

## "THE ROLE OF NON-MONETARY RECOGNITION IN ENHANCING EMPLOYEE MOTIVATION "

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**To Cite This Article:** S, D. ., & B , P. (2025). "THE ROLE OF NON-MONETARY RECOGNITION IN ENHANCING EMPLOYEE MOTIVATION ". Journal of Advance Research in Business, Management and Accounting (ISSN: 2456-3544), 11(1), 14-23. <https://doi.org/10.61841/hdaw0n78>

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### ABSTRACT

*Employees are valued as the human capital of any organisation. Employees who are motivated and fulfilled are more likely to accomplish their responsibilities well. Employees who lack motivation are more likely to Employees that put forth minimal effort, create low-quality work, shun the workplace, and even leave for better possibilities. Motivated employees tend to be more determined, inventive, and competent. Motivated workers exhibit contentment, dedication, and enthusiasm at work, leading to optimal retention, loyalty, and harmony. These characteristics greatly enhance the organization's growth and development. This research aims to assess the influence of non-monetary incentives on employees with the help of many literatures reviews*

**Keywords:** *Non-monetary acknowledgment, Motivation for workers, Employee involvement, Organizational effectiveness*

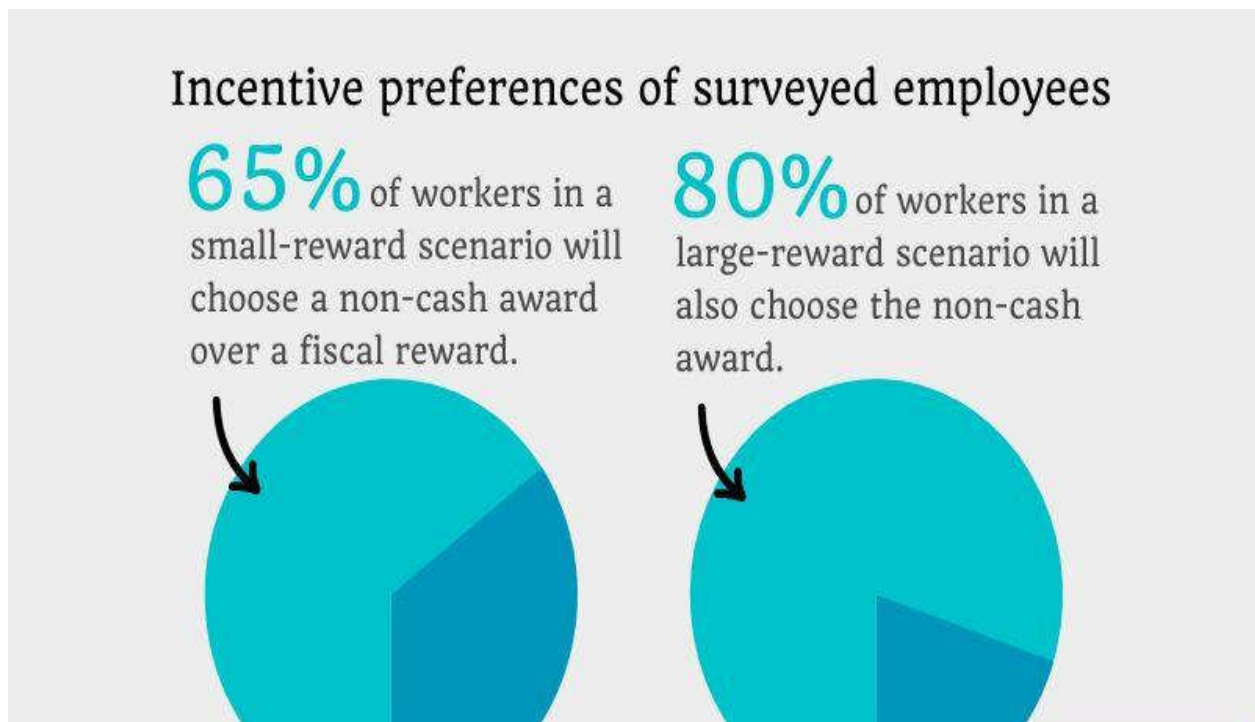
**INTRODUCTION**

Organisations and businesses strive for success and continuous improvement. In today's competitive environment, organisations of all sizes, technologies, and market emphasis have issues in retaining employees. To conquer them. Establishing and maintaining a healthy connection between employees and their organisations is crucial. Human resources are the core of every organisation. So they must be convinced and influenced to do the assignment. To achieve prosperity, organisations develop plans to compete with competitors and improve performance. Unless and until Employees in any organisation are happy, driven to complete tasks, achieve goals, and strive for success. Keeping staff engaged is a significant problem for modern organisations. Numerous studies have demonstrated that rewarding employees is one of the most effective strategies to keep employees motivated. The study found that rewarding, recognising, and motivating employees is crucial for organisational success. Motivation is a driving force behind our actions and efforts. As a result, both monetary and non-monetary awards strive to entice individuals to an organisation while also motivating them to achieve at high levels. This research examines non-financial incentives in sectors and their influence on employee motivation.

**RECENT SURVEY: EMPLOYEE PRFER NON-MONETARY REWARDS AS THE MOTIVATING FACTOR**

According to a poll on non-monetary incentives for remote employees, 65% prefer non-cash incentives to monetary ones.

- ❖ 71% of employees report that the most significant acknowledgment they receive has no monetary value.
- ❖ 83% of employees believe that acknowledgment for accomplishments is more rewarding than any awards or presents.
- ❖ 69% feel that being recognised as an individual rather than a team is more motivating.
- ❖ 76% consider compliments from their peers to be very or extremely motivating.
- ❖ 88% consider compliments from their supervisors to be very or extremely motivating.
- ❖ 65% of employees strongly agree that product and vacation incentives are more lasting than monetary gifts.



**LITERATURE REVIEW**

Nyandema and Were (2020) According to the survey, career development management and coaching/mentoring are effective motivators for employees, but a positive work environment is the most significant source of intrinsic reward offered by many organisations. To show appreciation for staff. The study found that employees are motivated by high self-esteem and gratitude for their job. Extrinsic perks, such as medical aid, have a significant impact on employee motivation. perks offered to employees are influenced by their degree of education, length of employment, and performance against objectives. According to the survey, employee motivation is most influenced by opportunities for advancement and progress inside the organisation.

Bari et al. (2019) Research indicates that employee attitudes and performance are strongly impacted by independence, career development plans, employee valuation, learning programmes, an open and pleasant work environment, and effective supervisory relationships. This would be Research suggests that improving employee attitudes might improve performance and foster a healthy work environment.

Harunavamwe and Kanengoni (2021) demonstrated a somewhat significant association between nonmonetary benefits and lower level employee engagement. There was no substantial relationship between monetary rewards and motivation. Overall, there was a favourable but small correlation between incentives and job motivation, regardless of demographics. Gender and occupation significantly influenced the link between incentives and motivation.

Cheema et al. (2021) This study examines the effects of five independent factors (training, performance recognition, career development chances, effective communication channels, and job security) on employee motivation. The investigation verified the presence of a positive, substantial association between three of the five nonmonetary incentives. The two independent factors, training and performance recognition, were not found significant.

Yousaf et al.(2023) Research indicates that employee motivation is influenced by both financial and non-financial benefits. Financial incentives are crucial for employee engagement in third-world nations like Pakistan. However, non-financial benefits are also important.

Tausif (2022) Research indicates that non-financial benefits significantly impact work satisfaction among employees in Pakistan's public education system. Satisfaction rises with age. Older employees are happier with their employment incentives than younger employees. Research indicates that age disparities among employees impact the relationship between incentives and job satisfaction.

Khan and Farooq (2019) A research were done to assess the influence of awards on staff motivation in commercial banks. The study found a substantial positive correlation between incentives and employee motivation among commercial bank workers in Pakistan. The study found that motivated employees are more energetic and productive at work. Employees who expect to be respected, recognised, and rewarded perform harder and feel more driven to complete assignments. They are likely to perform much above the projected level of their capabilities.

Matthew et al, (2021) Employee motivation positively correlates with organisational effectiveness. Schuler and Jackson previously discovered a relationship between incentives, recognition, and Employee motivation is strategically important for an organization's success.

Dzuaranin (2021) To enhance employee motivation, firms should include non-monetary prizes in their performance rewards schemes, as many favour the former over the latter. Three studies Effective incentive programmes improve organisational outcomes and impact employee behaviour. Sammer (2023) The term "total reward" encompasses career development possibilities, non-financial recognition, staff development and training, and monetary incentives and prizes.

## THEORIES OF MOTIVATION

### MC Gregor's theory X and theory Y:

In his book, *The Human Side of Enterprise*, McGregor identified two types of management approaches based on psychological factors. The usual perspective of management, which he names Theory X, resembles a top. Management has a downward slant. Managers who used theory X viewed employees as in need of direction and control. McGregor's perspective assumed the following:

- Management organises the productive aspects of a business, including money, resources, equipment, and people, to achieve economic goals.
- Managing people involves guiding, motivating, regulating, and adjusting conduct to meet organisational needs.
- Management's active engagement prevents employees from becoming passive or resistive to organisational demands. Persuasion, incentive, punishment, and control are necessary to steer their behaviour.
- The normal guy is naturally lazy; he works as little as possible.
- He lacks ambition, rejects responsibility and prefers to be led.
- He is essentially self-centred and oblivious to organisational needs.
- According to McGregor (1960), the character is easily duped by charlatans and demagogues because to his gullibility and lack of intelligence.

McGregor observes that under such assumptions, management tends to be of two competing sorts. On one extreme, management may use coercion and threats to steer conduct. On the opposite extreme, management. Management's desire to maintain harmony sometimes results in a soft attitude and lax behaviour. . McGregor argues that both methods of management are ineffective, since coercion and threats lead to resistance while extreme permissiveness results in inefficiency. Furthermore, both management models fail to consider the social demands of humans. He prioritises self-fulfilments over money benefits as his primary motivator at work.

He argues that understanding the nature of human drive is crucial for understanding why common perceptions are incorrect. According to McGregor, human motivation is prioritised based on importance. physiological, safety, social, and ego needs, and self-fulfillment requirements.

**MASLOW’S THEORY OF MOTIVATION**

Abraham Maslow's 1954 book Motivation and Personality established the Hierarchy of Needs hypothesis. According to the Hierarchy-of-wants hypothesis, humans are driven by unmet wants, and achieving a lower need can lead to higher demands. Seeking to satisfy a higher desire.

Maslow defined human needs into five categories: physiological, survival, safety, love, and esteem. He observes that for a person to act selflessly, all five needs must be met. He referred to these wants as 'deficiency needs'. As long as we have the motivation to satisfy these urges, We are progressing towards self-actualization. Effective workplace motivation requires leaders to recognise and address the active needs of their employees. According to Maslow's hierarchy of needs (see Figure 1), lower-order wants such as safety and physiological necessities must be met first. fulfilled in order to pursue higher-level motivations such as self-fulfilment.



**MOTIVATION FACTOR**

The motivational variables were those that encouraged employees to enhance their work performance. Intrinsic factors refer to the work's substance and how it fits together to create meaning. He asserts. Managers can boost performance by incorporating specific characteristics into the employment setting that foster intrinsic motivation among employees. He identifies several factors, including:

- a. Achievement
- b. Recognition
- c. Growth / advancement
- d. Interest in the job

Employee motivation stems from internal impulses, rather than external influences such as mobility. Herzberg (1959) emphasised the need of combining hygienic and motivational techniques. He emphasises that the absence of good values in the hygiene elements Instead of demotivation, it will result in discontent. High hygiene elements may not necessarily contribute to motivation, but rather contentment. High levels of motivation increase motivation, whereas low levels lower it. of motivation, yet will not result in discontent; rather, a sense of non-satisfaction.

**OBJECTIVE**

- 1. Identify non-monetary benefits as indicators of employee engagement.
- 2. Assess the impact of non-monetary rewards on employee engagement.

**RESEARCH METHODOLOGY**

Data is acquired from both primary and secondary sources. Primary data is acquired via a questionnaire survey approach. Secondary data is gathered from numerous sources, as listed below.

A study investigated how non-monetary rewards affect employee retention and motivation. The convenient population consists of employees. The study used stratified sampling, in which population strata are split according to gender, age, and employment. A questionnaire was devised to gather data with the study objective in mind.

**DATA ANALYSIS AND INTERPRETATION**

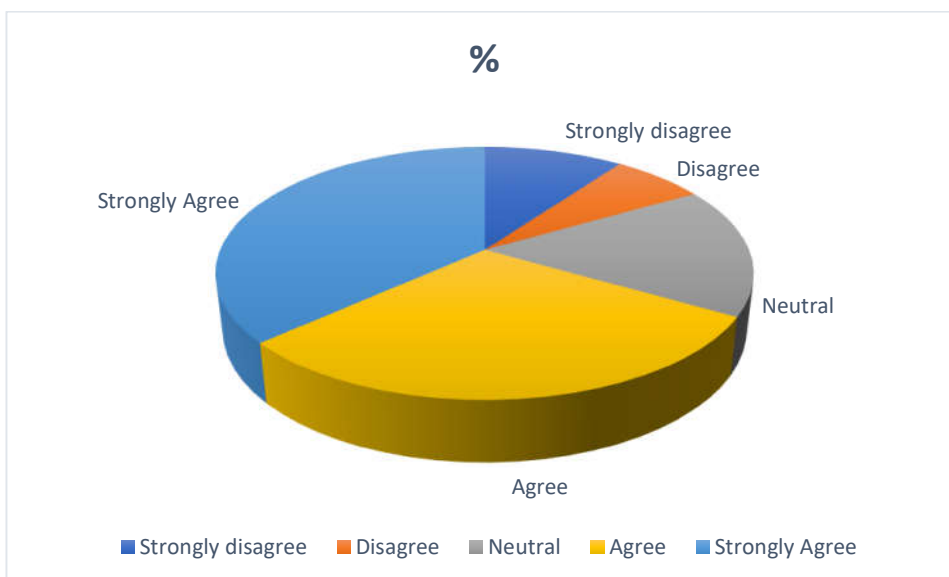
VARIABLES	%
<b>SEX</b>	
Female	53.33
Male	46.67

VARIABLES	%
<b>AGE</b>	
20-25	8.33
25-30	20.00
30-35	18.33
35-40	15.00
40-45	13.33
45-50	10.00
50-55	8.33
55-60	6.67

Data is presented via pie charts and tables. The complete questionnaire is tallied, along with pie charts.

**QUESTION:NO 1 .** How essential are non-monetary benefits in influencing your desire to put additional efforts in your job?

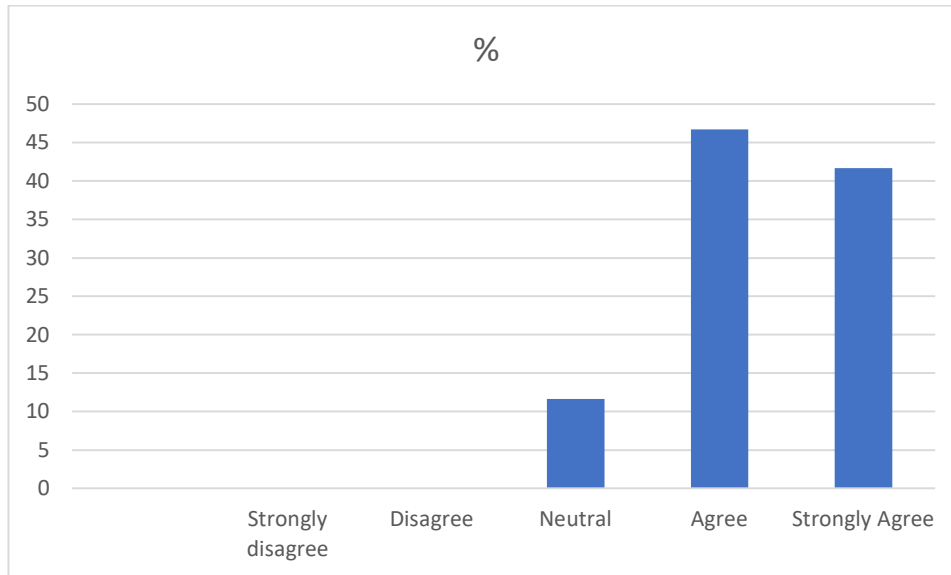
S:NO	OPTION	%
1	Strongly disagree	10
2	Disagree	6.67
3	Neutral	16.67
4	Agree	30
5	Strongly Agree	36.67
<b>TOTAL</b>		<b>100</b>



The statistic reveals that the majority of respondents (36.67%) thought that non-monetary benefits are extremely essential in influencing desire to put in extra effort at work. Furthermore, 30% of respondents believe that non-monetary awards have a good impact on their motivation at work. This evidence demonstrates that, in addition to financial incentives, non-financial incentives play a key role in cultivating the willpower of employees in any business.

**QUESTION:NO 2 . Did job security drive you to perform better at your work?**

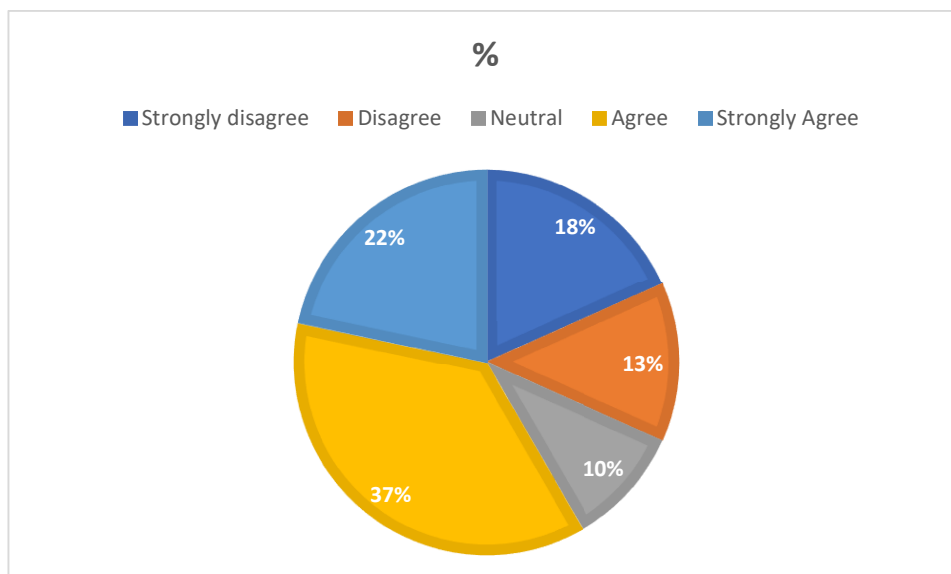
S:NO	OPTION	%
1	Strongly disagree	0
2	Disagree	0
3	Neutral	11.67
4	Agree	46.67
5	Strongly Agree	41.67
<b>TOTAL</b>		<b>100</b>



The graphic depicts the percentage of respondents who are motivated by job security, which leads to better job performance. The majority of respondents (46.67%), followed by 41.67%, felt that job security has a significant impact in improved work performance. However, a relatively tiny minority (11.67%) of the respondents were neutral in their statements.

**QUESTION:NO 3. A good working atmosphere is essential for you to do well in your job.?**

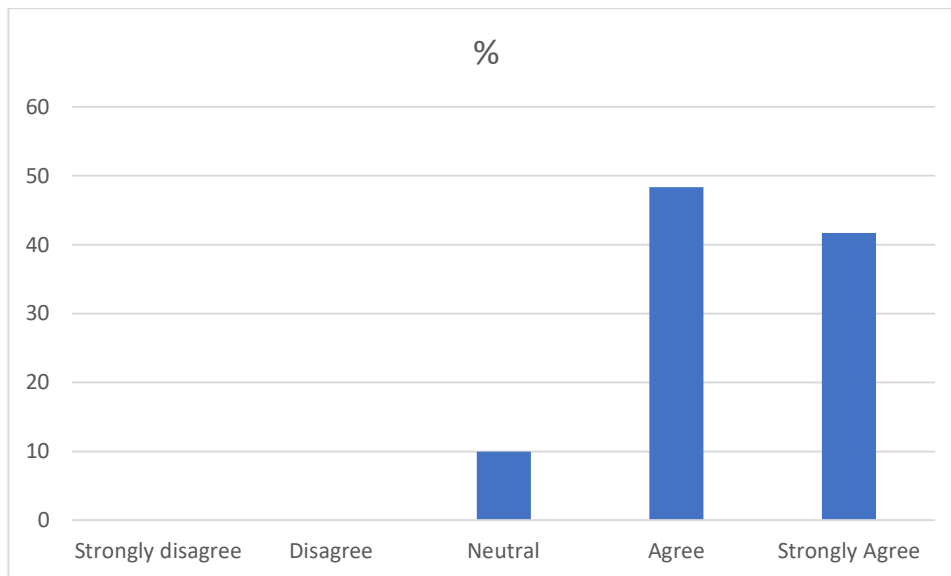
S:NO	OPTION	%
1	Strongly disagree	18.33
2	Disagree	13.33
3	Neutral	10.00
4	Agree	36.67
5	Strongly Agree	21.67
<b>TOTAL</b>		<b>100</b>



The participants were asked whether a positive work atmosphere is vital for job performance. According to the findings, 36.67% of respondents felt that a positive work environment plays an important role in improving employee performance. It encompasses both peer-to-peer and boss-to-subordinate relationships. A welcoming setting is essential for successful performance. Highly unsatisfied workers (18.33%) stated that a pleasant working environment is crucial to them, but it does not exist here in the form of a relationship between top and bottom management.

**QUESTION:NO 4.** Does having the respect of others encourage you to do well at your job?

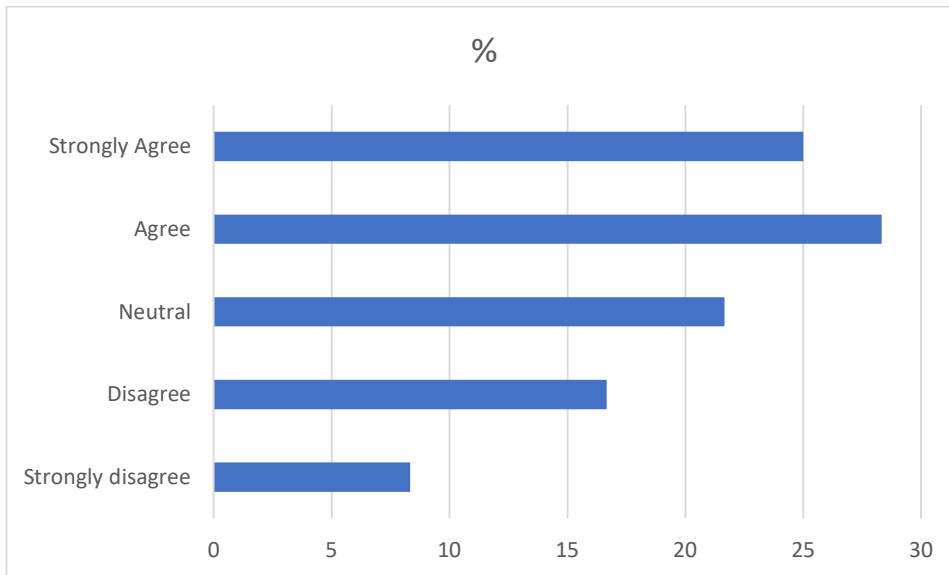
S:NO	OPTION	%
1	Strongly disagree	0.00
2	Disagree	0.0
3	Neutral	10.0
4	Agree	48.3
5	Strongly Agree	41.7
<b>TOTAL</b>		<b>100</b>



The survey found that 48.3% of respondents believed that respect leads to great motivation, while 41.7% strongly agreed with the assertion.

**QUESTION:NO 5.** Will receiving accolades push you to work better?

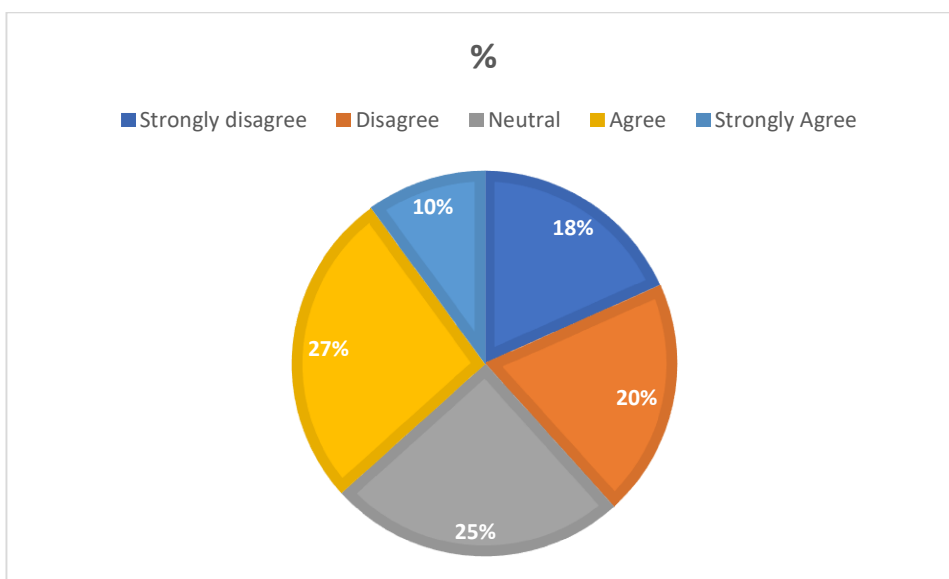
S:NO	OPTION	%
1	Strongly disagree	8.33
2	Disagree	16.67
3	Neutral	21.67
4	Agree	28.33
5	Strongly Agree	25
<b>TOTAL</b>		<b>100</b>



According to the study's findings, 28.33% of respondents believe that receiving recognition in the company will drive them and help them work better.

**QUESTION:NO 6.** Is promotion and professional progression in the organisation important in keeping you?

S:NO	OPTION	%
1	Strongly disagree	18.33
2	Disagree	20.00
3	Neutral	25.00
4	Agree	26.67
5	Strongly Agree	10.00
<b>TOTAL</b>		<b>100</b>

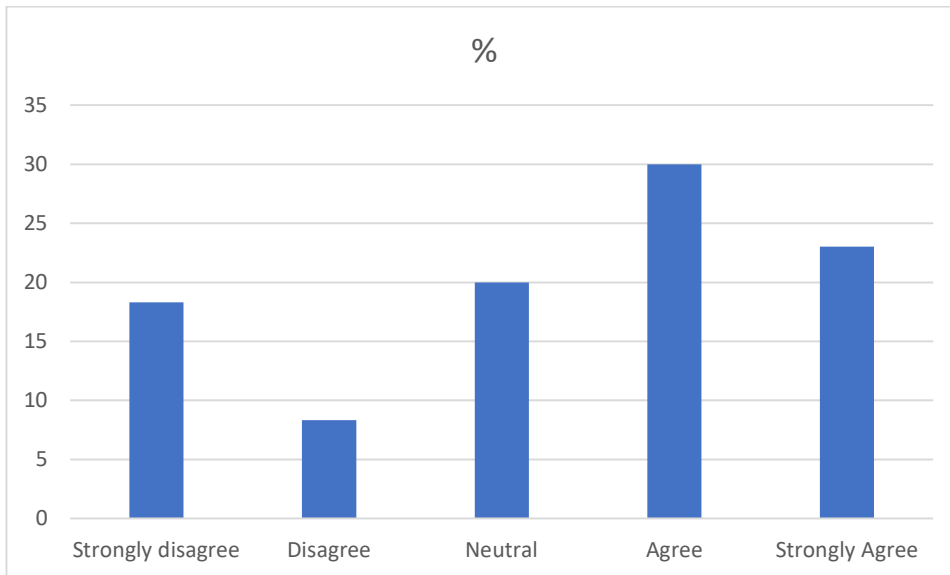


According to the study's findings, 26.67% of respondents felt that promotion and career progression inside the organisation play an important influence in keeping employees.

**QUESTION:NO 7.** Will having greater autonomy at work contribute to more motivation?

S:NO	OPTION	%
1	Strongly disagree	18.33
2	Disagree	8.33
3	Neutral	20.00
4	Agree	30.00
5	Strongly Agree	23.00
<b>TOTAL</b>		<b>100</b>

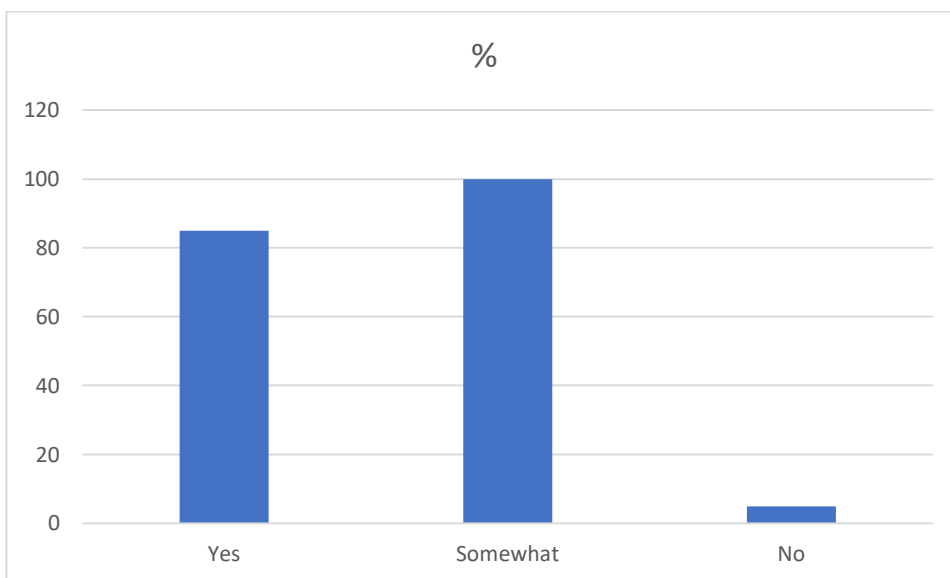




The study's findings showed that 30.00% of respondents felt that having greater autonomy at work would encourage them.

**QUESTION:NO 8.** Do variable awards are more widespread in a bigger proportion as compared to small and medium enterprises?

S:NO	OPTION	%
1	Yes	85.00
2	Somewhat	10
3	No	5
<b>TOTAL</b>		<b>100</b>



According to the study's findings, 85% of respondents felt that larger organisations offer a wider range of benefits than small and medium-sized businesses.

**CONCLUSION**

Every organization's success is dependent on its personnel being pleased in their employment. Given the significance of job satisfaction in determining a company's performance, every organisation should identify and implement the factors that influence it. Non-monetary and monetary incentives are two factors that significantly influence employee work satisfaction. They add to an employee's awareness of his or her role inside the organisation. Because of this, non-monetary incentives are critical. They will only perform at their peak if they consider themselves as an essential part of the team. When employees get non-monetary incentives, they are more likely to feel like they are a member of the team. They spend much of their time working with an upbeat mentality and having pleasure.

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