

The Effect Of Non-Monetary Benefits On Employee Retention

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Abstract

The aim of this study is to identify the effect of non-monetary benefit on the employee retention. This research has been done to see the non-monetary and its aspect also in this article, the researcher will discuss more about the effect of non-monetary benefits on the employee retention and how it effects on total quality of the organization. This project is to identify the non-monetary factors on employee retention and examines the effects of non-monetary factors on employee retention. This study was undertaken with the employees working in different organization. The sample size for the study is 77 employees and the researcher used the descriptive research. Non-random sampling method was used, and the data was collected through convenience sampling techniques. The primary data was collected from the respondents through the questionnaire. The outcomes revealed that the effect of non-monetary benefits has an impact on employee retention of employees work performance in the organization.

Keywords: non-monetary benefits, retention

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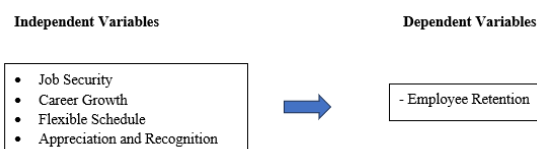
I. Introduction:

There are many variables that affect an organization's employees' productivity and happiness, and while monetary incentives like salary and bonuses are important, non-financial elements are also quite important. These non-financial considerations cover a range of facets of the workplace, company culture, and interpersonal relationships. Organizations aiming to boost productivity, retain talent, and develop a pleasant workplace culture must recognize and comprehend the influence of these non-financial elements on employees. (Umutoni et al., 2022)

The focus of this talk is the significant impact non-monetary factors have on employees. The talk will examine how elements like job satisfaction, work-life balance, possibilities for professional advancement, connections at work, and recognition affect employees' motivation, engagement, and general well-being. Additionally, tactics businesses may use to take advantage of these non-financial aspects and ultimately improve the atmosphere in which their workers operate will be explored. The aim is to highlight the importance of a comprehensive approach to employee management and organizational performance by illuminating the complex interplay between non-financial factors and employee outcomes. (Dziuba et al., 2020)

With changing societal standards, technology development, and workplace dynamics, the impact of non-monetary variables on employees has changed over time. Additionally, the influence of senior management over these non-monetary issues has grown in importance. These changes are evident in the evaluation of non-financial factors on employees, such as Work-Life Balance, Job Satisfaction, and Employee Well-being. In recent years, these concepts have received more attention, as employees increasingly prioritize non-monetary benefits like remote work options, flexible schedules, wellness programs, and mental health support. The shift towards these non-monetary benefits reflects the effects of technological developments that have increased the viability of remote work and the growing awareness of the importance of employee well-being. These changes have a direct impact on employee retention, as companies that address these non-monetary factors tend to retain their employees more effectively and foster a more loyal and motivated workforce. (Yousaf et al., 2014)

Conceptual framework:



Statement of the problem:

Organizations must recognize and take action on non-financial aspects of employee interactions. It entails identifying the wide variety of non-financial factors, which can vary between sectors and cultures, that affect employee engagement and happiness. Organizations need to measure how these characteristics affect worker morale, retention, and productivity after they have been recognized. This knowledge helps in developing customized plans to improve employee satisfaction, foster a positive work atmosphere, and strengthen the bonds between employees and management. (Yousaf et al., 2014)

Organizations have to prepare and implement out programs that match the unique demands of their workforce with the overall objectives and values of the firm in order to improve the non-financial aspects of employee relations. Implementing these strategies, gathering employee feedback, and carrying out evaluations may result in a more satisfied and motivated employees, which will eventually improve the performance and competitiveness of the company in the fast-paced business environment of today. (Yousaf et al., 2014)

Aim and Objectives of the study:

The main aim of this study is to examine the nonmonetary factors and its effects on employee retention.

There are three objectives in this study:

- a. To identify the non-monetary factors on employee retention.
- b. To examine the effects of non-monetary factors on employee relations.
- c. To identify how to enhance nonmonetary factors on employee relations.

Scope of the research:

The study covered the effects of non-monetary factors on employee relations in. The information which been included in the research been approved by the companies both mangers and employee. The research discusses the importance of non-monetary factors for an employee retention improving the relation of the employees in workplace and the how to get the maximum benefits from the non-monetary factors to achieve the companies have desired need

Related Literature:

- The concept of non-monetary benefits is grounded in the understanding that while financial rewards are indeed potent motivators for employees, there exist certain intrinsic needs that money cannot fulfill. This concept is closely tied to Maslow's Hierarchy of Needs, which underscores that while money is pivotal for addressing fundamental needs like sustenance and security, the fulfillment of higher-order needs such as social connection, self-esteem, and self-actualization often relies on non-financial incentives. This paper delves into an exploration of the significance of non-monetary benefits in inspiring employees and nurturing their loyalty to the organization. It further delves into empirical investigations and the strategic role played by these non-monetary incentives, particularly in times of economic turmoil or when financial resources are constrained, underlining their capacity to foster employee commitment and contentment. (JYOTHI , 2016)
- The paper acknowledges the significant changes occurring in the healthcare industry, including restructuring, mergers, technological advancements, and increased learning requirements. These changes have implications for understanding and motivating employees. The concept of nonmonetary benefits plays a critical role in addressing these workforce challenges, as it is closely connected to ensuring employee security, a sense of belonging, self-esteem, self-actualization, and opportunities for learning and self-definition. (Benson & Dundis, 2003)

Research Methodology

The present study focused on different employees working in different organization. The proposed sample size is 77 employees the researcher will use the descriptive of exploratory research. Non-random sampling method was used for collecting the data's and it was collected through convenience sampling techniques. The primary data was collected from respondents through questionnaire. Respondents of study will be employees from different organization. The major advantage of convenience sampling is that it allows data to be collected in a short duration of time because of its simplicity.

Statistical tools used for the study.

The sampling method of this research is simple random sampling, the investigators distributed the questionnaire to different department of different organization for collecting accurate information. The researchers collected the information through interview and questionnaire among 77 sample respondents of different organization. Various statistical tools like Correlation and weighted average methods were administered for deriving inference

Analysis :

Descriptive statistics

	N	Minimum	Maximum	Mean
Job security is the highest desire for the employees	77	1	5	3.29
Job security is the main motive for employees to perform incredibly	77	1	5	3.0
Skills and contributions are valued	77	1	5	2.89
Organization support healthy work life balance allows to focus on professional growth	77	1	5	3.5
Opportunity offered by the organization for training enhances the professional growth	77	1	5	3.24
Flexible working hours retain employees	77	1	5	2.99
Flexible work schedule contributes overall job satisfaction	77	1	5	3.01
Recognition program increases motivation	77	1	5	3.10
Appreciation increases morale of the employees	77	1	5	2.89
There is a clear criteria for outstanding performance	77	1	5	2.99
Flexible policies and practices encourage employees to retain	77	1	5	2.77
Preferable working condition encourage employees to retain in the organization	77	1	5	2.89
Management incorporate the employee needs in the working environment to retain the employees	77	1	5	3.15

From the above table it is revealed that the Job security is the highest desire for the employees, followed by the working environment and other factors.

The relationships found in the questionnaire results and the relevant literature demonstrate the varied viewpoints that employees have about non-cash benefits and how they affect retention. The varied answers highlight the fact that, although these perks are important, they may not be the only factors influencing an employee's commitment or loyalty, underscoring the complexity of the variables influencing employee happiness.

Correlation between Flexible working hours and overall job satisfaction:

Null Hypothesis: There is no significant relationship between flexible working hours and Flexible policies & procedures in retaining employees.

Alternative Hypothesis: There is a significant relationship between flexible working hours and Flexible policies & procedures in retaining employees.

		Flexible working hours	Overall Job satisfaction
Flexible working hours help to retain employees	Pearson Correlation	1	.521**
	Sig (2 tailed)		<.001
	N	77	77
Flexible policies and procedures helps in retaining employees	Pearson Correlation	.521	1
	Sig (2 tailed)	<.001	
	N	77	77

From the above table, it is shown that there is correlation between flexible working hours and Flexible policies & procedures in retaining employees.

Correlation between Appreciation and the effectiveness of the recognition program:

Null Hypothesis: there is no significant relationship between Appreciation and the effects of the recognition programs in the organization.

Alternative Hypothesis: there is a significant relationship between Appreciation and the effects of the recognition programs in the organization.

		Appreciation increases morale of the employees	Recognition program increases motivation
Appreciation increases the morale of the employees	Pearson Correlation	1	.541**
	Sig (2 tailed)		<.001
	N	77	77
The recognition program in the organization increases motivation	Pearson Correlation	.541	1
	Sig (2 tailed)	<.001	
	N	77	77

From the above table, it is shown that there is a correlation between Appreciation and the effects of the recognition programs in the organization.

Correlation between Job security and the skills and contribution:

Null Hypothesis: there is no significant relationship between Job security and the skills contributions are valued.

Alternative Hypothesis: there is a significant relationship between Job security and the skills contributions are valued.

		Job security	Skills contributions are valued
Job security provides highest desire for employees	Pearson Correlation	1	.501**
	Sig (2 tailed)		<.001
	N	77	77
Skills contributed are valued	Pearson Correlation	.541	1
	Sig (2 tailed)	<.001	
	N	77	77

From the above table, it is shown that there is a correlation between job security and skills contributions for retaining the employees.

Recommendations:

The recommendations are based after the research is:

The research and the results obtained may not be applicable in other companies and institutions because of the difference of the people working in them, non-technology incentives and the culture of the organization. Companies and institutions should not overlook non-monetary incentives, as they bring benefits that can positively impact success, even if their influence is subtle. It's worth mentioning that their presence is crucial and should not be completely excluded, as they bear different effects from one individual to another, making it challenging to predict their impact. Therefore, companies should carefully consider and integrate these incentives into their strategies for a more comprehensive approach to employee motivation and satisfaction.

Top management should give freedom to the employees in taking decision. Transparency in providing non-monetary benefits encourage employees to retain in the organization.

II. Conclusion:

To summarize, the aim of this research is to identify the non-monetary factors on employee relations, and to describe the offers of nonmonetary factors on employee relations and to identify how to enhance nonmonetary factors on employee relations. In order to achieve one of the most important goals of human resources staff, which is to retain the employees. The research aims to correlate job factors and retention quantitatively, using a comprehensive survey. Meticulous data planning, including pre-tests and interviews, ensures accuracy. Ethical considerations prioritize confidentiality and consent. The study results the leadership in recognizing how a flexible work environment boosts employee career growth and improves workplace recognition. We have come to the fact that while non-monetary benefits are important, and employee loyalty is not always determined in getting the extra non- monetary benefits might not give him a better opportunity in the organization. And the development of retention strategies is a thoughtful process that takes into account both organizational dynamics and individual preferences in order to develop a satisfied and dedicated workforce, which will increase the success of the retention strategies.

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