentive to encourage and have an impact on employee's performance as well as help to meet the monetary and productivity objectives of an organisation (Robescu & Iancu, 2016). Employers of numerous organisations are constantly finding new and innovative ways for rewarding their employees. There are numerous forms of Non-monetary benefits like avail an opportunity to learn new skills which offer an employee to move forward with their careers. This paper will introduce us with various other non-financial rewards which help employers to retain employees with career development such as, giving them extra days off outside of their annual leave allowance (Wiese & Coetzee, 2013). Many companies are looking forward to reward their employee with hybrid or flexible working conditions to support employee engagement, retention and productivity of employees. Snacks, meals and treats are still a desirable perk for an employee so; many organisations are offering them with free refreshments and meals at their organisations. The above mentioned non-financial benefits and their role for motivating workers will be discussed below briefly in the below context (Hosain, 2014). In a company many employees have an inherent feeling that their work ought, to be recognised and acknowledged by their employers. Such recognition in their workplace will ensure to motivate employees. Job security remains the first preference amongst all employees because such non-financial benefits will bring more happiness to an employee. Many new employees

give strong preferences to many challenging and responsible work culture because they dislike dull and boring jobs. Increase in responsibility is one of a kind widely used non-financial benefit to satisfy those employees of an organisation and keep themselves motivated who are very much dynamic, enthusiastic and versatile towards encountering challenging jobs. A comfortable and presence of healthy working condition in an organisation also plays an important in motivating the employee morale.

## **LITERATURE OF REVIEW**

In recent times, many companies are finding huge difficulties to effectively motivate an employee which is thereby, making it an important issue among employers. Many organisations still believe that employees continue to get more motivated through financial rewards. Therefore, motivational factors among an employee is determined, both by financial and non-financial benefits. Despite, so many organisational research studies which demonstrate that an employee doesn't just solely, get motivated through financial rewards but by non-financial benefits as well (Harunavamwe & Kanengoni, 2013). Effective non-financial benefits are very crucial for an employer as a mechanism to aid recruit and retain talented as well as productive employee. The non-financial benefits or non-cash reward are given to an employee in recognition to their high-level of accomplishment or performance. Most significant part of non-financial benefit is that an organisation can offer, praise or acknowledgement not with just money but with the act of recognition. Non-financial benefits are very crucial and have an immediate impact because the recognition itself is the focus. Non-financial benefits and recognition will help every employee feel valued for the work they do and eventually motivate them to continue their work (Chiang & Birtch, 2012). It is not just employees that get benefitted from strong rewards and benefits, the employers get too. Many employees appreciate more financial benefits, but every-time monetary rewards do not buy them happiness, nor does it buy their engagement and loyalty towards an organisation. Such benefits play a very important role to inspire and engage employees of an organisation in numerous ways that financial benefits are incapable of doing. According to survey, conducted by McKinsey & Company during the year 2009, stated that non-financial benefits are more powerful motivators and were rated higher than financial benefits (Hornungová, 2017). Job satisfaction is becoming one of the most integral parts of an employer, because many employees find many difficulties in surviving, so they need to be happy and energetic in order to perform their best and provide fruit full and productive results

to an organisation. Non-financial benefits help to improve their job performance and provide an employee with a long-term source of satisfaction (Gabriel & Nwaeke, 2015). Employee's expectations are much higher from an organisation during these days except an employee's pay. Non-monetary rewards are typically very effective for those employees in an organisation who are comfortable with their salaries or have been in such a position for a long time. As a result many organisations are bringing and offering numerous non-financial benefits like work-from-home, flex-time, hybrid working conditions, career development opportunities and training, extra-days off, offering opportunities with more responsibilities. Recent study by Korn Ferry Hay Group which stated that 8-9 organisations use 5-6 or more alternative non-financial rewards so, that the jobs are done well. Lack of recognition in an organisation towards an employee is considered as the biggest motivator at their workplace. There are many non-financial rewards that will help to keep an employee motivated are as follows:

**FLEXIBLE WORKING:** This non-financial reward benefits employees of an organisation by providing them with an opportunity to work-from-home or switch their working hours so, that they are able to balance both work and family life. Many companies are thoroughly practicing this form of non-monetary reward by offering their employees hybrid working conditions. Most of the employers are becoming more flexible with such working conditions. Providing the employees of an organisation with flexible working conditions can help them to reduce their level of stress and lead their work without any disturbances.

**EXTRA LEAVE:** Employers of an organisation reward an employee by giving them some extra days of annual leave or letting them leave an hour early or providing them half a day off. This kind of non-financial benefits an employee and helps to reduce absenteeism among the employees as well as allows them to eliminate lethargic attitude among the employees (Rahman & ul Alam, 2016). Such incentives are very crucial to initiate job satisfaction among the workers of an organisation which also ensures to help increase motivation level of employees.

**TRAINING AND DEVELOPMENT WORKSHOPS:** In many companies, there is no such training and development program for their employees. Thus, the importance of training and development workshops are majorly necessary and very much evident according to Human resource development. Most of the organisations start their training processes after conducting the training analysis. Many employees also suggested that the training process is

not conducted the way, it should be arranged for development of employees. Employers need to conduct training need analysis and tend to find out areas of improvement. Such non-financial benefit the employer to as, they gain a competitive advantage over other organisations. It is extremely important for both the employer and employee because it helps to improve their level of confidence and develop multiple skills.

**PROVIDING POSITIVE WORK CULTURE:** The managers of an organisation, should be sweet and kind towards their employees. It is the most powerful tool because if, the employees are not happy and satisfied within the workplace, either they might quit or not produce the required results needed by an organisation. Many organisation like the- Walt Disney World Company has provided their employees with several assistance centres where there employees are availed with numerous special facilities like- special discounts on Walt Disney Parks, free bus passes, discounts of rides and many more like child care facilities.

**EMPLOYEE RECOGNITION:** Employers of an organisation initiate this form of non-financial reward for the inputs and efforts and time which employees devote towards their work (Salah, 2016). Recognition and appreciation should be given to keep their morale up and increases their job satisfaction level. During the research work, many employees also stated that they consider recognition more important with respect to the financial benefits they get. Employees need to be very certain that the company values their presence and hard work and it is only possible through recognition and appreciation.

**JOB SECURITY:** Job security is one of the most important non-financial benefits and plays an extremely essential role to motivate employees so, that they can perform with higher zeal. When employees are concerned and know that their jobs are secured therefore, it helps to create a sort of certainty of income with respect to the future. There are many other non-financial rewards that help to motivate them and ensure employee recognition.

In many companies, employers try to appreciate and recognise the hard work through special awards and certificates. Such benefits tend to motivate employees as well as keep themselves loyal and productive towards the organisation. Employees are appreciated with many awards like best performer, best performing team and with many more. Informal parties and dinners with their managers and also with peer group members. Many companies all around the world also offer vouchers like travel vouchers, recreational activities vouchers like games, movie tickets, spa day, and travel vouchers. The Non-financial benefits help to convince

employee that the time and work they devote or perform for their organisation is meaningful and appreciated (Obicci, 2015). Therefore, above mentioned non-monetary rewards will eventually create a positive change in the employee's behaviour and helps to improve job performance. If any of the non-financial incentives are absent from an organisation, it may directly affect the turnover of the firm (Yousaf, et.al, 2014). Most of the valuable employees would not be satisfied with the workplace and work culture thus; they would resign and switch to another workplace.

### **Objective:**

To measure the Role of non-financial benefits in motivating employees in an organisation

### **Methodology:**

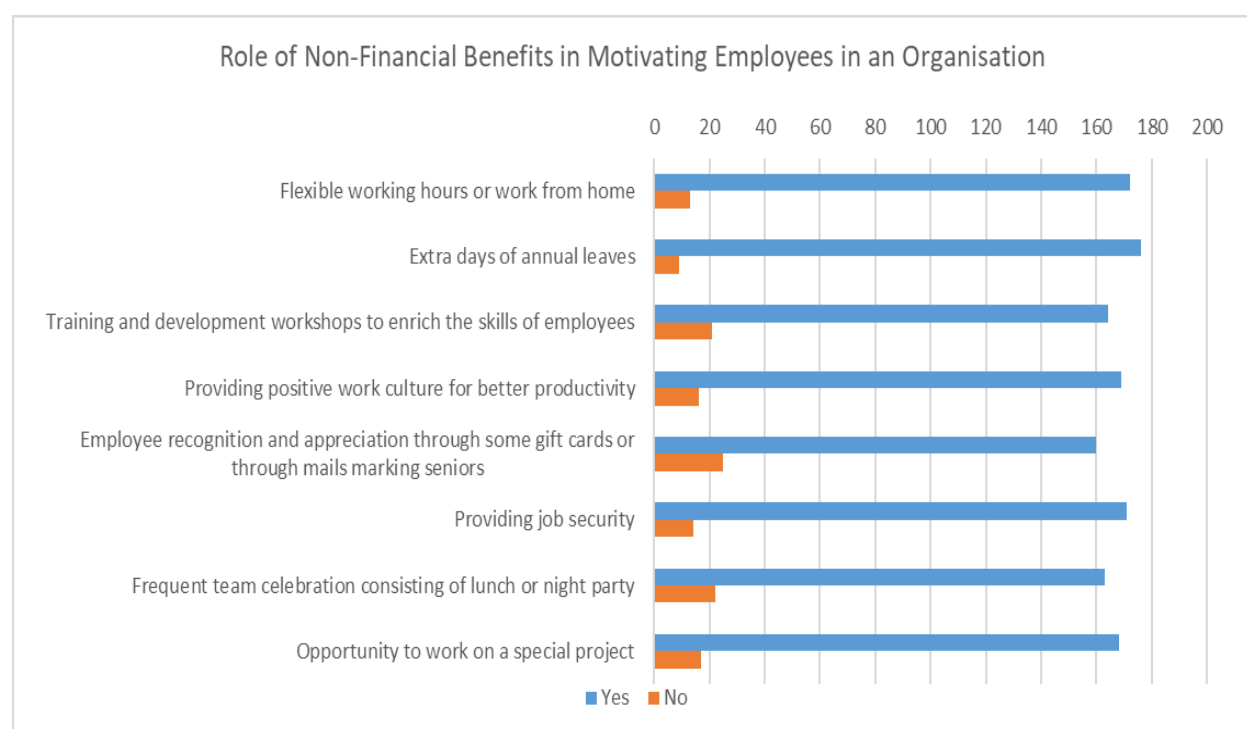
This study is descriptive in nature in which the data were obtained from the 185 respondents to find the role of non-financial benefits in motivating employees in an organisation. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose "Yes" or "No" for all the questions.

### **Data Analysis and Interpretations:**

**Table 1 Role of Non-Financial Benefits in Motivating Employees in an Organisation**

SL No.	Role of Non-Financial Benefits in Motivating Employees in an Organisation	Yes	% Yes	No	% No	Total
1	Flexible working hours or work from home	172	92.97	13	7.03	185
2	Extra days of annual leaves	176	95.14	9	4.86	185
3	Training and development workshops to enrich the skills of employees	164	88.65	21	11.35	185
4	Providing positive work culture for better productivity	169	91.35	16	8.65	185
5	Employee recognition and appreciation through some gift cards or through mails	160	86.49	25	13.51	185

	marking seniors					
6	Providing job security	171	92.43	14	7.57	185
7	Frequent team celebration consisting of lunch or night party	163	88.11	22	11.89	185
8	Opportunity to work on a special project	168	90.81	17	9.19	185



**Figure 1 Role of Non-Financial Benefits in Motivating Employees in an Organisation**

Table 1 and Figure 1 show the role of non-financial benefits in motivating employees in an organisation. It was found that around 95.1% respondents wants extra days of annual leaves, Flexible working hours or work from home (92.9%), Providing job security (92.4%), Providing positive work culture for better productivity (91.3%), Opportunity to work on a special project (90.8%), Training and development workshops to enrich the skills of employees (88.6%), Frequent team celebration consisting of lunch or night party (88.1%) and Employee recognition and appreciation through some gift cards or through mails marking seniors (86.4%).



## CONCLUSION

The major aim of this study was to explore the roles of Non-financial benefits and how it motivates an employee in an organisation (Kumar, et.al, 2015). For an employee job satisfaction is an important element and a must for the organisation to achieve their targeted objectives in a sustainable manner. The present also concluded that Non-financial benefits are very crucial because no organisation can function only through financial and Non-financial benefits (Bawa, 2017). Most of the employees work for money but they show no enthusiasm to put in some extra efforts and sometimes they consider it as a burden. They play a very important role and are a must for a long-term job satisfaction. It also helps an employee to make themselves feel like a part of a team, or a part of the organisation. Though, the non-financial benefit contributes a lot towards motivating an employee because it satisfies the basic necessities with attainment of power and fulfils belongingness needs. Impact of Non-monetary benefits is therefore, instrumental towards improving the employee's morale. Many employees expect appreciation and recognition from their employers because none of the employees like to be unappreciated for the efforts he or she makes. So, still many companies' needs to focus majorly on both the financial and non-financial benefits in order to motivate their employees and retain them.

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