

The impact of non monetary factors business essay

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Chapter 2**Literature Review****2. 0 Introduction:**

The employees of an organisation require a certain form of motive towards their work. The motivation helps in moving the employees in a specific direction. Barling et al. (2009) explained that a determined set of goals helps in gaining goal and achievement. According to Densten (2009), motivation types are either intrinsic or extrinsic; however, both are used to motivate employees of the organisation. Beside the monetary factors, an employee seeks for modes of non-monetary benefits that help in increasing the performance level towards the attainment of organisational goals. This competitive organisation beside a winning model for an organisation also requires winning employees. Huey (2008) commented that employees are the internal customers of the organisation and their satisfaction is crucial for organisation's sustenance. Every firm aims to design the right level of non-monetary benefits for the employees but acknowledgement of the incentive programs needs perceived value of the award and the psychological connection [Available from: http://edweb.sdsu.edu/people/arossett/pie/Interventions/incentivesrewards_2.htm, 5th March 2013].

The aim of this chapter is to identify the need of the motivation in the non-monetary policies. The selected organisation for the research study is ASDA, based in UK. The impact of motivational programs on the employees of ASDA will observe both the positive and negative outcomes so that an overall scenario of the ASDA is accessed.

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2. 1 Strategic Human Resource Management:

In every organization, to influence the people or human resources of that organization various management decision and practices are takes place (Armstong, 2011). Through Human Resource Management (HRM) different organization mainly involves in this area. However Barling et al. (2009, mentioned that the Human Resource Management (HRM) policy should follow a specific strategy which implies that the Human Resource Management (HRM) should be strategic in nature. When Human Resource Management (HRM) is placed in the strategic level, it is considered as Strategic Human Resource Management (SHRM) (Becker and Gerhart, 2010).

Fig 1: The strategic human resource management (SHRM)

(Source: created by author)According to Billett (2010), the strategic management of the human resources involves five sequential steps: Mission and goals of the organization, analysis of the environment, and formulation of the strategy, implementation of the strategy and evaluation of the strategy.

Fig 2: ASDA strategic management process

Source: [Available from: http://groceries.asda.com/asda-estore/index.jsp?cmpid=ppc_-_ghs_-_brand-dsk_-_google_-_asda-groceries&referrer=cookiesDetecting, 6th March 2013]

The strategic management of human resources in organization starts into the senior level where the mission and goals of the organization retention process are discussed (Billett, 2010). As stated by Brenda and Hy (2010), through Strength, Weakness, Opportunities, and threats (SWOT) analysis both the internal and external environment are

analyzed in the second steps of the strategic management process. In the third steps, the top level management analyzed different strategic factors and choose a proper one among the alternatives so that this strategy can help the organization for achieving the goals selected (Bruch and Walter, 2008). In strategy implementation stage, the top level management deals with different factor including the information and control system of the organization, leadership style, structure of the organization etc (Elizabeth and Adelina, 2011)). According to Densten (2009), the evaluation stage determines what are the change happened in the organization and whether these change match with the desired level of expectation or not.

2. 2 Theory involves on Strategic human Resource Management (SHRM):

Strategic Human Resource Management (SHRM) involves a number of theories through which the needs of Strategic Human Resource Management (SHRM) are clearly explained (Cooper et al., 2011). Sometimes two of its theory may coincide to each other in the time of explaining certain incidents involve in Strategic Human Resource Management (SHRM). However, according to Roberts (2008), no single theory can appropriate for implementing an effective strategic HR function, there should be a balance among all the theory involve in Strategic Human Resource Management (SHRM). The important theories of Strategic Human Resource Management (SHRM) involved Universalistic approaches, strategic fit approaches, hard and soft approaches of Human Resource Management (HRM), resource based model etc.

2. 2. 1 Universalistic approaches:

Cummins and Armstrong (2012), mentioned that, universalistic approaches is a process through which the traditional HR practice are transformed into a limited set of appropriate HR procedure and policies. This appropriate HR policy includes high pay levels, extensive employee training etc.

2. 2. 2 Strategic fit approaches:

In contrast to universalistic approaches, strategic fit approaches refer how the HR practices are matched with the specific aspect of the external environment (Dalal et al., 2008). 2. 2. 3 Hard and soft approaches of Human Resource Management: According to Dana (2008), hard approaches of human resource management considered employees as a resource like other resources and it involves short-term time scale so that employees are hired and fired as necessary. On the other hand, through soft approaches, employees are considered more important than other available resources (Decker et al. 2012). Not only that, Densten (2009), mentioned soft Human Resource Management (HRM) approaches are taken to achieve the long term corporate objective of the organizations. However, (Denison et al., 2007), opined that both hard and soft approaches of Human Resource Management (HRM) involves certain monetary as well as non-monetary factors. Most important non-monetary factors involved in the approaches are: Self-fulfilment related to the job which includes whether the jobs provide any worthiness of life or not, whether the job is enjoyable or not, is there any satisfaction related to the job etc. Working condition which includes holidays and working hour provide by the organization, welfare system of the company etc. Management of company includes, attention towards

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employees, social evaluation etc. Relation with supervisors and with co-workers includes, atmosphere of the organization, co-operation, leadership etc.

2. 2. 4 Resource based model:

Resource based model of human Resource Management (HRM) mainly depends on certain information through which organizations gains certain competitive advantages with the uses of those employees who are valuable to the organization level of competence is high and enhance the overall value of the firm (Dewberry, 2010). There are also certain monetary as well as non-monetary factor involves in this model (Edwards, 2010). However, according to George and Clive (2011), non-monetary factors are broadly classified in three different heads: Human capital pool, employee relationship and behaviours, and different people management practices. (Fuller et al., 2007) also mentioned that different people management practice will support the human capital pool which enhances the employee relationship and behaviour in the organization.

Fig 3: Resource based model

(Source: Created by author) Fred et al. (2007), mentioned that in every organization to enhance the individual productivity as well as the performance level, the Human Resource Management (HRM) plays the major role. Not only has that, (Gary and Christopher, 2010) argued for effective strategic human resource management (SHRM) there needed proper human resource management (HRM). Hence in order to achieve greater competitive performance, the organization has to design the strategy related to the

human resources for effective utilization. However, organization needs to take care in maintaining proper strategic human resource management (SHRM) (Ellen, 2008).

2. 5 Need of Motivation:

In many organisations, employers want to possess employees who are motivated so that they can put in positive efforts for the success of the organisation. Newman and Harrison (2008) opined that a right balance of financial and non-financial motivational factors helps an employee towards positive vibes in a working atmosphere. In the financial crunch situation, not every organisation can afford to spend plentiful amount of money on motivational programs. Arguably, May et al. (2008) said that beside the role of monetary benefits other benefits are hardly acknowledged by the employees. However, it is evident to recognise the scenario where the employee is working and to evaluate the working atmosphere accordingly. Need of motivation is observed in both the higher level and lower level of employees. According to Denison et al. (2007), Non-monetary rewards reflect a positive approach in the compensation policies of employees. Critiqued to it, Stiles et al. (2008) noted that any failure in the non-monetary benefits may also lead to distortion in the organisation such as dispute and differences between the management and the employees. Apart from this, a company with lower quality of life (such as pollution, unsuitable weather, poor infrastructure and others) reflects poor working standard in that particular organisation [Available from: <http://edis.ifas.ufl.edu/hr017>, 4th March 2013].

2. 5. 1 Motivational theories:

The benefits derived with the application of motivational theories justify the importance for the organisation's success (Densten, 2009). The people's behaviour and expectation is described via motivational theories and thus allows management to study the employees' viewpoint. On the other hand, Pacanowsky and O'Donnell-Trujillo (2009) mentioned that vast number of motivational theories reflects the inability of defining the exact expectation of the people. However, a detailed study and explanation of motivational theories are helpful in effective design of non-monetary benefits.

2. 5. 1. 1 Maslow's and Herzberg's Theory:

Application of motivational theories is based on the concept of reward and recognition. Barling et al. (2009) suggested that beside finance motivators, alternate motivators are capable of motivating the individuals based on their needs, wants and expectations. According to Maslow's theory, the motivation of the employees are based on the ' hierarchy of needs' such as physical needs, security needs, social needs, self-esteem and self-fulfilment. Roberts (2008) explained that Maslow's theory is interdependent on each stage where after achieving the lower stage, an individual aims to achieve the next level. SELF-FULFILMENTSELF-ESTEEMSOCIAL NEEDSSECURITY NEEDSBASIC NEEDS

Figure 1: Maslow's Need of Hierarchy

(Source: Houston, D. J. 2010, p- 728)As shown in the above diagram, Maslow's Need of Hierarchy explains the five stages where expectations vary at each stage. Initially is the basic need that explains the monthly payment

and physical facilities of an employee. In the second stage, security of the job is stressed so that safety of the job is gained. Social need is laid on team efforts and group activities so that capable staff can effectively work together. Self-esteem emphasises the concept of self-respect and respect for other employees. Lastly, self-fulfilment stresses on career planning with power and responsibility. The next model of motivation is Herzberg's Two-Factor Theory that explains the true motivators. Fullager et al. (2007) explained that these motivators help in assessment of satisfaction within an employee so that the workplace condition is observed efficiently. Both the hygiene factors and satisfiers aim to motivate employees. Employees dissatisfied and unmotivated Employees not dissatisfied but unmotivated Employees satisfied and motivated Hygiene Factors Motivation Factors

Figure 2: Herzberg's Two-Factor Theory

(Source: Roberts, G. E. 2008, p- 98) Application of two-factor theory helps in evaluation of the characteristics that leads to job satisfaction within an employee of an organisation. Densten (2009) revealed that factors of satisfies such as achievement, growth, advancement, responsibility among various other factors lead to satisfaction of job in an employee. However, certain factors also act as dissatisfaction among the employee like security, compensation policy, working conditions, supervision and so on. According to May et al. (2008), application of hygiene and motivation factors can result in motivated and satisfied employees that will create positive effect on the organisational performance.

2. 5. 1. 2 McGregor's Theory X and Theory Y:

One of the classical theories of motivation is Theory X and Theory Y that explains working behaviour of a human and the kind of behaviour in two different aspects. Barling et al. (2009) explained that McGregor's motivational theory focuses on the negative (Theory X) and positive (Theory Y) factors observed in a workplace. Theory X Theory Y No like for Work Dislike Responsibilities Resist Change Exercise of efforts Self-direction & Control Potentiality

Figure 3: Theory X and Theory Y of Motivation

(Source: Newman, D. A. and Harrison, D. A. 2008, p- 35) In this model of motivation, Ellen (2008) mentioned that Theory X contains negative assumptions for an employee where lack of motivations persists and thus employees' performances are not up to the standard. The other Theory Y assumes positive forms of motivation in the working environment and results in strengthen structure of employee relation (Meyer et al. 2009). Employees are skilful and have the potential of working better and effectively solving the organisational issues. Thus, the impact of non-monetary benefits can be observed in the working atmosphere of an organisation where beside financial motivators, alternate satisfiers are helpful in bringing positive changes.

2. 5. 1. 3 Vroom's Expectancy Theory:

The expectancy theory is proposed on employees' viewpoint where Vroom explained the outcomes of the model (Fred et al. 2007). Agreeing to it, Dalal et al. (2008) stated that models of Maslow's and Herzberg's focuses on the

need of the employees whereas Expectancy theory reflects the definite outcome of the model.

EFFORTPERFORMANCEOUTCOMEMOTIVATIONEXPECTANCYINSTRUMENTALITY

VALENCEThe three attribute of this theory are Valence, Expectancy and Instrumentality. The expected performance of the employee along with the expected reward is evaluated to achieve the goal.

Figure 4: Expectancy Theory

(Source: Dana, B. M. 2008, p- 713)The efforts of the employees are directed towards a specific goal by increasing their expectancy. Later on the performance aided with instrumentality helps in increasing the faith within the employee to give better outcomes. Thus, the better outcome is the result of the efficient motivation. Densten (2009) defined that expectancy theory aims at increasing the self-interest of the employee by minimising the level of dissatisfaction.

2. 5. 1. 4 Four Drive Theory:

Acquire & AchieveBond & BelongComprehend & ChallengeDefine & DefendOne of the modern motivational theories is Four-Drive Theory; it looks at the non-monetary aspects of an employee satisfaction. Lorenzo (2010) noted that this theory stand on four drives of acquire, bond, comprehend and defend, also known as Drive A, Drive B, Drive C and Drive D respectively.

Figure 5: Four-Drive Theory

(Source: Hong et al. 2011, p- 343)Drive A, Drive to Acquire: This drive aims at seeking power and control over the objects and experiences. Elizabeth and Adelina (2011) stressed that this drive aims at differentiation of good or

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poor performance of an individual. The reward system is based on external system like salary/wages, incentives and so forth. Drive B, Drive to Bond: Gary and Christopher (2010) defined that Drive B aims at promotion of social interaction so that relationship among the employee can be cordial and harmonious. This drive also seeks team effort and group activities of the individual. Drive C, Drive to Comprehend: The third drive seeks challenge for the employees' work so that a scope of learning evolves. In words of Iverson (2009), innovation and comprehend skills are driving this factor. Enhancing the work process instead of making it simple is the motto of this drive. Drive D, Drive to Defend: Final driving factor of this model is based on the situation of "fight-or-flight" where the responsibility management under crisis is evaluated. Glen (2010) noted that this reactive phase unlike the other three phase is acquired due to the threat of the situation.

2. 6 Monetary v/s Non-Monetary Benefits:

Armstrong (2011) examined that the adoption of both the monetary and non-monetary benefits is helpful in forming the ideal pay structure of an employee. Although monetary measures are forming the basic motivators for the employees but the non-cash rewards are helpful in recognition and rewards programs of the employee. Perry and Porter (2011) mentioned that financial benefits include monetary measures like cash bonus, incentive, housing facility, conveyance, reimbursements and others. Components of non-monetary facilities include various kinds of non-cash rewards that help in increasing the employee delight. Initially, both the employer and the employees tailored importance of monetary programs. Eby et al. (2008) addressed that effective monetary packages were effective in enhancing the

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productivity of the organisation. However, with competition and increasing number of firms in UK, the concept observed a table-round where non-monetary benefits appeared. The reason behind the increased importance of non-monetary benefits is based on the concept of cost-effectiveness. Helms (2010) noticed that an organisation could not be relied on increasing the salary structure of every employee. On the other hand, Edwards (2010) addressed that non-monetary benefits involve strategies that involve recognition and appraisals of the employee and lacks monetary issues. Thus, adoption of non-monetary was seen profitable for the organisations with the aim of higher productivity.

2. 7 Non-Financial Recognition:

Need of non-financial is a tricky concept for the management and employer yet forms one of the crucial concept of acquiring organisational success. In the words of Elizabeth and Adelina (2011), monetary recognition although forms the basic pay structure of the employee but the importance of non-monetary benefits are also evident in modern world. Thus, a balance of both the monetary and non-monetary aspects helps in formation of successful organisation. According to Gary and Christopher (2010), motivational factor was not restricted to pay, incentives, bonus and recognitions. The expectation level of employees observed growth and is still observing. Categorization of non-monetary incentives is classified into three categories of Baby Boomers, Generation X'ers and Generation Y'ers. Dewberry (2010) explained that with organisation development, expectation level of employees also observed development. Initially non-monetary factors were retirement planning, job training, vacations, professional development, and

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others. The modern business forms tries to incorporate non-monetary factors as following:

2. 7. 1 Ever-fast changing Culture: Organisations working on global platform reflect the need of employees with various regional backgrounds that must support the concept of diversity. Armstrong (2011) suggested that availability of cross-cultural training helps in minimising the regional differences among the employees and builds positive work-atmosphere in the organisation. Moreover, changing culture is also applicable for promotion of new cultural ideas, concepts and business forms.

2. 7. 2 Employment Environment: In an organisation, a positive sense of working environment should be encouraged so that employee can be motivated for higher work. Adam et al. (2010) mentioned that negative employment environment like racism, red-tapism, nepotism should be discarded. Every employee needs effective attention from the organisation so that the employees feel valued for the organisation. Actions like favouritism and partiality needs discouragement at the organisation. Effective communication is also helpful in promoting positive employment environment at the workplace.

2. 7. 3 Employee Mobility: Globalisation gives rise to the issue of employee mobility, as interaction with various nations requires employees to travel at various locations. George and Clive (2011) illustrated that management of employee mobility requires successful and training programs so that business knowledge of other nations can be gathered. Transfer of employees at various countries often includes attractive benefits and compensation packages. Thus, as analysed by Cummins and Armstrong (2012), employee mobility allows employees to deliver the maximum output with the best quality so that the attractive

benefits can be accessed. 2. 7. 4 Ethical Attitude: The work-atmosphere reflects the various aspects of an individual while performing individually, in a group or towards organisation's goals. Harter et al. (2010) explained that certain ethical attitudes support the organisation structure. Confidentiality of the organisation needs to be maintained by the employees so that integrity issue is not distorted. However, Josse and Robert (2011) acknowledged that transparency within the organisation helps in developing mutual trust among the employees and peers. Every organisation seeks to achieve successful implementation of CSR (Corporate Social Responsibility) through such reward programs. 2. 7. 5 Life Demands: Career success of employees aims at achieving balance between the work and life. Gary and Christopher (2010) described that integration of career and demand calls for the right approach of the employees. According to Becker and Gerhart (2010), career success definition is maintained by application of work-life balance. A recent survey reported that around 53% of the participants turned down a job-offer due to the various worries related with the job harming the work-life balance [Available from: <http://edis.ifas.ufl.edu/pdf/HR/HR01600.pdf>, 4th March 2013]. 2. 7. 6 Tech Rules: Application of latest technology helps in redefining of the job so that consumers can be catered effectively. In the words of Richardson (2010), most of the employees prefer computerised and automated process so that maximum number of works can be performed within a short span of time. Thus, an organisation well equipped with latest technological equipments helps in retention and satisfaction of the employees. A statistical report depicts that the latest technology is widely accepted by around 72% of the current generation [Available from:

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<http://edis.ifas.ufl.edu/pdffiles/HR/HR01700.pdf>, 7th March 2013]. The impacts of these modern forms of non-monetary measures are not strictly followed in any organisation but are slowly coming under the basic expectations of the employees. Armstrong (2011) acknowledged that modern and tech-based environment is leading to larger arena of these non-cash rewards forms. However, the crucial impact of non-monetary measures cannot be avoided hence the observation of such prizes are essential for the successful organisation.

2. 8 Importance of Life-Demands in Increasing Motivation:

The role of non-financial recognition is based on increasing the motivation of the employee. However, the recent non-monetary factors are crucial for retaining employees within an organisation. Cooper et al. (2011) thinks that organisation cannot afford to motivate every employee on monetary basis, as it will cause effect on the budget. Need of non-monetary is supported by organisation as it is cost-effective and is more impactful among the employees (Lam and Lambermont-Ford, 2010). Life-Demand is a form of non-monetary measure that promotes luxurious life of the employees hence is helpful in retaining employees of the organisation. Elizabeth and Adelina (2011) explained that certain forms of life-demands are helpful in achieving the desired expectations of the employees. Apart from salary, compensation in form of fringe benefits in the form of life-demands is required to appraise the performance of the employee. Certain forms of life-demands are enlisted below:

2. 8. 1 Flexible Shifts: Instead of regular shift of nine to six, employees may be allowed for flexible hours. Harris et al. (2010) noted that flexibility of hours allows employees to work as per their suitability and thus

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enables proper working hours for the employee. Apart from that, due to flexible shift of working hours, employees are capable of continuing their courses and study and thus better qualification is attained that helps in better output of work also.

2. 8. 2 Paid Vacations: On various occasions, organisation allows a paid trip or vacation to the employee. Brenda and Hy (2010) suggested that such fringe benefits helps in gaining loyalty of the employees and the work commitment of the concerned employees is enhanced. An organisation tries to incorporate various forms of packages such as paid vacations so that attractive and lucrative benefits increase both the work commitment and loyalty of the employee.

2. 8. 4 Medical Facilities: Many organisations give medical facilities to its employees to ensure safety. Julie and Arthur (2011) opined that health facilities in case of sickness, ill health, diseases or accidents are provided by organisation so that proper treatment can be availed to the employee. Smircich (2010) noticed that medical allowances are a mode of non-monetary profits that gives a scope to the organisation to earn loyal employees. At times, dependent of employees like spouse, parents or children are also given access to this allowance.

2. 8. 5 Work-ambience: Facility of adequate work environment enhances the scope of employee welfare for the organisation. According to Lilius et al. (2010), fresh and healthy work-ambience promotes better work effort in the organisation. Moreover, Gary and Christopher (2010) added that better work environment allows health of the employee to be safe and thus proper maintenance of regular staff is achieved. It also prevents hindrance of any work. Apart from financial measures, such facilities are also effective in enhancing worker's productivity at workplace.

2. 8. 6 Insurance and

Pensions: Safety and security of the employees are essential for an organisation. Decker et al. (2012) pointed that insurance and pensions schemes are helpful in providing security of the employee along with securing future of the dependents. Such welfare program for employees helps in getting positive response from the employees and thus creates impact over the improved efficiency of the employee.

2. 8. 7 Fun at Workplace: Maintenance of strict working atmosphere is not mandatory every time. Few joyful events such as birthdays or anniversaries may be allowed in the work place (Richardson, 2010). Although such events are minor impacts over employees' rewards programs but are effective in achieving employees' delight. Bruch and Walter (2008) added that celebration of such events bring a positive change in the work place and thus a fresh mind of the employees are generated that helps in working better with more concentration and happiness.

2. 8. 8 Option of Working from Home: At times, many organisation gives opportunity to the employees to take the option of working from home. Elizabeth and Adelina (2011) explained that the management seeks to give comfort to the employees along with getting work accomplished on them. Such facility allows comfort of the employee also as the hassle of reaching office to complete the task is not present. Moreover, Armstrong (2011) noted that working from home option also helps in maintaining absenteeism as the work is completed even if employee is not present in the organisation. Thus, the researcher evaluates the impact of life-demand as one of the motivational tool. Although life-demands can be of various ways but adoption of each tool should be evaluated as per the requirements of the employees. Every

employee's needs may vary from one another so the organisation needs to understand the basic expectations of them so that the most effective life-demand option is implemented.

2. 9 Impact of Non-Monetary Factors on HRM:

Human Resource Management (HRM) essentially deals with handling of human assets, i. e., employee. Smircich (2010) mentioned that HRM seeks hard work, effective output and welfare of the employee. Application of non-monetary factors helps in increasing employee productivity. Stretching employee beyond potential is the aim of every effective HRM policy (Konrad, 2009). The factor that helps in increasing the efficiency is termed as motivational factor of the employee. Both the monetary and non-monetary act as reward for the employee. Perry and Porter (2011) suggest that retention of the employees requires fulfilment of their needs, demands and expectations so that job satisfaction within the employee is enriched and maintained. Role of financial rewards also serves the need of motivation but essentially, it may not be helpful every time. In such a case, Denison et al. (2007) noted that the task of non-financial rewards appears. Instead of salary, appraisal is the implemented tool of the management or the employer. Brenda and Hy (2010) advised that appraisal done either individually or on group is helpful in motivating the work-spirit of the employee. Thus, non-monetary benefits help in building of confidence, motivation and satisfaction. Huey (2008) described that role of non-monetary factors are ideal for employee recognition program that helps in motivating employee. Use of non-monetary can be for both the individual and group purpose. However, Gary and Christopher (2010) argued that the

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impact of these programs varies individually. A specific non-monetary benefit may be motivating for an employee but fail to work for other employee and vice versa. Disagreeing with the concept of non-monetary benefits, Allen and Helms (2012) stated that impacts of such benefits are not strong enough to retain an employee into the organisation. However, on the other hand, finance motivator is independently capable of attracting efficient workers for the organisation. According to recent survey of 2010, around 73.2% of the employees are more concerned in concepts of job-related self-fulfilment instead of monetary compensation [Available from: <http://edis.ifas.ufl.edu/pdffiles/HR/HR01700.pdf>, 7th March 2013].

2. 10 Impact of Non-Monetary Factors on Employees:

Retention of employee is the key issue of every organisation across the world. Perry and Porter (2011) commented that retention of employees requires adequate job satisfaction and employee delight. Although basic pay of an employee is the key motivator of the employee but with modernisation and educational reforms, need of job satisfaction and motivation calls more urgency of both the monetary and non-monetary rewards. According to Lorenzo (2010), impacts of non-monetary incentives are higher when compared to monetary rewards in workplaces. Thus, a brief study of non-monetary incentives over the employee is required.

2. 10. 1 Effective Medium: Non-monetary benefits are observed as non-cash rewards for the employee.

Harris and Mossholder (2010) explained that employee delight is achieved through such perquisites and recognition programs. Thus, a positive relationship between appreciation and career growth is attained through such benefiter's factors. Appraisal at times requires just a pat on the

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employees' shoulders to motivate them with higher quality of work. Such kinds of honours are cost effective for the organisation also. 2. 10. 2

Promotes Communication: With appreciation and recognition program, George and Clive (2011) analysed that the efforts of the employees are appreciated that allows them to share their grievances in a more effective manner. Bruch and Walter (2008) noted that cost-effective recognition programs help the management or the employer in gaining trust and confidence of employees. Thus, grudges and complaints are handled in a better form and communication increases from both the sides of the organisation. 2. 10. 3

Enhances Confidence and Work-Spirits: The non-monetary measures with effective implementation, helps in increasing the loyalty spirit within the employee. Huey (2008) explained that non-monetary programs help in development of the work ambience that triggers the work efficiency of the employee. Practice of performance appraisal increases the confidence of the employees. Adam et al. (2010) acknowledged that with the better satisfaction of employees, high level of work-spirit is also gained. 2.

10. 4 Promotes Contribution: Meyer et al. (2009) noted that non-monetary measures help in maintaining direct contact between the management and the employee. Employees interact directly with the customers hence a satisfied employee is efficient in satisfying customers. Ellen (2008) identified that satisfaction of employees leads to achievement of personal aims in accordance with the organisational goals. Thus, a satisfied employee aims to contribute for the betterment of the organisation. 2. 10. 5

Makes them feel Valued: According to Dana (2008), the prizes or perks in forms of non-cash rewards helps in improving employee relation and a valued recognition

towards the employee is achieved. Armstrong (2011) defined that non-monetary helps management by making employees feel valued for the organisation. Such sense of belongingness helps in organisational success with better productivity of the employee. 2. 10. 6 Increases Commitment and Morale: Recognition and loyalty programs are crucial for increasing the morale of the employee (Stiles et al. 2008). Attracting new employees and retaining the old ones requires adequate non-financial recognition so that their appreciations are recognised. Such immediate non-cash awards helps in increasing the urge within the employee to strive for better performance. Thus, impact of non-monetary measures for the employees is crucial for the success of the organisation. George and Clive (2011) argued that the way an organisation adapts this programs varies and impact of such measure are not sure shots. Wrong implementations of such rewards are also capable of creating negative effect over the employees. Ramlall (2011) suggests that under a situation where an employee gets recognition, other employee may get jealous or obtain a negative form of motivation. Thus, the implementation of these programs should be based on effective measures and outcomes to avoid any issues.

2. 11 Need of Non-Monetary schemes in an Organisation:

Organisations initially was focussed with monetary motivators to boost performance of employees, later on with more rival firms, the demand of employees started increasing rapidly. Bruch and Walter (2008) noted that competitiveness was rising among the forms of the same industries and hence retention of key employee became issue for every organisation.

However, as analysed by May et al. (2008), beside monetary factors, need of

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alternate motivator emerged, i. e., non-monetary factors also termed as ‘ non-cash’ awards. A survey report stated that more than 54. 7% of the employees prefer jobs that have more recognition in comparison to basic salary structure [Available from: http://edweb.sdsu.edu/people/arossett/pie/Interventions/incentivesrewards_2.htm, 5th March 2013]). The researcher lists the need of non-monetary implementations by the organisations as following:

2. 11. 1 Employee Turnover: According to Ramlall (2011), the need of non-monetary factors leads to emergence of satisfied employee that ideally helps in retention of the employees. George and Clive (2011) noticed that monetary motivators on an independent basis today are not enough to retain efficient employees in an organisation. Need of skilful staff is issue with every organisation so the implementation of non-monetary measures helps in achieving employees with higher retention rate. Thus, an organisation with higher retention rate is having access over higher employee turnover.

2. 11. 2 Sustain the Competition: The competitive market calls for the best service delivery by the employees of the organisation. Perry and Porter (2011) mentioned that organisation in competitive atmosphere needs to create a positive work environment for the employees. Adoption of non-monetary measures helps in achieving better productivity of the organisation along with improved efficiency of the employee. Armstrong (2011) noted that sustaining in the competition requires maximum output delivery of the employees. Satisfied employees are capable to devote better efforts in their work and enhancing the quality output of the organisation.

2. 11. 3 Satisfying Customers: Employees interact on the first level with the customers of the organisation hence, it is crucial to

have skilful and determined employees. Konrad (2009) explained that satisfied and content employees are better capable of gaining satisfied customers. The work commitments of the employees are required to gain new customers for the organisation. However, Ellen (2008) described that effective non-monetary factors creates instant actions in deriving content within the employee. On the other hand, loyal customers seek better customer delivery so that they can remain loyal to the company. A survey report mentioned that gaining a new customer is at least seven times tougher in comparison to deal with loyal customers [Available from: <http://edis.ifas.ufl.edu/pdf/HR/HR01700.pdf>, 7th March 2013].

2. 11. 4
Supports HR Team: HR is concerned with maximum allocation of work output from the employee to enhance the productivity of the organisation. Iverson (2009) stated that adoption of non-cash rewards helps in better employee engagement and thus the productivity is enhanced. On the contrary, Perry and Porter (2011) commented that non-monetary at times acts as creating conflict among the colleagues or co-workers. Thus, it is crucial for the management to implement the measures in the most comfortable way so that positive approach towards is measure is promoted.

2. 11. 5
Acknowledging Performance: Performance appraisal of individual or group helps in encouraging positive work-spirit in an organisation. According to Roberts (2008), performances of employees are greatly depended on the work culture and ambience of the organisation. Acknowledgement of employees' performance by management or employer leads to positive form of motivation within the employees and creates the urge to deliver better output by extracting best from the potential. George and Clive (2011)

focused on the importance of non-monetary reforms that helps management in fostering positive energy within the employee and work with better output. An overall assessment of Non-monetary impact over the organisation depicts the importance of these reward reforms. Employees, customers and management are inter-linked with the application of these non-cash rewards. Organisation's productivity is largely dependent on satisfied employees and satisfactions of employees are based on these alternate motivators.

2. 12 Impact of Life-Demands (Non-Monetary Factor) on Motivation for Employees in Retail sector:

The trends of non-monetary factors are observed as a crucial source of employee relation in retailing sector like any other sector (Julie and Arthur, 2011). Apart from desirable primary benefits, organisations are trying to maintain secondary benefits to gain employees' loyalty. Retail sector involves direct contact of the employees and the customers so satisfied customers are important for this industry. Bruch and Walter (2008) explained that satisfied employees are better able to deal with customers due to their work commitment and job satisfaction. In ASDA, the ageing workforce is handled by removing the age bar of retirement. Such policy helps in gaining trust of the employee and motivates them to work better (Ramlall, 2011). Adoption of such benefits creates a soft corner among the employee and they feel valued by the organisation. Further, in this organisation, flexible working hours are permitted through scheme of " Me Time". This scheme allows workers to take a day's off for their personal reasons without any justifications. Another scheme of " The My Lifestyle" permits an employee to

take off for 12 weeks either on no-work or limited hour basis. Adoption of "Staff Reward Points" helps employees in performing better to achieve their targets and thus it acts as a motivator tool for the employee [Available from: http://groceries.asda.com/asda-estore/index.jsp?cmpid=ppc-_ghs-_brand-dsk-_google-_asda-groceries&referrer=cookiesDetecting, 6th March 2013]. Such policies helps in active employee engagement and motivational spirit of such employees are held high. Work/Life balance with these schemes is attractive for this retailing organisation and thus attracts new employees. Employees are engaged in maintaining balance between their two areas of life in an effective way.

2. 13 Conclusion:

The theoretical study of literature review reflected the key issues and trends in relation to the non-monetary benefits. Skilful employees in the age of technology and automation have gained importance and thus are treated as assets of the organisation. Retention of and motivation of the employees are termed as success of the organisation. With modernisation, concept of non-monetary measures ash seen modification, one of the most effective factors is life-demands that aim to achieve appropriate work/life balance. Adoption of these non-cash rewards in the retail industry plays a crucial role in motivating the employees.