

# Non financial reward system



Motivation in an organization is vital to an organization to ensure it attains its goals and objectives. In motivating employees, an organization may apply different forms of motivational factors. The mostly commonly used are the financial and non financial rewards. Financial rewards refer to all the incentives given to an employee which has monetary value. Non financial rewards on the other hand refer to all the non monetary incentives awarded to an employee by the employer.

Money was in the past seen as the only motivating factor and thus a rise in the basic pay was enough to motivate and ensure employee loyalty and commitment to an organization. However, with the dynamism and the ineffectiveness of monetary rewards as a means of motivating workers, many organizations are turning to non monetary incentives as a means to ensure that build employees trust and commitment to the organization. Non financial incentives have also been found to produce high levels of motivation in employees and hence more productivity in organizations (Armstrong, Murlis & Group, 2007).

Non financial reward systems, their advantages and disadvantages Different forms of non monetary incentives are used by different organizations with the aim of motivating their employees. One of the major non financial incentives being used by organizations is the job enrichment technique. This involves giving workers more complex tasks which are more challenging but at the same time interesting. Also, giving workers the opportunity to do a whole unit task rather than individual and separate tasks is a motivating factor.

Job enrichment serves as a motivating factor since it gives a worker to test their potential by using all their abilities. Allowing the worker perform a full task also creates a sense of trust and also commitment in the workers. Successful completion of challenging tasks also improves a workers self worth and also builds his or her capabilities (Price, 2007). Job enlargement is another form of non financial incentives. Unlike in job enrichment where employees are given dissimilar tasks, job enlargement entails assigning more tasks which are on similar nature and or complexity to the workers.

This is meant to reduce monotony associated with doing one tasks for a long time. In job enlargement, the manager may also carry out a job rotation at certain intervals. This offers the employee a wider scope of different tasks thus reducing boredom and monotony. In job enlargement, the manager may or may not increase the job challenge to a worker. Job enlargement and job rotation helps in increasing a workers satisfaction in job and reducing boredom and monotony. This also provides prospects for career enrichment and growth (Armstrong, Murlis & Group, 2007).

In the Maslow's theory of motivation, he identified the need for association as motivating factor in workers. To accomplish this psychological need in employees, the management uses team works or working groups in organizations. Team working involves grouping of employees into groups to perform certain tasks. Encouraging team working helps in meeting an employee's social needs for association and belongingness. Group work helps a worker build friendship easily. Informal structures in an organization exist and harnessing their power could be beneficial to the overall productivity of the organization.

Team working helps in building positive informal structures in an organization thus improving the overall performance of the organization. Apart from acting as a form of motivation, group works also helps in creating flexibility in job areas since working groups enables an individual to be multi skilled due to the pooling of knowledge and skills in the group. Innovation is also a product of team working as a group finds ways to be more productive or to improve their production processes (ChernettBlackStar, 2008).