

Increasing organizational performance through non-financial motivation of the employees

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Abstract

Over the last decades, the emphasis on human resources has grown considerably, companies understanding that human resources represent the main capital at their disposal and that they must capitalize on as much as possible to increase organizational performance. The present article analyzes the way in which human resources can be motivated by non-financial means so that the involvement of employees is constant, continuously increasing, thus ensuring benefits from the perspective of the results obtained, these, in turn, contributing to the increase of organizational performance.

Key words: *motivation, job satisfaction, organizational performance, non-financial rewards*

J.E.L. classification: *M50, J28*

1. Introduction

The goal of every organization, regardless of the field in which it operates, is to be competitive, to have success, profit and to have a constant evolution. The challenge that organizations must manage in the contemporary era, regardless of their size, market share or field of activity, is to retain employees, and for this an intense and positive connection between employees and employers must be generated and maintained.

The most valuable resource of every organization is the human resource, so employees must always be motivated and determined to perform their tasks at high standards, in conditions of effectiveness and efficiency. Of course, the tasks of the employees are closely correlated with the competitive environment in which the company operates, so that strategies are defined to respond to the market challenge and to increase organizational performance. As long as the employees of the organization feel motivated and are comfortable working in the respective company, the fulfillment of the tasks and the achievement of the objectives are easily achieved, thus registering success.

Consequently, one of the most compelling challenges facing organizations today is how to ensure that employees are highly motivated (Kumar, Dhanonjoy, 2015). And this involves two aspects: financial motivation and non-financial motivation. The present article will analyze the non-financial motivation approach and will synthesize the ways employers should see this part of motivation process.

2. Literature review

The motivation term has its roots in the Latin word "movere", which means movement. In general, motivation is defined as a set of desires or considerations that generate the necessary energy for a person to fulfill certain goals or objectives. The reasons underlying such behaviors are

closely related to the inner needs of an individual and must be channeled in the direction of satisfying those needs.

At the workplace, employee motivation refers to the degree of involvement, satisfaction, autonomy, enthusiasm and comfort they feel within the company. For example, if an employee is motivated by a certain factor, it is more likely that he will put more energy into fulfilling a certain objective and contribute in this way for increasing company productivity and organizational performance. At the same time, he will feel greater satisfaction when he reaches that goal.

On the other hand, there are situations where obtaining an undesirable result can cause more disappointment to the employee. However, some employees may be more motivated to get over this event and learn from it. Such evidence of resilience and adaptability must be recognized and actively supported by the management staff of the organization.

Motivation is an internal feeling, which means that it cannot be imposed on employees. Therefore, entrepreneurs must know the needs of each individual employee, and know when and in what way they can help him perform as well as possible within the company. In these cases, non-financial motivation represent an easy way to increase confidence, highlight merit recognition and empower employees for their great work.

Dessler (2008) defines motivation as the force that energizes, directs, and sustains behaviour employee motivation. Motivation represents the employee's attitude towards performing the activities assigned to him and the impulse to perform them to high standards and with results that meet the employer's requirements. This personal motivation is influenced by various factors specific to each individual, of a biological, intellectual, social and emotional nature. Considering the factors that can influence the motivation of each individual, the lack of motivation becomes difficult to outline, being rather a complex process, an intrinsic force that can also be influenced by external factors. Each person is unique, therefore each employee experiences activities, events, interacts with different people and objects in life that they consider motivating, which is why we can say that the motivation for obtaining certain results exists in the consciousness and in the actions that each person performs. Employee motivation is pegged on the motivation theory that is concerned with what determines goal directed behaviour and how behaviour is initiated by needs and expectations on achievement of goals which will satisfy the need. Pfeiffer (2009) views the process of motivation as being initiated by someone recognizing an unsatisfied need, a goal is then established which, it is thought will satisfy the need, and a course of action is taken to reach the goal and satisfy the need (Buwembo Mohammed et. al, 2020).

The effect of non-monetary rewards on employees' job motivation has empirically been proven, therefore some reserchers posits that praise and recognition are effective ways of motivating employee behaviour in the organization as they are considered the most important rewards. Aktar, Sachu, and Ali (2012) contend that non- monetary rewards which are represented by recognition, learning opportunities, challenging work and career advancement, have been found to be an effective tool in motivating workers and consequently increase their performance. This reward is highly appreciated probably due the opportunity it offers in terms of skill development of the workers which in the long run could be translated to higher monetary reward (Buwembo Mohammed et. al, 2020). Additionally, non-cash incentives like recognition can not only be cost effective, but also can contribute a lot to raising morale, increasing productivity, improving quality, safety standards and customer service (Wiscombe Janet, 2002).

The interaction that the employer establishes with his employees is an important factor in the motivational process. The methods that employers can apply to motivate employees can be grouped into the following categories: (without limiting only to those) (Neagu Cibela, 2014):

Effective communication: effective communication and the way in which the manager interacts with employees can have a major effect on their motivation, so that active listening, the manifestation of a high interest on the part of the manager regarding the opinion of employees, as well as providing clear feedback, at the right time, in a constructive way.

Giving feedback: giving positive feedback in public and negative feedback in private, so as to encourage positive behaviors, but also to correct the less appropriate ones.

Enrichment of the job: the manager's offering of some recommendations, support for professional development, accumulation of new skills / knowledge, can represent a way of motivating employees.

Individual objectives: defining individual objectives together with the employee, periodically monitoring the degree of their achievement, as well as evaluating the performance of employees is a way to motivate employees to perform their tasks effectively.

Circles of trust: Inclusion of employees in committees that are involved in defining decisions to solve problems or defining response strategies in the context of the competitive environment.

Clear tasks: defining clear tasks, fixed, well-detailed objectives, setting realistic expectations and providing answers whenever they are requested motivates employees and mobilizes them to achieve results.

Brainstorming: the involvement of employees in sessions that lead to the definition of ideas to solve some problems can increase the confidence they have in what they do, thus feeling motivated to get involved more and more.

Delegation: giving employees a responsibility for carrying out a task, supervising an activity or organizing an initiative increases the trust that the manager gives to employees, they feel that they are being trusted.

For a long time, employees learning things or learning new skills to help them develop professionally were considered factors that can negatively influence employee morale and satisfaction. At the same time, the achievement of objectives significantly influences motivation and satisfaction at work. Also, managers and the supervisors support towards encouraging employee participation, mutual commitment, and understanding of the diversity issues play a significant role in motivating and enabling performance (Snyder et al, 2004). The prerogative lies with the organization management, in order to extract performance should create an alignment between the organizational and employee goals and objective. The organizational behavior represented by the organization's management affects the level of motivation and satisfaction in food because of the beliefs, principles and values that are embraced by the organization (Roos, Van Eeden, 2008). Motivated employees, willing to continuously contribute to the achievement of the organization's goals and objectives, represent the basic potential of any organization (Varma, Chandrakant, 2017).

3. Research methodology

In order to properly evaluate the perspective of Romanian employees related motivation and its non-financial dimension, in August 2022 has been performed a survey for 1112 employees, of which 70% held an executive position and 30% a managerial position.

4. Findings

The survey had the purpose to identify what are the non-financial elements that motivate employees beside financial rewards, therefore the conclusions have shown that:

- approximately 70% of employees earn more than last year
- 30% of women would change their current job if they were offered a salary 200E higher than the current one!
- 57% of employees believe that they have no chance of promotion
- 30% of employees do not learn anything new at their current job
- 57% of employees do not receive appreciation for the work they do
- 43% of the employees consider that they do not have a pleasant atmosphere in the company
- 49% of women consider that they do not have a satisfactory level of authority, in contrast to 34% of men
- 45% of employees would work more if they were delegated more authority and trust

From employer/managers point of view, 35% of them add that employees would like to extend the benefits package to family members, and 30% believe that covering household expenses would be a benefit that would bring them a white ball in the relationship with employees and candidates.

The sabbatical period, nanny or housekeeper paid by the company would be two other benefits that Romanian employers would offer if they had a considerably larger budget.

The link between organizational performance and employee's motivation should be very clear for employers. The motivation of employees must be correlated with the achievement of clear objectives, to establish the direction in which they must go. But how they are motivated depends on the strategy of each organization (company) and may include both financial incentives and emotional rewards.

In contrast to financial motivation, non-financial factors are more common and can bring out managers' creativity. This method requires more time and effort on the part of the manager, but it has lasting effects. Non-financially motivation means implementing a Reward and Recognition system. The purpose of the non-financial move is to increase the productivity of the company, to improve its quality, to have satisfied employees, which directly leads to the increase of company performance.

Non-financial motivation could include actions such as (***, 2021):

- building a climate of valuing work well done (praise from superiors, diplomas, medals, distinctive signs in work equipment);
- the multiplication of competitive work situations based on the diversification of tasks in order to demand the full productive potential of employees;
- decrease the level of bureaucratic and remove organizational barriers;
- defining competition between employees and/or groups of employees based on the clear definition of criteria and objectives in accordance with a predetermined regulation that simultaneously leads to the enhancement of cooperation;
- flexible work schedule to support achieving balance between personal and professional life;
- adequate working conditions and also legal and safe working environment;
- the presence of a set of very clear rules, as well as clear tasks, preferably in relation to what the employee knows how to do best;
- accepting work mistakes, avoiding criticism and practicing constructive feedback;
- awarding special merits and respect for employees;
- fast decision-making system and managerial transparency;
- motivational recognition messages and gifts/small symbolic attentions from the holiday;
- the manager cares about his people as people, not only as employees;
- congratulating and encouraging the team for the activity performed;
- supporting employees when they encounter performance challenges tasks;
- face-to-face meetings/meetings with efficient employees, in which to find solutions to the problems that have arisen within the company and not to find culprits;
- information emails regarding some activities, events;
- messages of information, of thanks, celebrating employees' birthdays;
- a team that, using a low budget, will take care of the motivation employees;
- celebrating employees' birthdays and/or outings in the city for various reasons;
- interest in creating and maintaining a collegial atmosphere between employees;
- respect for and between employees;
- fair treatment of all employees by clearly assigning tasks, by setting realistic objectives, by applying incentive measures, by giving employees confidence;
- creating a transparent system of promotion, accessible to all employees;
- offering to each employee the possibility to learn new things, to achieve new abilities, to receive appreciation for results, to receive enough information in order to perform the job, to have his opinion heard and to have access to a transparent salary and reward system;
- meal vouchers, gift vouchers, various vouchers, leisure facilities (vacation/mini-vacation vouchers);
- personal development trainings and professional development trainings (team-buildings, courses, etc.);
- subscriptions to sports and wellness programs, depending on performance;
- theater tickets, art galleries, movies, concerts, sports events, programs/vouchers for fashion and

beauty;

- subscriptions to private clinics and private health insurance;
- settlement of transport;
- discounts or freebies for the company's products and services employees.

5. Conclusions

Non-financial instruments represent the way in which employers can increase the motivation of employees to progress, to excel in the field in which they work and to feel appreciated for the contribution they have to the development of the business. The involvement of employees and the fulfillment of tasks to high standards are directly proportional to organizational performance, the link between them being the factor that should always be taken into account by employers in defining non-financial motivation systems.

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