

# EFFICACY OF NON-MONETARY MOTIVATOR STRATEGIES IN HUMAN RESOURCE MANAGEMENT: A COMPREHENSIVE ANALYSIS

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## Abstract

This research paper aims to comprehensively analyze the efficacy of non-monetary motivator strategies in human resource management (HRM). While monetary incentives have traditionally been used to motivate employees, non-monetary motivators, such as recognition, career development opportunities, flexible work arrangements, and work-life balance initiatives, have gained attention as effective means of employee engagement and satisfaction. This study examines the impact and effectiveness of various non-monetary motivator strategies in different organizational contexts and industries. The research methodology includes a systematic review of existing literature, case studies of organizations implementing non-monetary motivator strategies, and surveys with employees to gather their perceptions and experiences. The findings of this study will provide a comprehensive understanding of the potential benefits and limitations of non-monetary motivator strategies in HRM. The results will be beneficial for HR managers and organizational leaders in designing and implementing motivational programs that go beyond monetary rewards, contributing to improved employee morale, retention, and overall organizational performance.

**Keywords:** Non-Monetary Motivators, Human Resource Management, Employee Motivation, Employee Engagement, Recognition, Career Development, Flexible Work Arrangements, Work-Life Balance, Systematic Review, Case Studies.

## INTRODUCTION

Management tasks like planning, organising, leading, and regulating are what Human Resource Management is all about. Human resource management includes activities including hiring, developing, and keeping employees. It's a tool for accomplishing personal, professional, and societal goals. The field of Human Resource Management encompasses several different academic disciplines. A broad range of disciplines, such as management, psychology, communication, economics, and sociology, make up this field of research. There is an emphasis on working together and encouraging camaraderie. It's something that's always happening. Planning and managing human resources Human resource management is responsible for a wide range of tasks, including but not limited to job analysis, recruiting, conducting interviews, selecting human resources, orientation, training, compensation, providing benefits and incentives, appraising, retaining, career planning, quality of work life, employee discipline, prevention of sexual harassment in the workplace, appraisals of performance, and auditing human resources.

Traditional wisdom states that for every 100 workers, one full-time professional Human Resources manager must be employed. Several variables, like HR centralization,

employee sophistication, geographic dispersion of serviced personnel, and organisational complexity, might affect a company's real percentage. The management of human resources, sometimes known as HRM, is a strategic field that focuses on topics like as recruiting and training new workers, reviewing and counselling employees about their performance, and communicating with employees. The various HRM subsystems are guided by the HR policies that are in place. When it comes to managing human resources, the decision to choose a certain model is determined by whether there is a desire for consistency or flexibility. International human resource management is more challenging than human resource management in a domestic environment because of the many differences that exist between the headquarters and the subsidiaries. Some companies' human resources policies and practises seem to have a discriminatory attitude against individuals on the basis of their religion, race, caste, gender, or place of origin. However, companies like as Ford and Volvo make significant efforts to guarantee that their workers are treated in a fair manner. The process of recruiting new workers is a part of human resource management (HRM), which is an extremely vital function. The perspective that multinational companies (MNCs) have on globalisation is what guides their human resources strategy. MNCs that use an ethnocentric approach often fill all top management positions with citizens from the home country. This is done with the intention of ensuring that home country practises are replicated in subsidiaries. Companies that have a polycentric perspective on globalisation always make sure to staff the top levels of management with locals from the countries in which they do business. Businesses that have a geocentric perspective on globalisation assign managers to multinational roles regardless of the location in which they are based. This helps to ensure that the company's best practises are distributed to all of its employees across the organisation. Expats are citizens of one nation who have moved to another country in order to work in an administrative capacity there. When it comes to recruiting, educating, deploying, paying, and returning expats, the department of human resources is responsible for handling any sticky issues that may emerge. They should be offered challenging employment upon their return to their homes, work that gives them the freedom they are used to having. It is in a company's best advantage to foster talent in the local region since it is expensive to have managers working for the company who are from other countries.

Businesses have the opportunity to find local talent and nurture it via the usage of in-house management development programmes (MDP). Because of these measures, workers who come from a variety of racial and cultural backgrounds, as well as religious and educational ones, be able to collaborate more effectively. The appraisal of performance is another subject on which headquarters and subsidiaries may have conflicting points of view.

Clear goals and KPIs need to be developed, and the managers of each subsidiary site should have some influence into the process. Establishing a solid relationship between an employee's performance assessment, their professional development, and their remuneration is the primary objective of performance management, which aims to

achieve. There are three distinct schools of thinking on the question of whether or not subsidiaries should be given the authority to make their own choices. It's possible that the amount of freedom have is predetermined, that have a certain degree of freedom, or that have some freedom that may be bargained. According to the theory of limited autonomy, the degree of independence that a multinational business has is proportional to the way in which it reacts to globalisation. The amount of autonomy enjoyed by an organisation is said to be subject to the degree to which it participates in activities that are carried out on a global scale, in accordance with the idea of variable autonomy. Despite the fact that organisations with an emphasis on exports could reap benefits from centralised decision-making, strategic business units (SBUs) should have autonomy over such issues. The degree of autonomy enjoyed by a subsidiary is said to be contingent on its ability to negotiate favorable terms with its parent business, in accordance with the negotiated autonomy concept.

The effective management of human resources is essential to maintaining harmony in the workplace. Because of the union's political power and organisational force, businesses are typically dissuaded from working with the union. Some companies, such as Volvo, keep their relationships with labour unions on a favorable footing by contributing to the expansion of the unions. On the other hand, businesses like Bata have experienced consistent problems with their workforce in India. There has been a surge in the number of multinational corporations as a result of global economic integration, however not all of these businesses are successful. Everyday administration human resources, a crucial component the limits of production, many of which are unseen to the eye, include the rate and quality of progress made by businesses. As a result of A large percentage of workers in multi-national corporations varied geographical locations, and each division is independently headquartered at a in various urban centres, increasing the need for people Employees may have varying access to resources. This international human resource management is a must to encourage businesses to adopt a more data-driven, locally focused strategy contrasting approaches and intended outcomes for development

Human resources include a wide range of functions, including as hiring, education, benefits, wages, and job placement. Human resource management in multinational company (MNCs) may be centralised, formalised, or humanised, depending on the preferences of the parent firm and the local government. In a nutshell, concentration occurs when the parent company of a global firm mandates that all of its affiliates follow the same set of management guidelines. The heart of formalisation is in the fact that human resource management at a multinational company can only be done with any degree of flexibility in the context of the host country. When localisation and stylization are combined, it's called "humanised mode." The majority of the research examined indicated that an organic management style was best for the growth of multinational corporations. In recent years, the focus has shifted to the management of information. However, there are few resources that provide an in-depth examination of the human resource techniques used by multi-national corporations in their management, it is managerial structure of a company is unclear certain business or field. To sum up, it was

determined after a review of relevant prior research that Employer-sponsored training programmes led to a rise in human the management must take a strategic stance and propose actions on the part of management that are directly related to the situation. One of the hospitality business is one of the most important part in the growth of the actual economy. However, further studies on human subjects are needed. Hotel facilities, particularly those owned by large international chains. As a result, they are decided to go with the top-tier, global brand. Use the Hilton Hotel as a case study and read this summary of the main issues tools that are within reach for human resource management.

## **IMPORTANCE OF HUMAN RESOURCE**

Behind every good and service lies the brainpower, toil, and time investment of a living, breathing person (working hours). Nothing can be produced that does not include the participation of humans in some way. Using humans as a main resource in the production of anything or constructing anything at all is required. Everyone has the dream of working for a firm that recognises the importance of its staff members and makes concerted efforts to both recruit and retain the most skilled and dedicated workers.

Human Resource Management (HRM) focuses on the first M in the "five Ms of Management," which comprises men, money, machines, materials, and methods. These "five Ms of Management" include people, money, materials, and techniques. It is often believed that, out of the five M's, "men" is the most difficult to exert authority over. Men are really exceptional in a manner that sets them apart from the other Ms because of their capacity to wield influence over the other M's. On the other hand, the other Ms are either inanimate objects or abstract concepts; as a result, they are unable to think for themselves or make independent decisions.

Every produced product and service is the result of some combination of human ingenuity, effort, and the hours spent doing manual labour (working hours). Nothing can be produced that does not include the participation of humans in some way. The human being is the fundamental resource used in the production or construction of everything. Every business should make it their top priority to fill open positions with employees who are highly skilled and experienced in their fields.

Human Resource Management begins its discussion with the first M, which is men, of the five Ms of management, which are men, money, machines, materials, and methods. Many people have the opinion that, out of the five Ms, "men" is the one that is the hardest to manage. "Every man is distinctive from the other," and men are definitively unique from the other Ms in comparison to the fact that they have the ability to exert authority over the other Ms. On the other hand, the other Ms are either nonexistent or abstract; as a result, they are unable to think for themselves and cannot choose actions that be to their advantage.

The increased integration of economies throughout the world has led to a rise in the number of multinational corporations; yet not all of these businesses are able to be

successful. When it comes to the day-to-day administration of multinational corporations, human resources—which represent an unseen productivity—are one of the most important variables that limit the rate of growth and the level of firms. As a result of the fact that workers in transnational companies originate from a variety of nations and that various cities are home each of the company's locations, the demand for human assets in the form of employees is inevitably going to vary from one location to the next. Because of this, the management of human resources in multinational corporations has to become more scientific and localised, taking into account variations and growth objectives. There are several subfields that fall under the umbrella of "human resources," such as "recruitment," "training," "welfare system," "salary standard," "career planning," and so on. In the context of multinational organisations, the management of human resources mode may be influenced either by the parent firm or by the host country. In general, there are three different modes of human resource management: centralised, formalised, and humanised. In a nutshell, concentrating refers to the practices through which the central office of a multinational organisation compels its subsidiary companies to adhere to consistent management practices. The most important aspect of formalisation is the realisation by multinational administrators that the only place where they can practice flexible human resource management is the native context of the host country. The combination of localisation and stylization is what is meant by the term "humanised mode." After doing research into the topic, they discovered that the majority of studies indicated that such an organic management style was more favourable to the growth of multinational corporations. According to the vast majority of the published research, the methods of managing human resources in multinational companies are continually being optimized the specific publicity of individuals concept and local cultures management have consistently been the focus of attention; and information systems has been the primary area of interest in the most recent years. However, there are very few papers that conduct an in-depth analysis of the techniques used by multinational corporations to manage their human resources. As a result, it may be challenging to comprehend the administration structure of a particular business or sector. Previous research has investigated the phenomenon of multinational organisations elevating the managing of their human resources to a strategic position and putting forth management solutions to cope with this shift. The hotel business, which is considered to be one of the most important service industries, plays a significant part in the growth of the real economy. Despite this, there is a dearth of study on the human capital of hotels, particularly international hotels.

## **TYPES OF HR TOTAL REWARDS**

One of the reasons why companies implement creative HR overall incentive systems is the breadth of awards available to employees. Most rewards schemes fall into one or more of these broad buckets: cash, perks, health and happiness, learning and advancement, and public acclaim.

Rewards may be of several types, like as:

- Merit pays
- Promotional pay (for taking on a new job)
- Flexible work hours
- Paid time off
- On the job coaching and training
- Fitness center membership
- Off-site training and education
- Profit-sharing
- Stock options
- Annual or goal-oriented bonus plans

Having a structure in place for rewarding and acknowledging employees does more than simply make them feel appreciated. If done well potentially effective in energising staff to find and bring in new clients for their company. **(Source, 2020)**. Motivated and appreciated workers are more likely to stay with a company over the long haul, and their output and retention rates improve as a consequence. It is well-established that a company's fortunes may be reversed thanks to a motivated and committed staff. Analysis of the company's policies and practises is essential prior to the development and implementation of a reward system. A comprehensive review of the responsibilities and dangers of a work is necessary before deciding how to reward people and what to provide them.

## **TYPES OF REWARDS**

It is important for a company's compensation structure to be consistent with the company's overarching purpose and vision. Employees may be incentivized in several ways, both financially and otherwise, depending on the nature of their jobs. Enterprises may choose from a wide variety of incentive formats these incentives may range from a free lunch to a stock option, from a box of chocolates to a golf club membership, as stated by Taljaard. Salary and perks are the most tangible forms of compensation, but there are also intangible social and psychological advantages to working hard. Praise and acknowledgement from peers and superiors alike may be quite motivating. Internal benefits, or "psychic rewards," include things like pride in oneself, contentment, and a sense of having "made it." There are commonalities amongst incentive systems, which may be identified and linked despite their diversity. General model of organisational reward systems, which divides the four main aspects of a reward programme into four categories: reward type, reward norm, distribution criteria, and intended results hat acknowledging the variety of workers' desires and motivations compels managers to consider incentives beyond monetary ones. The study centre on two major categories of

incentives: intrinsic and extrinsic incentives, as well as monetary and non-monetary incentives.

### **Monetary Rewards**

A hike in salary, incentives, movie tickets, vacation trips, monetary allowances on special occasions, redeemable coupons, cash bonuses, gift certificates, stock awards, free or discounted Pay raises, bonuses, free or reduced health care for workers and their families, paid time off, paid vacation, cash bonuses, gift vouchers, stock awards, and paid school/tuition expenses for employees' children are all examples of this. Monetary incentives, often known as financial rewards, are those that are given to workers in exchange for the achievement of certain objectives. This may include cash prizes, bonuses, commission, gift cards, and other forms of compensation as well. When it comes to enhancing employee performance, financial incentives are a powerful motivator. Who doesn't like having extra cash lying around? The majority of the time, monetary awards are based on an employee's performance rather than whether or not they pay their monthly costs. As a consequence of this, monetary awards accurately represent the contribution that an employee has made to the firm, and workers adore them due to the fact that they are helpful and practical. That being said, cash isn't always king. When faced with a limited financial resource, an organisation may find that it is in its best interest to choose for the provision of non-monetary benefits rather than monetary ones. Employees are motivated to provide their best effort and work hard to attain their own as well as the company's objectives when they stand to get monetary compensation for their efforts. The owners and management of a company have a responsibility to ensure that the incentives are attainable and that the quality of the product is not compromised in any way. When developing a rewards programme for workers, it is important to keep in mind that the incentive being offered is a bonus, and that awards on their own do not ensure long-term commitment or high-quality output. According to Vantage Circle, however, financial incentives do boost the workers' general well-being, which may assist encourage them toward loyalty and great work.

### **Non-Monetary Rewards**

Awards, certificates, letters of gratitude, dinners with the boss, cabin makeovers, gym memberships, free lunches, usage of business facilities, suggestion awards, tie-pins, brooches, diaries, promotions, input into company decisions, etc. are all examples of non-monetary benefits. Employees are motivated to consistently perform at a high level when they are offered a combination of monetary and non-monetary benefits. Staff morale is boosted, and the employer-employee connection is strengthened, when the latter is based on an effective incentive and recognition programme. Money is not as crucial as may believe it is. I know this comes as a surprise to. In point of fact, variables other than monetary compensation, such as job satisfaction, a good working environment, and fringe perks, are more beneficial to companies than monetary compensation.

The primary reason for this is because non-monetary awards place a greater emphasis on developing an emotional connection with workers. It is possible to increase employee engagement, loyalty, and performance on the work by providing the appropriate non-monetary benefits. There are a variety of prizes outside monetary compensation that might provide to staff members. These may take the form of flexible work hours, insurance (both health and life), paid time off, additional staff training, or any other non-monetary benefit. Pay increases may also be granted by an organisation in recognition of an employee's attainment of predetermined targets in areas such as output, training, or tenure. Pay increases like this have been shown to encourage workers to boost their productivity and proficiency. Employee commitment is also recognised and rewarded. Paying for a portion or all of an employee's participation in a formal training or continuing education programme is another kind of monetary compensation. May incentivize employees to reach their targets by providing them with paid time off. The website Business 2 Community advises that non-monetary benefits may be just as motivating as monetary ones, so shouldn't discount them. Praise, unique privileges, material presents, and educational chances are only few examples of non-monetary rewards. Most non-monetary rewards may be distributed without the recipient having to wait until their next paycheck. This implies that acknowledgement is sent to the appropriate parties at the appropriate times, effectively in real time. Employees respond more favourably to non-monetary forms of recognition, such as a lunch or a short vacation, than to monetary bonuses. It enhances the customer's experience with organisation. If want to make a big difference without spending a lot of money, non-monetary incentives are the way to go. A programme that awards prizes chosen by the students' peers is a great illustration of this kind of initiative. There isn't a huge financial outlay involved in launching such an endeavour, but the payoff in improved employee relations, sustained enthusiasm, increased trust, productivity, and performance, and so on is substantial. By the way, non-cash incentives that do involve an investment may usually be written off as a business expenditure. They all have bills that need to be paid at the end of the day (or month), so having enough cash on hand is crucial. However, compensation isn't always the driving force behind an employee's decision to remain with or join a firm. What keeps us here is not the pay check, but rather, the people work with, our management, the nature of the work itself, and the non-monetary pleasures that come with it (or go). Consequently, non-monetary incentives may play a role in employer branding strategy and be the deciding factor in whether or not a candidate chooses to work for over a competition Non-monetary rewards should be tailored to the needs and preferences of workers in areas such as achievement, responsibility, recognition, influence, personal growth, training, career path incentives, incentives that address social needs, better working conditions, proper utilisation of human resource management (HRM) and human resource information systems (HRIS), and so on. The pressure to achieve in one's chosen area according to one's own standards of performance may be thought of as the drive to do things, which is also known as the urge to accomplish things. It's possible that reorganising jobs, evaluating employees' performances, and basing pay on their level of learned skills or competences might all be helpful.





**Figure 1: Types of Rewards**

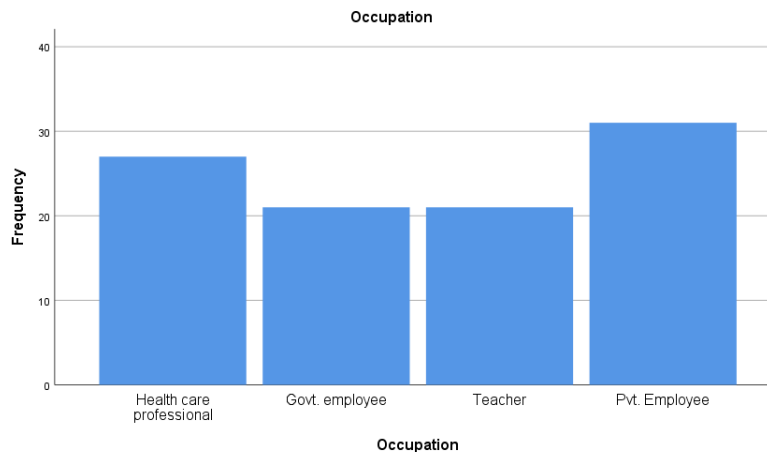
**Table: 1 Occupation**

<b>Occupation</b>	Health care professional (F=78 M=73)
	Govt. employee (F=43 M=81)
	Teacher (F=83 M=42)
	Pvt. Employee (F=72 M=102)

In the study the data comprised of health care professionals (N=151, F=78 and M=73), Govt. employee (N=124, F=43 and M=81), Teacher (N=125, F=83 and M=42) and Pvt. Employee (N=174, F=72 and M=102) respectively.

**Table: 2 Occupation**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Health care professional	154	27.0	27.0	27.0
	Govt. employee	121	21.0	21.0	48.0
	Teacher	121	21.0	21.0	69.0
	Pvt. Employee	178	31.0	31.0	100.0
	Total	574	100.0	100.0	



**Fig 2: Occupation**

In this above chart they have received 574 responses, 27.0% candidate's occupation is Healthcare and professional, 21.0%Govt. Employee, 21.0% Teacher, 31.0% pvt. Employee.

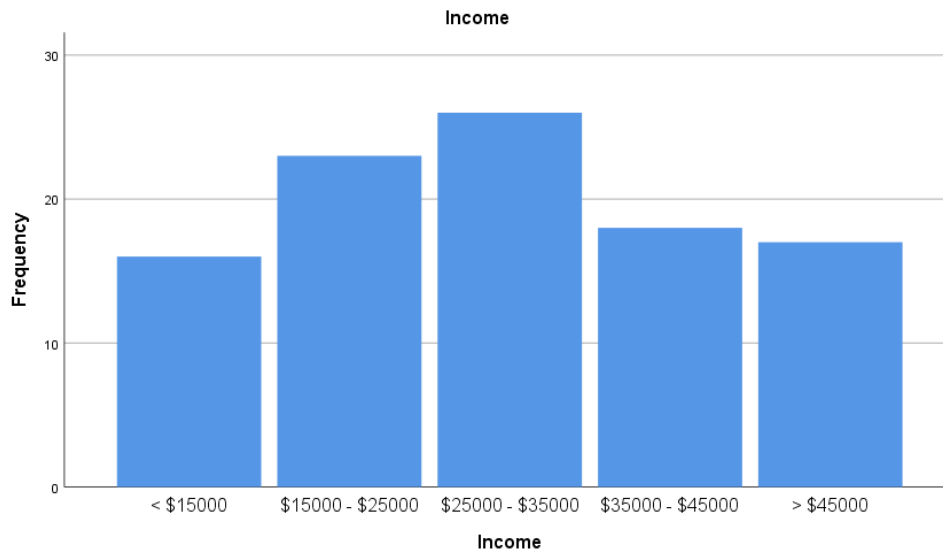
**Table 3: Income Distribution**

<b>Income (\$)</b>	< 15000(F= 59M=37)
	15000 - 25000 (F=73 M=56)
	25000 - 35000(F= 68M=81)
	35000- 45000(F= 47M=55)
	> 45000(F= 29M=69)

In the study the data shows the figures for the income (\$) of respondents. For < 15000 (N=96, F=59 M=37), 15000 - 25000 (N=129, F=73 M=56) and 25000 - 35000 (N=149, F=68 M=81), 35000 - 45000 (N=102, F=47 M=55) and >45000 (N=98, F=29 M=69) respectively.

**Table 4: Income Frequency**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< \$15000	92.0	16.0	16.0	16.0
	\$15000-\$25000 -	132.0	23.0	23.0	39.0
	\$25000 - \$35000	149.0	26.0	26.0	65.0
	\$35000 - \$45000	103.0	18.0	18.0	83.0
	> \$45000	98	17.0	17.0	100.0
	Total	574	100.0	100.0	



**Fig 3: Income**

According to the findings, 574 people participated in the survey. 16% of the applicants had an annual income of more than < \$15000. Researchers have 23% of the applicants in the \$15000 - \$25000 range. Researchers have 26% of applicants in the \$25000 - \$35000 range. Researchers have 18% of applicants in the \$35000 - \$45000 range. Researchers have around 17 % of the total number of applicants in this category, totaling > \$45000.

**Table 5: Technical Skills**

<b>Income (\$)</b>	Beginner (F=73 M=91)
	Average (F=69 M=61)
	Proficient (F=57 M=48)
	Expert (F=77 M=98)

In the study the data shows the figures for technical skills. For Beginner (N=164, F=73 M=91), Average (N=130, F=69 M=61) and Proficient (N=105, F=57 M=48) and Expert (N=175, F=77 M=98) respectively.

## CONCLUSION

Study did not contain a sufficient number of managers it would be interesting for future research to include a representative number of managers in their data sample and to conduct interviews as a complement to data gathering. Ideally, in future articles, researchers be able to draw on other sources, such as the outcomes of the firms' own performance rating processes, to compile their data.

Possible future research directions include examining the varying contributions of several independent variables, such as workplace conditions. Lighting, space, design, noise, and other factors all contribute to what is known as the "work environment." Studies in the future may assess the "before" and "after" influence of various variables on employee performance; for example, employee performance might be measured before and after training to compare and assign the value of the training received.

When conducting follow-up studies, researchers may want to take into account other variables, such as regional preferences and demographic changes (for e.g., developed and developing countries). Finally, future research may investigate the varying degrees to which different variables influence different parts of the same organization at different levels of management. Several views on motivation and on what motivates workers were defended in this chapter.

In this chapter, explored the impact that employee motivation has on organizational outcomes including productivity and compensation. All of the aforementioned hypotheses add something useful to our collective knowledge of what motivates workers.

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