

An Evaluation of the Impact of Non-Monetary Incentives: A Case of Gomo Funeral Services

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Abstract: The purpose of the present study was to evaluate the impact of non-monetary incentives on employee performance amongst employees at Gomo Company, which provides funeral services to its clients. The study consisted of 40 participants who were purposively selected. The study was qualitative and utilised a case study design. Open-ended questionnaires were used to collect the data. The information obtained from the respondents was presented through tables. The study revealed that non-monetary incentives have both negative and positive impact on employee performance. It also revealed that non-monetary rewards were very significant at motivating employees to improve their performance, although they had to be complemented by monetary incentives / rewards if total employee problems were to be effectively solved. The study recommends that Gomo Funeral Services should establish mechanisms for providing non-monetary incentives to its employees. The study also recommends that employees should be consulted before the company decides the nature of non-monetary rewards to offer the employees.

Keywords: Evaluation, non-monetary, impact, funeral services, rewards.

INTRODUCTION

Employers want maximum efficiency from their employees and non-monetary incentives can help achieve this goal [1]. As Armstrong [2] postulates, the most common reward an employer can give to its workers is verbal recognition. Communicating with workers on a daily basis, letting workers know how their performance has progressed on a professional level, has shown to boost morale in work environments. Employees that feel appreciated at the work place seem to have better attitudes, work more hours and appear to have better attendance [3]. Small rewards on the job such as encouraging work performance with free company shirts or hats, giving recognition to teams or departments for a job well done make big impressions on employees [4]. Companies have found that money is an important motivator for high levels of employee productivity. However as Lewin [5] states, monetary incentives by themselves may not be as effective and may not render the loyalty from employees many companies strive to achieve. The combination of monetary and non-monetary rewards have proven to be effective in a competitive job market as it helps to keep employees from straying to companies that offer appetising bonuses and incentives [5].

Many companies have progressive rewards that motivate employees to work at a certain level in order to achieve special rewards on the job. Examples of progressive rewards could include free dress on

Fridays if the uniform requires uniform for the other four days, discounts at local spars and fitness clubs in the area, tickets to sporting events and theme parks, cruises and tours to tourists resorts [6]. Other non-monetary rewards may include publishing individual and team accomplishments, either in companywide communications, on the internal website or in the company newsletter or even in the local daily newspaper [1]. Awarding additional days off above and beyond the standard number of leave days; this one is especially useful as recognition when an employee has been working extra hours to complete a project [5]. Given this important role that non-monetary rewards play, it becomes necessary to evaluate their impact on employees' motivation.

Statement of the problem

The funeral services providers in Zimbabwe have increased exponentially. This has affected the operations at Gomo Funeral Services Company; and in spite of attempts to consistently increase salaries of their employees the trend continues. Money alone therefore cannot be the panacea to solving production problems and worker motivation at the company, thus the need to explore the role of non-monetary rewards as a complement to monetary rewards.

Purpose of the study

The study sought to evaluate the non-monetary rewards being offered by Gomo Funeral Services to its

employees in order to motivate them towards the improvement of their performance and that of the company.

Research questions

The research was guided by the following sub-questions:

1. Which non-monetary rewards are being offered by Gomo Funeral Services?
2. To what extent are the employees motivated by these rewards?
3. How do employees perceive the non-monetary rewards offered by their company?
4. How best can management at Gomo Funeral Services promote employee efficiency through the use of non-monetary rewards?

Significance of the study

It is hoped that the findings from this study would help management at Gomo Funeral Services and other business entities providing the same service to identify the major non-monetary rewards that can promote employee performance in their organisations. The study also hopes to conscientise companies about the role played by non-monetary rewards in motivating workers.

Limitations

The study employed the qualitative research paradigm. Whilst qualitative research can examine social processes at work in particular contexts in considerable depth, the collection and especially the analysis of this material can be time consuming and therefore expensive [7]. In addition, qualitative research involves relatively small numbers of participants and this can mean that it is less likely to be taken seriously by other academic researchers or by practitioners or policy makers [8].

Delimitations

The study focused on Gomo Funeral Services which is an organisation found in Shurugwi town in Zimbabwe's Midlands Province. A sample of 40 participants was chosen to represent the 400 workers in the company. The sample was constituted of managers, supervisors, administrators technicians and marketers selected on the basis of purposive sampling. Literature review focused on identifying the relationship between non-monetary and employee performance.

LITERATURE

Non-monetary rewards or intrinsic rewards are those rewards which are inherent in the job creation. Traditionally, organisations tries to motivate employees by focusing on the use of extrinsic rewards (factors outside job content) whilst neglecting the use of intrinsic rewards. There has been an investigation into

the proper use of rewards. Harris [9] suggested that people are inherently curious, creative and seek optimum challenges that relate to what they value. The major challenge with leadership has often been getting people to do what the leader values and sees. A lot of problems could be solved when leaders study their followers in order to see what motivates them. Training prepares the employees for promotional opportunities and such promotions are considered by managers to be crucial at encouraging and motivating employees towards high performance.

Benefits of using non-monetary rewards

Harris [9] underscored that he objectives of non-monetary recognition programs are to recognise the achievements, efforts and enthusiasms of employees within the office of human resources, to improve employee morale, providing a system that encourages peer to peer recognition, promote and improve rapport among the staff. Non-monetary recognition is a symbolic means to communicate to employees that their contributions are valued and appreciated. The use of non-monetary rewards benefits both the organisation and the employees. Some of the benefits associated with the use of non-monetary rewards include the following:

Flexibility

Gabriel [3] observed that flexibility is all about giving employees the chance to express their opinions or ideas and the liberty to be versatile on their approaches to conflict and problem solving. Flexibility can be in form of awarding convenient number of working hours to the employees. Managers have to consider the adoption of flex work as valuable perks especially to those employees who have young families or those who commute long distance to and from work. If management allows some degree of flexibility particularly through telecommunicating or flex work perks, the chance that employees get motivated is increased. Non-financial perks includes giving employees better facilities for example large offices, cars and allowances. Non-financial perks also include little things awarded as surprise rewards for example tickets to the theatre, lunch coupons and giving employees the chance to have dinner and any other social activities with staff in the top management.

Teamwork

Harris [9] highlighted that teamwork and empowerment involves organising the workforce into teams that spend time and authority to plan their own work, make their own decisions and solving their own problems. Employees have the zeal to develop friendship amongst themselves and with the managers. They also need to belong to some formal or informal groups hence the need by managers to develop teams become crucial and essential. Employees also need to

have the chance to contribute major decisions, get fringe benefits like leave, allowances, health insurance plans and other perks. Managers have the mandate to spot high performers and then put them in leadership roles where there can serve as role models who can lead and inspire others to work hard at work. Such role models act as ambassadors who instil morale and confidence to others at the workplace.

Employee recognition

Armstrong [2] suggested that recognition can be awarded to people in different ways for example giving employees a pat on the back or a handshake by the boss or holding an informal appreciation ceremony for all those who have excelled above expectations. Greater responsibility, decision making authority, more power and autonomy associated with promotion can serve as essential ways to boost the morale for employees even if they do not get higher amount of financial incentives like pay. Lewin [5] highlighted that recognition can be awarded in form of job enlargement and job rotation. Job enlargement involves adding extra, similar tasks to a job with the job itself remaining unchanged. By widening the range of tasks, employees experience less repetition and reduced monotony at work. Job rotation involves the movement of employees through a range of jobs in order to increase interest and motivation. For example an administrative employee could spend part of the week attending to the company reception dealing with customer enquiries on other times spending time attending to the company’s telephone switchboard receiving and dispatching calls. Job enrichment increases the range and complexity of tasks.

Employee turnover

The decision to stay or change the organisation by employees is determined by the level of employee satisfaction. When employee’s needs and wants are satisfied there is no reason for them to move from one job to another. Howard [4] stated that through recognising employees organisations can benefit by either reducing turnover levels or keeping them low especially when a reward is tied to the recommendation

of a gift, certificate, or additional paid time off. Organisations have to consider the fact that employees are not critical only for improving the organisation’s internal affairs but also critical for improving the external affairs that can affect the organisation in the long-run for example in ensuring that customers are being take care of and their needs and wants are met. Employee’s behaviour goes a long way in affecting the relationships that exist between the organisation and its customers. A survey conducted by Gabriel [3] a consulting company reviewed that employees in Argentina, Brazil, Mexico, Canada and USA all listed “being treated with respect” as the single most important factor in motivation. Recognition and praise can send some messages to the employees that the company respects them and values their contribution. However, the organisations need to avoid the tendency of understanding the effectiveness of recognising employees at work. Some small aspects like sporting, awarding certificates of long service should not go unrecognised as they can have a long-term effect on employee performance if ignored.

METHODOLOGY

The study adopted the qualitative methodology and made use of a case study design. This methodology was chosen because qualitative research methods of collecting data such as open-ended questions in a questionnaire would give the participants an opportunity to voice out their own views on the subject of non-monetary rewards without being restricted by the pre-stated formulations based on the researcher’s own frames of references often guided by theory studied by the latter [10]. The open-ended questionnaire was used to generate the data. The researcher hand-delivered self administered questionnaires to participants at Gomo Funeral Services. All the 40 questionnaires were returned and all were completed.

PRESENTATION AND DISCUSSION OF DATA

The study sought to evaluate the impact of non-monetary rewards and its influence on employee performance in organisations.

Table 1: Category of participants (N=40)

Category	Frequency	Percentage
Marketers	18	45
Managers	4	10
Supervisors	6	15
Administration	4	10
Technicians	8	20
Totals	40	100

Table 1 above shows the categories of participants that were used in this study. The marketers constituted the largest group, followed by the

technicians. Collectively, the categories of participants are responsible for the crafting of policies that either

promote or hinder employee performance and thus they were very relevant for the study.

Table 2: Distribution of participants by gender (N=40)

Category	Frequency	Percentage
Male	27	68
Female	13	32
Totals	40	100

The distribution of participants by gender / sex reveals that there was a huge variance between males and females in favour of males. This information is significant in that it helps to guide the authorities on the

nature of non-monetary rewards since males and females may have different tastes in terms of these rewards.

Table 3: Distribution of participants by level of education (N=40)

Level of qualification	Frequency	Percentage
Ordinary Level ('O' Level)	20	50
Advanced Level ('A' Level)	10	25
Professional	4	10
General Degree	6	15
Totals	40	100

Table 3 above reveals that half of the participants (50%) were 'O' Level holders and 25% were 'A' Level holders. Those with degrees constituted 15% and the remaining 10% were holders of professional qualifications. This information is crucial in that it reveals that Gomo Funeral Services is recruiting employees who lack professional

qualifications for their job and therefore, require a lot of non-monetary reward in the form of staff development programmes within or outside the organisation. As Harris [9] states, employee development by the organisation is an incentive that benefits both the employees and the organisation.

Table 4: Existence of non-monetary rewards at Gomo Funeral Services (N=40)

Category of non-monetary	Frequency	Percentage
Professional development	5	13
Job rotation	33	83
Training	10	25
Sabbaticals	0	0
Flexible work schedules	12	30
Work environment	15	38
Decision making	4	10
Retirement planning	4	10
Staff compliments	20	50
Social functions	15	38
Working from home	0	0
Autonomy with a task	5	13
Pitching of new products	12	30
Casual dress day	0	0
Service anniversary	5	13
Employee of the weak	0	0
Tours	0	0
Totals	40	100

The information above shows that Gomo Funeral Services uses very few types of non-monetary rewards that they offer to their employees. The most common category is associated with job rotation (80%) followed by staff compliments (50%) and occupying third position at (38%) are work environment and social functions. The company also uses flexible work

schedules (30%) as well as pitching of new products (30%). There is also the use of training (25%), autonomy with a task (13%), service anniversary (13%), as well as decision making (10%) and retirement at 10% as well.

The results reflect that the organisation did not offer all categories of non-monetary rewards and not everyone had the chance to access the available rewards. The findings confirm that the poor employee performance at Gomo Funeral Services is partly caused by the lack of equity in the provision of non-monetary rewards. These results are supported by Gabriel [3] citing the enquiry theory which suggests that people compare their rewards to those of colleagues holding comparable jobs, giving comparable effort and with similar backgrounds.

Employee's views on the use of non-monetary incentives.

Most employees (76%) indicated that non-monetary rewards were not fairly and satisfactorily administered at the company, with a paltry 15% stating that they were happy with the way their company was administering these incentives. Those who were not sure whether they were fairly administered constituted 10% of the responses from the open-ended question. From the management's point of view all the respondents (100%) felt that the non-monetary incentives offered by their company were adequate and the process was fairly administered. The results reveal that there was lack of communication between employees and management within the company. It could also prove that the non-monetary rewards offered to management and employees are different. Management are most likely to be benefitting from a better regime of incentives compared to workers, thus this discrepancy in terms of perceptions of the phenomenon [5].

CONCLUSIONS

Given the background of the above findings, the researcher makes the following conclusions:

- Gomo Funeral Services Company is using inadequate non-monetary incentives to motivate its employees to improve performance.
- The findings also reveal that there is a discrepancy in terms of quality and adequacy of incentives offered to employees and management; with the latter benefitting more from the incentives.
- Most employees felt that the non-monetary regime was not transparent and egalitarian in application. There was favouritism in terms of distributing the incentives.
- Generally, both employees and management were in agreement that non-monetary incentives played a key role in motivating the workers in order to improve their performance.

RECOMMENDATIONS

In light of the findings of this study, the researcher would like to make the following recommendations:

- Since employees value the use of non-monetary incentives, it is important for organisations to sufficiently and fully utilise these non-monetary rewards.
- If a company introduces non-monetary incentives, there should be transparency and fairness in the way how workers benefit. No section of the employees should feel deliberately excluded from these benefits.
- Organisations should involve employees during discussions to introduce non-monetary incentives so that they also feel part of the decision making process. Employees may even suggest relatively more attractive incentives that may improve worker performance.

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