PERCEIVED RELATIONSHIP BETWEEN NON –FINANCIAL REWARDS AND EMPLOYEE MOTIVATION AT IMPACT MARKETING (K) LIMITED.

BY

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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This research project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I dedicate the research proposal to my dear parents for their support and encouragement throughout the study period. May the Almighty God bless you so abundantly.

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The process of this master's project writing has been a wonderful learning experience which was coupled with both challenges and rewards. The completion of my study opens a new beginning and a step forward in my endeavors.

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ABSTRACT

Job satisfaction and employee retention is derived from employee motivation. Employee motivation is derived from mainly the rewards employee is granted at the workplace in order to motivate them, which can either be financial or non-financial. With the harsh economic times and the decreasing power of money as a motivator, it has become necessary to look into various non-financial   rewards that motivate employees effectively, those whose effect last more, and are valued by employees. The study aimed at establishing the perceived relationship between non-financial rewards and employee motivation at Impact Marketing (K) Limited. In attempting to achieve the objectives of the study, a case study research design was adopted. A questionnaire was used to collect data on strategic capabilities used by the organization in gaining competitive advantage. The data obtained from the questionnaire was analyzed qualitatively using descriptive analysis. The study established that the company has put in place several non-financial incentives to motivate employees .The respondents noted that since the company has established these non-financial rewards as a means to motivate them, they felt that these non-financial rewards motivated them to a great extent, and were very important to them, and thus it was important to use is financial rewards to motivate them.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's financially strained economy, many companies feel strapped for cash and cannot afford to give the raises or bonuses that staff deserves to motivate their staff or reward them. But tough times do not necessarily mean that employees should not be rewarded for their accomplishments and performance, so as to motivate them even do better. There are many interesting and creative alternative forms of reward that do not involve money and which can act as motivational retention tools to increase employee engagement and loyalty.

Gratton, (2004) views money as a form of reward which has been given too much predominance, money has come to play an overly important role in our thinking about the causes of behavior. In most companies, very limited time and effort are spent on considering non-monetary sources of motivation.. It is the day-to-day interactions that make employees feel that their contributions are appreciated and that they are recognized for their own unique qualities. This type of recognition may contribute to high morale in the work environment. So, it's extremely important that managers to develop reward and recognition programs that really motivate employees.

According to Pfeiffer, (1998) the most powerful argument in favor of these is that, creating a fun, challenging and empowered work environment in which individuals are able to use their abilities to do meaningful jobs for which they are shown appreciation is likely to be a certain way to enhance motivation and performance-even though creating such an environment may be difficult and take more time than simply turning the reward lever. Organizations have now invested a lot of resources in trying to come up with reward that greatly motivate their staff, without denting their budget, while at the same time giving maximum rewards to their employees for their efforts at work so as to motivate them, thus the shift from financial reward to non-financial reward as a means to motivate their employees.

The use of non–financial reward to motivate employees has been pegged from Maslow theory of motivation and Herzberg–Hygiene theory of motivation that focuses on motivation and behavior, According to these theories there are factors in the working environment and working

conditions that make employees feel motivated at work. Not all reward are created equal and the rewards that you find motivating might not be enough to inspire another person to take action. Physiological, social, and cognitive factors can all play a role in what reward you find motivating.

1.1.1 Perception

Pfeiffer (2001), defines perception as the process by which people translate sensory impressions into a coherent and unified view of the world around them. Though necessarily based on incomplete and unverified (or unreliable) information, perception is equated with reality for most practical purposes and guides human behavior in general. Perception is the constellation of mental processes by which a person recognizes, organizes and interprets intellect.

There are three components to perception: The perceiver, who is the person who becomes aware about something and comes to a final understanding, the target, that is the person who is being perceived or judged and The Situation, which greatly influences perceptions because different situations may call for additional information about the target. Bowen and Shroff,(2009) argued that in order for human resource systems to lead to desired performance, they must elicit clear and shared perceptions of the work climate and of the behaviors that management expects, supports and rewards human resource outcomes depend on employee perceptions. The shift in focus is important because researchers have focused primarily on intended human resource practices as described by managers, but not employees' perception so for reactions to them, thereby implicitly assuming that human resource practices function as intended. Yet in reality, the same human resource practice is often regarded in different ways. For example, some employees may view a pay-for-performance system as assign of empowerment– management rewards workers who provide high-quality service or produce high-quality products. Others, however, may see this practice as a means of controlling costs and getting as much productivity out of workers as possible, with little concern for their well-being. Even within a firm, the same human resource practice may be viewed differently by different employees. But the effect is the same; if employees feel they're being valued, they respond more positively, whether or not the human resource practice in question is actually, by

management's definition, a quality human resource practice. Clearly, employees are going to assign meanings to the human resource policies that govern their daily working lives. Individual attitudes, in turn, tend to accumulate into unit-wide perceptions.

According to Morgeson and Hoffman, (1999) members of the same work unit often come to hold similar views through what's known as a double interact process this occurs when one employee shares a sentiment with a colleague, who responds, after which the first employee responds back reinforcement that creates collective attitudes. Once a unit has established a distinct character, it often self-perpetuates that character by attracting like-minded new employees and losing through attrition those who don't have the unit's views. To achieve desired organizational outcomes, it's important to have not only the right human resource practices but the right employee perceptions of those practices., as employees were more engaged when they perceived human resource practices were motivated by the organization's concern for high-quality service and employee well-being Employees were less engaged when they perceived a company's human resource practices were motivated by a desire to reduce costs and exploit employees.

1.1.2 Non –Financial Rewards

Torrington, (2010) defines rewards as any payments linked to the working of an individual or working group with prior arrangements. They are programs that an employer uses to supplement employees' compensation, such as paid time off, medical insurance, company car, and more for job well done, or good employee performance. Reward can either be Monetary (financial Reward) or Non-Monetary based (Non-Financial).

Non -financial rewards are non-monetary rewards that are given by management to employees to satisfy employees' needs to have recognition, achievement responsibility, autonomy, influence and personal growth at the workplace. They incorporate the notion of relational rewards, which are intangible rewards concerned with the work environment such as quality of work life, the work itself as well as work life balance.

Greenberg, (2006) holds the view that Non-monetary rewards increase intrinsic motivation within employees; in other words, these types of rewards increase employees' motivation to

work by raising their self-esteem. While financial rewards encourage workers' externally, non-financial rewards can satisfy employees just as well by making them feel like a valued part of an organization and showing them that they are appreciated. People look at these things more in terms of information about their worth to the company and their ability to achieve and succeed with their goals. Examples of non-financial rewards include job security, personal development programs, praise or recognition and well as employee recognition programs. Non-financial reward can be extrinsic such as praise or recognition or intrinsic associated with job challenge or interest.

1.1.3 Employee Motivation

Dessler, (2008) defines Motivation as the force that energizes, directs, and sustains behavior Employee Motivation is an employee's intrinsic enthusiasm about and drive to accomplish activities related to work. An individual's motivation is influenced by biological, intellectual, social and emotional factors. As such, motivation is a complex, not easily defined, intrinsic driving force that can also be influenced by external factors. Every employee has activities, events, people, and goals in his or her life that he or she finds motivating. So, motivation about some aspect of life exists in each person's consciousness and actions. Employee motivation is pegged on the motivation theory that is concerned with what determines goal directed behavior and how behavior 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.

Employee motivation at work can take place in two ways: Intrinsic motivation: It can be described as the process of motivation by the work itself so far as it satisfies people's needs or at least leads them to expect their goals will be achieved. Rose, (1998) views this motivation to being derived from the content of the job. Intrinsic motivation is itself generated in that people seek the type of work that satisfies them, but management can enhance this process through their values as well as employee empowerment, employee development and job design policies and practices. The factors affecting intrinsic motivation include responsibility, scope to use and develop skills and abilities, as well as challenging work and opportunities for advancement.

Extrinsic motivation: Armstrong, (2006) views this kind of motivation as being derived from what is done by the management to and for employees to motivate them. It arises when management provides rewards to employees at work such as increased pay, promotion, recognition and even awards. Extrinsic motivation can have an immediate and powerful effect on employees but does not last for long as compared to intrinsic motivation.

Dessler, (2009) holds the view that employers have to figure out how to inspire employee motivation at work, and to create a work environment in which an employee is motivated about work. This involves both intrinsically satisfying and extrinsically encouraging factors. Employee motivation is the combination of fulfilling the employee's needs and expectations from work and the workplace factors that enable employee motivation - or not. These variables make motivating employees challenging. Employers understand that they need to provide a work environment that creates motivation in people. But, many employers fail to understand the significance of motivation in accomplishing their mission and vision. Even when they understand the importance of motivation, they lack the skill and knowledge to provide a work environment that fosters employee motivation., Factors that are present in a work environment that many employees find motivating include: management and leadership actions that empower employees, Transparent and regular communication about factors important to employees, treating employees with respect, providing regular employee recognition, Feedback and coaching from managers and leaders. Above industry-average benefits and compensation, providing employee perks and company activities, and positively managing employees within a success framework of goals, measurements, and clear expectations.

1.1.4 Impact Marketing (K) Limited

Impact Marketing (K) limited is a private limited company which was founded in the year 2003 with the goal to be a one shop Marketing and communication Company that provides Quality and comprehensive branding and printing services with emphasis to quality to its clientele .It has one major office and production division located at Upper Hill in Nairobi County, It provides branding, printing and customized promotional gift items such as branded stationary, clothing, umbrellas, mugs and bags to its large clientele in the corporate world who include the Kenya Commercial Bank, Central Bank of Kenya, Telkom Kenya as well as

GlaxoSmithKline Kenya limited just to mention but a few of its clients. Impact Marketing (k) limited operates with a turnover of thirty five Million Kenyan shillings with profits exceeding twenty million Kenya shillings annually.

The company has been operating on positive growth since its inception in 2003 as indicated by increasing revenue and profit margins that have been increasing steadily over the years. Impact marketing mission is to be a market leader in creating perfect choice of plan for branding solutions for its clients. The company has a total of 36 employees who fall under three departments namely-Sales department, production department and the administration department. Impact Marketing just like any other medium sized company is now struggling to motivate its employees in a cash strapped economy and thus has put in place emphasis on several non-financial reward to improve employee motivation .It has thus started to motivate its employees with non-financial rewards such as recognition, career development ,good leadership as well as Safe working environment with the overall aim of having more motivated employees who provide greater job performance leading to higher levels of job satisfaction and overall development of the organization.

1.2 Research Problem

Financial rewards have for a long time been used in organizations as a means to motivate employees. People can find some use for the extra money included in a raise or a cash bonus, so providing extra income has always provided practical, tangible benefits However, due to harsh economic times, organizations are looking for other alternatives to sustain motivation and non-financial rewards are greatly used. The challenge is if the impact of these non-financial rewards is strong enough to create a sustainable way to boost employees' motivation to work. Also, as stated by Grant, (2002) employees are motivated by money—at least for a period of time, however the motivational power of money often wears off as employees simply get used to their current level of compensation. Many studies have confirmed that as long as employees are paid competitively, money is not the main factor that leads to job selection or performance. Ultimately, most people are motivated more by the work they do and the environment in which they work than by the money they earn.

Pfeiffer, (2009) argues that the compensation and rewards system offered to employees should include both monetary and non-monetary ideas, and thus the need to identify those non-financial reward that greatly motivate employees in today's cash strapped economy, and in a society where has money is no longer a motivator for employees.

Impact Marketing just like any other medium sized company is now struggling to motivate its employees in a cash strapped economy and thus has since January 2014 put in place emphasis on several non-financial reward to improve employee motivation which has caused positive significant changes in employee motivation. The Non –financial reward offered by Impact Marketing for its staff are: praise and recognition for job well done, career development programs to provide employees with opportunities for advancement and growth as well as Job enrichment/Enlargement opportunities for employees which has caused positive significant changes in employee performance, which prompted my research on the perceived relationship between non –financial reward and Employee motivation at this company, and also identify the most preferred type of non –financial incentive at this company, which leads to the greatest employee motivation and overall job performance.

Pekola (2005) in his study of modern workplace and motivation identified a link between non-financial reward and employee motivation, where the research findings revealed that organizations that gave employees non-financial reward had motivated employees as opposed to organizations that did not provide these reward to their employees. Pekola identifies a link between non-financial rewards and employee motivation but this are just correlation studies he does not identify the cause –effect relationship between the two. Gielen (2006) in his study on non-financial reward and their effects on employees in Switzerland identifies a link between provision of these reward and employee motivation and overall job satisfaction. Orwa (2009) researched on the perceived relationship between non-financial rewards and motivation at Bamburi cement and found that when employees were given non- financial rewards, they were motivated as opposed to when the management did not give them any non- financial rewards. Kiilu (2010)in his study on determinants of employee motivation at EPZ clothing factory in Athi River identified that non –financial rewards such as praise /recognition and career development greatly motivate employees at the clothing factory. However, his study just

identifies the co-relation but does not address the causal connectivity of the relationship. The present research is designed to fill these identified research gaps and further validate the existing sparse evidence on non-financial rewards and employee motivation relationship by examining of employee perception of non-financial reward sand motivation relationship at Impact Marketing (k) Limited.

1.3 Research Objective

The main objective of the study is to determine the perceived relationship between non – financial rewards and employee motivation.
Specific objective include:

1) Establish the non-financial rewards offered at Impact Marketing
2) To determine Impact Marketing employees' perception of the non-financial rewards offered at their place of work.
3) To establish the extent to which non-financial rewards offered by impact Marketing motivate the employees.

1.4 Value of the Study

The understanding of the relationship between non-financial rewards and employee motivation will be useful to human resource rewards and benefits specialists as they formulate and implement employee reward schemes that best motivate employees. The study findings will also be useful to them when determining the best choice of reward program to provide to employees even without finances to do so, but nevertheless create greatest employee motivation.

The study findings will help Management of other organizations solve the ever growing challenge of motivating employees on a cash strapped budget , as well as provide ways to best motivate employees in the era where the use of money or financial rewards as a means to motivate employees is slowly diminishing. The study provides insight on challenges that may be faced in the quest to motivate employees and how they can avoid them, and thus help management of other organizations know how best to motivate their employees.

The study will contribute towards the literature on non-financial rewards and employee motivation. It is hoped that the research findings will be useful to scholars, who may find useful research gaps in this area, that may stimulate interest in further research in future, thus contributing to the body of knowledge in these area. Recommendations will be made on possible areas of future study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers literature review related to the study. It includes a review of various studies conducted by researchers on theoretical foundations, Non-financial rewards and motivation.

2.2 Theoretical Foundations for the Study

The study is grounded on Maslow's hierarchy of human needs theory and Hertzberg two – factor needs theory.

2.2.1 Maslow   Hierarchy of Human Needs Theory

Grobler et al.,(2006) identifies   Maslow hierarchy of Human needs theory, as a motivation theory that was   propagated by Abraham Maslow, in 1943.According to Maslow, Human needs are split into five levels namely physiological needs, safety needs ,social needs, and self-actualization needs. According to Maslow, (1954) the low level physiological needs crucial for survival include food, shelter, clothing and relief from pain. This can be met by a common strategy used by management to motivate employees for example provision of money, job security, meals, leaves   to motivate employees, this level is followed by safety needs. This level of needs according to Schulze, (2003) include being protected against physical and psychological harm, within a surrounding ,and organizations may react to these needs by providing a safe, non-toxic and healthy working environment job security and reward packages that are in compliance with the legislative and regulatory framework. Grober et al., (1998) identified that in this level these social needs are evidenced by need for love and belonging, and also need to fit into an environment, connection with colleagues and superiors ,support and recognition by others as well as social interactions.

Meyer et al., (2005)   is of the view that these needs can be addressed by encouraging a team driven environment, providing close leadership and group participation to motivate employees. In level four needs, refer to need for self –confidence and respect from others, the requirement and acknowledgement of who we are and what we do is highly important, intrinsic and

extrinsic motivation originates from this need. The organization could address these needs by using helpful support Programs and providing symbols for recognition and including lower level-employees in strategic conversations. On level five hierarchy, Grober *et al*.,(1998) defines self-actualization need as the need to realize ones potential and to nurture into exceptional individuals. Roberts, (2005) links organizations which recognize this kind of need as those that put emphasis on opportunities for employees to address personal growth matters. Grobler et al., (2006), suggest that organizations should, amongst others provide opportunities for personal development and reward exceptional performance.

Maslow's theory highlights that organizations must identify the level of needs at which the employee is present at, and then the needs must be addressed as drive for motivation. Shulze, (2006) asserts that if the basic needs are not met, the organizations will not be able to fulfill the other level of needs. Not all employees are directed by a similar set of needs, and thus it is through this realization that organizations are required to tailor reward programs that suit an employee's needs.

2.2.2 Hertzberg Two Factor Need Theory of Motivation

Armstrong, (2007) links the two factor theory of motivation to having been propagated by Hertzberg in 1968. Hertzberg, (1968) believes that an employee has two set of needs, motivation and hygiene needs. He identifies hygiene factors also known as dissatisfiers as those factors closely related to the working environment and include rates of pay, company policy, working conditions. Hertzberg believed that hygiene factors do not motivate employees. Hertzberg, (1968) is of the view that these factors are perceived to be acting as motivators for individuals to reach superior performance and effort. If effectively met the employee is neither dissatisfied nor satisfied. On the other hand motivation factors also known as satisfiers such as achievement, recognition, as well as personal growth. Steyn, (2002), identifies that these motivational factors place emphasis on the work itself by providing opportunities for higher needs attainment. These motivation factors predominantly refer to the environment and assist to avert job frustration issues, while not having noteworthy influence on positive attitudes. Schulze, (2003), views this theory as being speculative that it is not extrinsic factors for

example salary, organization benefits and job security which motivate employees, but rather intrinsic factors such as achievement, recognition and responsibility.

Hertzberg reasoned that motivators are factors that produce real satisfaction. Nelson et al., (2003), argue that although hygiene factors are not motivators, they are a pre-requisite for motivation, Organizations must focus on safeguarding the suitability of hygiene factors to elude employee dissatisfaction this view is supported by Hertzberg, (1968) who states that organizations must make sure that job roles are engaging, exciting and fulfilling so that people are motivated to work.

2.3 Non- Financial Rewards

Bratton, (2007) defines rewards as referring to all monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Banfield *et al*., (2007) identifies non-financial rewards as psychological or intrinsic rewards that people do, and their working environment. According to Hertzberg,(1966),whilst financial rewards are purely hygiene factors ,non-financial rewards address the psychological needs of employers and can unlock latent effort and engender greater organization commitment. Pfeiffer, (2006) identifies that non-financial rewards focus on achievement, recognition, responsibility, influence and personal growth. Non-monetary rewards are more varied and unique than monetary rewards and offer major advantages. They help meet employees' needs for recognition, growth and responsibility and most can be relatively inexpensive. Torrington, (2002) establishes that in the organization, non-monetary rewards range from small merchandise rewards to certificates of appreciation. The technical requirements are equally varied, ranging from rewards with no documentation (certificates of appreciation) to rewards requiring management's signature (external rewards) before being submitted to the employees Armstrong *et al.,* (1994) identifies that non-financial rewards focus on the needs most people have and they include the need for achievement, responsibility, recognition, influence and achievement.

2.3.1 Employee Recognition

Harrison (2009), defines Employee recognition is the timely, informal or formal acknowledgement of a person's or team's behavior, effort or business result that supports the organization's goals and values, and which has clearly been beyond normal expectations . Sarvadi,(2005), establishes that the key focus of recognition is to make employees feel appreciated and valued. Mason, (2001) in his research has proven that employees who get recognized tend to have higher self-esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative. For organizations to address these expectations an understanding of employee motivation is required, of which employee recognition is one of them. Beer et *al*, (1984) views Employee recognition programs to cover a wide spectrum of activities. They range from a spontaneous and private thank you to broad and formal programs in which specific types of behavior are encouraged and in which the procedures for attaining recognition are clearly identified. Robbins, (2005) identifies appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work. Roshan, (2005), asserts that when management send clear messages to all members of a company informing them about expected attitudes and behaviors, and praise or recognize good performance, employees feel appreciated, thus praise and recognition are essential to an outstanding workplace. Kim, (2004) views employee recognition as a fundamental aspect of employee motivation as everyone wants a pat on the back to make them feel good.

2.3.2 Employee Voice

Bryson *et al.,* (2006) defines Employee voice as any union or non-union based method of communication between employees and management. Pucket *et al*., (2003) define Employee voice as the term increasingly used to cover a whole variety of processes and structures which enable and contribute which enable and sometimes empower employees directly and indirectly contribute to decision making in the firm. Mill Ward *et.al*. (2000) views employee voice as the ability of employees to influence action of employer. Salamon, (2009) is of the view that

Employee voice improves communication and encourages staff retention through fair treatment thereby increasing employee motivation. Marchington *et al*., (1958) identified two forms of employee voice and these according to their study are representative participation and upward problem solving. They identified joint consultative committees as the most common form of representative management where management and employees representatives usually but not always meet on a regular basis to discuss issues of mutual concern. Armstrong, (2007) identified various forms of upward problem solving and these include attitude surveys, suggestions schemes as well as project teams. Robbins (2001) see employee voice as a form of intrinsic motivation that helps employees to put up their best. According to him, participating in decision making and having a say in issues that affect employees help them to put up their best. According to Freeman *et al*., (1984), that employee voice plays a vital role in minimizing turnover rate as they provide employees with the voice mechanisms through which they can rectify the work related problems and can negotiate higher compensation packages. Their arguments are supported by Batt *et al.,* (2002) who believe that employees in union set ups are expected to have higher compensation than they could earn in similar jobs in non-unionized set up and secondly unions strengthen employees by providing them with a voice in determining policies that reduce pay inequality, grievance and arbitration procedures for appealing managerial decisions.

2.3.3 Quality of Work Life

 Robbins (1989) defines Quality of work-life as a process by which an Organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work. Cohen *et al., (*1980) describes Quality of work life as an intentionally designed effort to bring out increased labor management, and co-operation to jointly solve the problem of improving organizational performance and employees' satisfaction. Sirgy, *et al .,* (2001) views Quality of work life as being depicted by favorable conditions and environments of a workplace that support and promote employee job satisfaction by providing employees with better reward systems, job security and growth opportunities. Cascio, (1998) argued that employees, who work in organizations where Quality of Work Life exists, will like their organizations and feel that their work fulfills their needs.

Eventually, the fulfillment of employees' needs will trigger their satisfaction with the job, commitment to their job and hence leading to desire long tenure at their workplace. According to Maslow, (1954) specifically, these needs encompass, health and safety needs (protection from ill health and injury at work and outside of work, and enhancement of good health); economic and family needs (pay, job security, and other family needs); social needs (collegiality at work and leisure time off work); esteem needs (recognition and appreciation of work within and outside the organization); actualization needs (realization of one's potential within the organization and as a professional); knowledge needs (learning to enhance job and professional skills); and aesthetic needs (creativity at work as well as personal creativity and general aesthetics).

2.3.4 Enriched Jobs

Reed, (2005) defines Enriched jobs as jobs that are crafted in a way to motivate employees by giving them more responsibilities and variety in their jobs. Leech *et al.,* (2004) view Job enrichment as a type of job redesign intended to reverse the effects of tasks that are repetitive requiring little autonomy. Some of these effects are boredom, lack of flexibility, and employee dissatisfaction Hackman and Oldham, (1980) claim that although many employees desire the additional challenge and responsibility associated with performing enriched jobs, others may not. Therefore, leaders should consider several moderators when attempting to enrich jobs to motivate.

2.3.4.1 Knowledge and Skill

Employees whose capabilities fit the demands of enriched jobs are predicted to feel good about the job and perform well. Those who are inadequate or feel inadequate in this regard are likely to experience frustration, stress, and job dissatisfaction. These feelings of inadequacy may be especially intense for employees who want to do a good job but realize that they are performing poorly because they lack the necessary knowledge and skills. Thus, leaders need to assess carefully the competencies of employees whose jobs are to be enriched. Training and development programs may need to be implemented along with an enrichment program to help such employees attain the needed competencies.

2.3.4.2 Growth-Need Strength

The degree to which an individual desires the opportunity for self-direction, learning, and personal accomplishment at work is called growth-need strength. This concept is essentially the same as Abraham Maslow's (1970) esteem and self-actualization needs, Clayton Alderfer's (1972) growth needs, and Frederick Herzberg's (2009) motivation factors. Employees high in growth-need strengths tend to respond favorably to enrich jobs. Graen, *et al.,* (1986) view that these employees experience greater job satisfaction; are highly motivated; are generally absent less; and produce better quality work than employee slow in growth-need strengths

2.3.4.3 Context Satisfaction

Context satisfaction is the degree to which employees are satisfied with various aspects of their job, such as salary, quality of supervision, relationship with supervisors and co-workers, and working conditions. Contextual satisfaction is similar to Herzberg's (2009) hygiene factors. Employees who are extremely dissatisfied with their supervision, salary and benefits, and working conditions are less likely to respond favorably to enrich jobs than are employees who are satisfied with these factors. Other contextual factors for instance company policy and administration, status, security, travel requirements, and group norms also can affect employee satisfaction with their jobs.

2.3.5 Strong Organization Values

Kenneth *et al.,* (2003) defines organization values as those enduring organization beliefs that influence the choices we make among available means or ends at the organization. Liedtka, (1989) defines organizational value as the important principles that guide the behavior of the organization and are communicated and rewarded within the organization. Strong values system is said to exist when organization members share key values related to acceptable behavior within the organization and the organization's strategic direction and, more important, that they share the espoused values of organizational leaders. Brown (1998), states that there is a link between Organization Values and motivational factors which are essential for the

organization's performance. Strong Organizational Values creates energy and momentum. The energy will permeate the organization and create a new momentum for success.

According to Boddy, (2002) strong organizational values has an important and direct influence on behavior and motivation of the people of an organization. Organizational values plays a significant role in an organization regarding how people feel about their work, levels of motivation, commitment, and in turn job satisfaction. These views are further backed by Sempane *et al.,* (2002) by explaining that people are the key factors for competitiveness and organizations can demonstrate highly complex social structure because of their organization value strength. Schneider and Synder, (1975) believes that there is a clear mutual interdependence between organization and its employees, where both the parties have an impact on each other's potential in achieving success. Such a relation gives birth to the relation of employee motivation and job satisfaction Motivation can be seen to be linked to Strong Organization value by looking at the five sources of motivation. Kantar, (1989) proposes that employees are motivated through mission (inspiring employees to believe in the importance of their work), agenda control (enabling employees to control their careers), a share of value creation (rewarding employees for successful efforts), learning (providing learning opportunities) and reputation (giving employee's opportunity to get a name for themselves).

2.3.6 Meaningful Work

Pratt *et al.,*(2003) defines Meaningful work as work that employees believe is significant in that it serves an important purpose Meaningfulness in work according to Rosso *et al.,* (2010). captures the amount or degree of significance employees believe their work possesses .This view is supported by Hackman *et al.,* (2010) who see Meaningfulness as being associated with numerous work-related benefits, including increased job satisfaction, motivation, and performance (these can be done through crafting tasks, as employees can craft their interactions with others at work in ways that foster meaningfulness through altering with whom and how they form connections and relationships. Employee interactions even short-term connections, particularly high quality connections (where employees experience mutual trust, positive regard, and vitality), can be highly consequential.

Maitlis, *et al,* (2008) view high quality connections between people are associated with more adaptability in jobs and careers increased job commitment and more positive work attitudes, better physiological functioning and recovery from pain and suffering, as well as, relationships with others on the job provide key inputs to how employees make sense of the meaning of their work, the job, and themselves and thus create meaningful work.

2.3.7 Work –Life Balance

Hudson, (2005) defines work-life balance as a satisfactory level of involvement or Fit between the multiple roles in a person's life. According to Estes,(2005) it includes elements of organizational support for dependent care, flexible work options, and family or personal leave Hence these practices include flexible work hours (e.g., flextime, which permits workers to vary their start and finish times provided a certain number of hours is worked; compressed work week, in which employees work a full week's worth of hours in four days and take the fifth off), working from home (telework), sharing a full-time job between two employees (job sharing), family leave programs (parental leave, adoption leave, compassionate leave), onsite childcare, and financial and/or informational assistance with childcare and eldercare services. According to Michael, (2005) Work-life balance policies can assist employees achieving a balance between their work and personal commitments that is right for them. The policies need to be supported by the workplace culture, which reflects the beliefs, values and norms of the whole of the organization from the CEO to staff members in order to improve employee engagement and motivation.

2.3.8 Good Leadership

According to Yukl, (1994) leadership is the process of influencing followers. There are two main types of leadership, transformational leadership and transactional leadership. Transformational leaders are charismatic. Bass, (1997) states that they motivate subordinates and appeal to their ideals and moral values by creating and representing an inspiring vision of the future this form of leadership involves the creation of an emotional attachment between leaders and employees. Transformational leaders take a real interest in the well-being of their employees.

As suggested by Jin, (2010) transformational leadership integrates the elements of empathy, compassion, sensitivity, relationship building, and innovation. According to it fosters a climate of trust, nurtures employees' confidence, and encourages their individual development. In addition, transformational leadership includes the elements of participative decision making and sharing of power. Transactional leadership is an exchange process. It is a matter of contingent reinforcement of employees based on performances. It motivates subordinates by appealing to their personal desires, based on instrumental economic transactions. Transactional leaders generally use organizational bureaucracy, policy, power, and authority to maintain control and motivate employees. Bennet, (2009) states that good leadership plays an important role in the attainment of organizational goals by creating a climate that would influence employees' attitudes, motivation, and behavior.

2.3.9 Safe Working Conditions

Guldenmund , (2000) identifies organizations that boast of safe working conditions as those that have those aspects of the organizational culture which will impact on attitudes and behavior related to increasing or decreasing risk. Safe culture of an organization is the product of individual and group values, attitudes, perceptions, competencies and patterns of behavior that determine the commitment to, and the style and proficiency of, an organization's health and safety management. Dessler, (2009) points out that organizations with a safe working conditions are characterized by communications founded on mutual trust, by shared perceptions of the importance of safety and by confidence in the efficacy of preventive measures. Hale,(2000) asserts that organizations that provide its employees with safe working condition have a positive safety culture are characterized by communications founded on mutual trust, by shared perceptions of the importance of safety and by confidence in the efficacy of preventive measures. As pointed out by Pidgeon, (1994) safe working conditions in organizations may be reflected and be promoted by four factors that are senior management commitment to safety; realistic and flexible customs and practices for handling both well-defined and ill-defined hazards; continuous organizational learning through practices such as feedback systems, monitoring and analyzing; and a care and concern for hazards which is shared across the workforce.

2.3.10 Autonomy and Control

Bowen *et al.,(1999)* define autonomy and control as giving an employee a discretion or latitude over certain task related activities. Blanchard *et al.,* (1996) for instance argued that Autonomy and control is not only having the freedom to act, but also having higher degree of responsibility and accountability. Mohammed *et al.*, (1998) states that Autonomy and control is a state of mind. An employee with this state of mind experiences feelings of control over the job to be performed,   awareness of the context in which the work is performed, accountability for personal work output, shared responsibility for unit and organizational performance, and equity in the rewards based on individual and collective performance. This indicates that management must grant autonomy and control to their employees so that they can be motivated, committed, satisfied and assist the organization in achieving its objectives

2.3.11 Achievement

Pfeiffer, (2009) defines achievement is something an employee does, such as reaching a goal or completing a project, using her skills, effort and persistence. According to psychologists Abraham Maslow, Fredrick Herzberg and David McClellend, the need for achievement is a psychological motivator that employees can develop. As pointed out by Armstrong, (2009) wise managers' help foster a need for achievement in their employees because it can mean performance improvement, increased productivity and employee retention. Employees can develop a need for achievement when trust and autonomy are present in the work environment. Employees who know their managers trust them are more likely to meet or exceed performance goals, McClelland, (1997) says employees develop a need for achievement when they see value in it and when the work environment supports it. Recognizing achievement is a straightforward approach to developing trust and encouraging employees to set and achieve goals.   He further states that giving work-specific recognition in a timely manner validates employees' work levels of job satisfaction, employee motivation and encourage achievement in their coworkers.

2.3.12 Career Development

Graham, (2001) describes career development as the way an individual's career unfolds, and the various activities undertaken by the individual or their organization to facilitate this. The evolution or development of a career is informed by within a specific field of interest for instance with career, job, or task specific skills as by-product, Success at each stage of development, educational attainment commensurate with each incremental stage, Communications, which is the capacity to analytically reflect your suitability for a given job via cover letter, resume, and/or the interview process and (understanding of career development as a navigable process. Rivera, (2009) points out that career development is a major tool for attracting, motivating and retaining good quality employees. Purcell *et al.,* (2003) found that providing career opportunities is one of eleven key practices that influence organizational performance.

2.4 Motivation

Guay *et al.*,(2010), define Motivation as the reasons underlying behavior. Gredler, *et al* (2004) broadly define motivation as the attribute that moves us to do or not to do something. Motivation involves a constellation of beliefs, perceptions, values, interests, and actions that are all closely related. Motivation was described by Robbins, (2003) as the result of interaction between individual and situation. Robbins acknowledged that people have different needs and the interaction of the situation and individual can be either reinforcing or hindering one's motivation. Mitchell, (1982) said that motivation means those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal directed. Armstrong, (2009) asserts that   people are motivated when they believe that a certain need will be satisfied by achieving a wanted goal or reward which will satisfy their needs. Arnold et al., (2010) found three components of motivation namely Direction - what a person is trying to do, Effort - how hard a person is trying and Persistence - how long a person keeps on trying.

There are two kinds of motivation as Hertzberg et al, (1987) described: intrinsic motivation which derives from the individual itself and one feels that he or she does not necessarily need external stimuli to obtain this motivation (for example money). The second type of motivation is extrinsic which results from the external factors of the individual.

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Such as getting money. Individuals who are possessing extrinsic motivation will be motivated by the stimuli coming outside the individual and their motivation will be the sum of efforts made to motivate them in an organizational context in forms of rewards, promotion, pay increases and punishment. Armstrong, (2009) concluded that the intrinsic motivation is more powerful in the long run as it is integrated in the individual and not coming from the outside whereas the extrinsic motivation might have powerful and visible effects fast but these are not lasting long as the stimuli is coming outside the individual. Osterloh and Frey, (2000) defined an individual to be extrinsically motivated when employee needs are indirectly met through the use of monetary rewards. They described pay for performance to be the ideal incentive for the extrinsically driven employees but blamed it to lack the long-term results. They described money to be a goal which provides satisfaction independent of the actual activity itself. An interesting viewpoint regarding the issue has been proposed by Wylie, (2004), according to which members of management primarily should be able to maintain the level of their own motivation at high levels in order to engage in effective motivation of their subordinates. Accordingly, Wylie, (2004) recommends managers to adopt a proactive approach in terms of engaging in self-motivation practices. Furthermore, Wylie, (2004) recommends concentrating on specific variations of intangible motivational tools such as celebrations of birthdays and other important dates with the participation of whole team.

According to Thomas, (2009) the main challenge of motivation in workplaces is identifying what motivates each individual employee taking into account his or her individual differences. In other words, individual differences have been specified by Thomas (2009) as the major obstruction for management in engaging in employee motivation in an effective manner. Lockley, (2012) on the other hand, addresses the same issue focusing on cross-cultural differences between employees in particular. Namely, culture can be explained as knowledge, pattern of behavior, values, norms and traditions shared by members of a specific group, and accordingly, cross-cultural differences is perceived to be a major obstruction in the way of successful employee motivation. This point has been explained by Lockley, (2012) by insisting that certain practices such as engaging in constructive arguments and dialogues in workplace can prove to be highly motivational for the representatives of Western culture, whereas the

same set of practices can prove to be counter-productive for employees from Asian countries due to vast cross-cultural differences.

2.5 Non-financial Rewards and Employee Motivation

According to Whetten *et al*, (2007).The essence of rewards is to establish linkage with desired behavior and   the outcome that makes the employee feel appreciated. Khan, et al., (2013) point out that Non-monetary rewards play a significant role in the perception of the employee regarding the reward climate in the workplace. When organizations pay attention to non-monetary tools such as opportunity of increasing holiday and family benefits, the employee esteems the organization to be a supporting and caring organization. Rewards are important factors that explain certain job aspects that contribute significantly to the organization such as job satisfaction. Recognition is the most common and powerful tool that is being used in the organization to drive employee engagement. Sun, (2013) further identifies three conditions that are necessary fort the effective use of recognition tool. First recognitions should be used frequently; recognition needs to be provided every one week to employees so that they can feel valued. Second, recognition should be specific, and identifying what is recognized makes it meaningful and critical. Third, rewards should be timely, that is, it should take place shortly after the employee action that deserves recognition occurs.

Deeprose, (1994) argues that rewards have a significant impact on employees' motivation and productivity. Effective use of rewards results in improved performance of the organizations. Employees take rewards   as part of their feelings of value and appreciation and as a result it increases morale employees' morale, which eventually increases efficiency of organizations. It is for that reason, Danish, (2010) affirm that when rewards and recognition are properly implemented , a good working atmosphere is provided that motivates employees to achieve high performance. Deeprose, (1994) mentioned that   good managers motivate people by doing things that acknowledge their accomplishments and they reward people by giving them something tangible. Alam, (2013) investigated the impact of employee recognition as a factor that predicts their contribution. The result shows a correlation between monetary reward and employee contribution.

However, Murphy, (2007) used an online survey to study the effects of monetary and non-monetary incentives on lab or turnover. The results of the study revealed that no significant difference was found in lab or turnover. Zaman, (2011) examined the relationship between extrinsic rewards, intrinsic rewards and motivation among employees of three non- profit organizations in Mombasa County namely Muslim for Human rights (MUHURI), CARE Kenya and I Choose Life (ICL). The study used 127samples and the results show that extrinsic rewards correlate directly with employee motivation while intrinsic reward does not make any significant impact on employee motivation.

Studies involving non-monetary rewards and job motivation show positive relationships. Hayati *et al.,(*2012) investigated the relationship between non-financial rewards and job motivation and identified a positive relationship. This means that employees that are intrinsically motivated are more satisfied. Rast, (2012) studied the factors (job characteristics) that have a significant impact on job motivation among three private airline employees. The findings show that supervision, relationships, pay, nature of the job and promotion opportunities relate moderately to job motivation. Tymon *et al*., (2010) found that intrinsic rewards and job satisfaction are positively correlated. Intrinsic and hygiene factors contribute greatly to satisfaction in organizations among employees. Tausif, (2012) investigated the relationship between non-monetary rewards and job satisfaction among teachers in public schools in Kisii County. The study used 200 samples that were randomly selected. The findings show that non-financial rewards are the most powerful predictors of job motivation and ultimately job satisfaction.

The effect of non-monetary rewards on employees' job motivation has empirically been proven. Lewis, (2013) posits that praise and recognition are effective ways of motivating employee behavior in the organization as they are considered the most important rewards. Aktar et al., (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.

Similarly, Erbasi and Arat, (2012) examined the impact of financial and non-financial incentives for food and hospitality sectors in the in Turkey and found that both financial and non-financial rewards are important elements of job motivation. Nonetheless, non-monetary rewards are considered more important in terms of motivating workers to increase their performance compared to monetary rewards performance in motivating employees.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used in the study in an attempt to meet the objectives of the study .It presents the approach that was used to conduct research ,and thus includes the research design, population of the study, data collection and analysis. For each methodological approach used, efforts are made to justify its use.

3.2 Research Design

Kothari, (2004) defines research design as a blue print which facilitates the smooth sailing of various research operations, thereby making research efficient .A descriptive research design was used as this research design is best suited to obtain information concerning the current state of phenomena as is basis without changing anything from the respondents response. Descriptive research was also best suited as it is involves description of events in the environment which they occur in a carefully planned way. Descriptive research design thus was applicable to obtain information from employees at Impact Marketing about their perceptions on the relationship between non-financial reward and employee motivation as is basis in their organization.

3.3 Population of the Study

Population refers to all elements of the study, or elements being investigated .The population of the study comprised of all the employees of Impact marketing (k) limited, which has only one branch and is based in Nairobi County, which has a population of 36 employees. A census survey was carried out on all staff of the company since the population is relatively small.

3.4 Data Collection

Data was collected using primary sources which was obtained through a structured questionnaire, comprising of open-ended and closed questions. Respondents were all employees of the various departments; these departments are human resource, Finance, Marketing, Production, Procurement and Operations department, giving a total of 36respondents. The questionnaire was divided into three sections.

Section one was designed to obtain general information on person and organization profile. Section two consisted of questions on non- financial rewards offered at Impact Marketing and Section three contained questions on non-financial rewards and employee motivation in the company. The questionnaires were presented and picked later.

3.4 Data Analysis

Before analysis, the data collected was verified for completeness and consistency. Descriptive statistics such as frequencies and percentages were used to analyze data. Pearson's product correlation was done to establish the relationship between non-financial rewards and employee motivation .The results were presented in form of tables and charts.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The objectives of this study were to establish perceived relationship between non-financial rewards and employee perception , to establish the non-financial rewards offered at Impact Marketing (k) and to establish the extent to which non-financial rewards offered at impact Marketing (k) limited motivate the employees.

Out of the targeted 36 employees, 30 responded to the questionnaires. The response rate was 83% which was considered adequate for the objectives of this study. In this chapter, the analyzed data is presented together with the relevant interpretations. Findings have been presented in three parts: person and organization profile, information relating to non-financial rewards offered at Impact Marketing, and information on non-financial rewards and employee motivation.

4.2 General Information on the Person and Organization Profile

The respondents were asked to state their position in the company and the results were computed in the **Table 4.1.**

4.2.1 Employee Position

Table 4.1: Employee Position

	Frequency	Percentage%
Top Management	4	13
Middle Management /supervisory	12	40
Unionisable	14	47
Total	**30**	**100**

Source: Research data

The **Table 4.1** indicates that 47% of the respondents were unionisable, 40%were on middle management/supervisory, with 45 being in top management position. This indicates majority of the respondents were unionisable.

4.2.2: Gender of Respondents

The respondents were asked to state their gender and the results were presented in the **Table 4.2.**

Table 4.2: Gender of Respondents

	Frequency	**Percentage (%)**
Male	16	53
Female	14	47
Total	30	**100**

Source: Research data

Table 4.2 shows that 70% of the respondents were male while 30% were female. This indicates an even distribution of the gender of the respondents.

4.2.3 Age Bracket of Respondents

The respondents were asked to state their ages and the results were summarized in the **Table 4.3.**

Table 4.3: Age Bracket of Respondents

	Frequency	Percentage%
Under 20 years	0	0
21-30 years	14	47
31-40 years	12	40
Over 50 years	4	13
Total	**30**	**100**

Source: Research data

From the **Table 4.3,** it is evident that 47% of the respondents were between 21-30 years,40% were between 31-40 years and 4% being over 50years, this implies that majority of the respondents were between 31-40 years.

4.2.4 Length of Service in the Organization

The respondents were asked to state their length of service in the organization and the results were as in the **Table 4.4.**

Table 4.4: Length of Service in the Organization

	Frequency	Percentage(%)
Less than two years	0	0
2-5 years	22	73
6-10 years	8	27
Over 10 years	0	0
Total	**30**	**100**

Source: Research data

From the **Table 4.4** it is evident that 22 out of 30(73%) of the respondents had stayed in the organization between 2-5 years, while 8 (27%) had stayed in the organization between 6-10 years. This implies that majority of the respondents had stayed in the organization for between 2-5 years.

4.2.5: Existence of the Organization

The respondents were asked to state the tenure of existence of the organization and the results were in the **Table 4.5.**

Table 4.5: Existence of the organization

Range	Frequency	Percentage(%)
Less than 5years	0	0
6-10years	0	0
11-15 years	30	100
16-20years	0	0
21-25 years	0	0
Total	**30**	**100**

Source: Research data

Table 4.5 indicates that that 100% of respondents stated that the organization had been in existence for between 11-15 years. It is thus evident that the organization has been in existence for between 11-15 years.

4.2.6 Type of Non-Financial Rewards Offered at Impact Marketing

The respondents were asked to state the type of non-financial reward by the organization and the results are in the **Table 4.6.**

Table 4.6: Types of Non-financial Rewards Offered at Impact Marketing

Non –financial rewards	Frequency	Percentage %
Recognition	24	80
Employee voice	14	47
Quality of work life	21	70
Enriched jobs	20	67
Strong organization values	10	33
Meaningful work	24	80
Work life balance	27	90
Good leadership	23	77
Safe working conditions	18	60
Autonomy and control	9	30
Achievement	12	40
Career development	15	50

Source: Research data

Table 4.6 indicates that impact Marketing offers a wide variety of non-financial rewards to its employees, it is evident from the respondents response that work life balance (90%), recognition (80%), meaningful work (80%) are the most common non –financial rewards offered at Impact, with Autonomy and control (30%) and achievement 40% being the least common non-financial rewards offered at impact Marketing.

4.3 Importance of Non- Financial Rewards to Employees

The respondents were asked to state the importance of non-financial rewards and the results are presented in the **Table 4.7.**

Table 4.7: Importance of Non-financial Rewards to Employees

Response	Frequency	Percentage (%)
Not important	2	7
Less important	0	0
Important	10	33
Extremely important	18	60
Total	30	100

 Source: research data

Table 4.7 indicates that 75 of the respondents felt that non-financial rewards were not important to employees, 33% felt that non-financial rewards were important, and 60% felt that non-financial rewards were extremely important .it is thus evident from the table that majority of the respondents 60% felt that non-financial rewards were important to them.

4.3.1 Variance of Different Kinds of Non-Financial Rewards to Different Individuals

The respondents were asked to state if the organization varied the kind of non-financial rewards offered to different individuals in the organization and the results were presented in **Table 4.8.**

Table 4.8: Variance of Different kinds of Non-Financial Rewards to Different Individuals

Response	Frequency	Percentage (%)
Yes	0	0
No	28	93
Don't know	2	7
Total	30	100

Source: Research data

Table 4.8 indicates that 93% of the respondents believe that the organization does not vary the type of non-financial rewards to different individuals, while 7% do not know whether the

organization varies the type of non-financial rewards to different individuals. It is thus evident that the organization offers   similar non-financial rewards to all individuals.

4.3.3 Importance of Different Non-Financial Rewards

In order to understand importance of different non-financial rewards to employees, different non-financial rewards were listed and respondents asked to rate them accordingly. Data was analyzed using mean scores and standard deviations. Ameanscoreof1.5–2.5implies not important, 2.5 –3.5 less important and3.5– 4.5 important. A mean score of>4.5impliesvery important. A standard deviation of <1 means that there were no significant variations in responses while that>1impliesthattherewere significant variations in responses. The **Table 4.9** shows the results.

Table 4.9: Importance of Different Non-Financial Rewards

Non-financial rewards	Mean	STDEV
Recognition	3.3	0.9
Employee voice	4.5	0.9
Quality of work life	3.9	1.0
Enriched jobs	3.8	1.4
Strong organization values	4.2	0.8
Meaningful work	4.0	1.3
Work life balance	4.1	0.7
Good leadership	4.3	0.6
Safe working conditions	4.1	0.7
Autonomy and control	4.1	0.8
Career development	4.5	0.7
Achievement	4.1	0.7
	4.09	**0.875**

Source: Research data

From the **Table 4.9** above it can be seen that most of the non-financial rewards were rated to be important with the mean scores in the range of 3.5-4.5. The only factor rated less important was recognition (3.3). The overall mean score was 4.09 implying that most of the non-financial rewards were considered important to the respondents. The overall standard deviation was<1indicating that there were no significant variations in the responses.

4.4 Non-financial Rewards and Employee Motivation

In order to understand the extent to which non-financial rewards motivate employees a number of non-financial rewards were listed and respondents asked to rate them accordingly. Data was analyzed using mean scores and standard deviations. A mean score of < 1.5 implies no extent; mean score of 1.5–2.5implies small extent, 2.5-3.5 moderate extent and3.5– 4.5 great extent. A mean score of >4.5 implies very great extent. A standard deviation of <1 means that there were no significant variations in responses while that>1impliesthattherewere significant variations in responses. The results are summarized in **Table 4.10.**

Table 4.10: Non-Financial Rewards and Employee Motivation

Non-financial rewards	Mean	STDEV
Recognition	3.5	1.0
Employee voice	3.8	0.9
Quality of work life	3.3	0.9
Enriched jobs	3.3	0.8
Strong organization values	3.7	1.0
Meaningful work	3.6	0.9
Work-life balance	4.4	1.0
Good leadership	4.2	1.1
Safe working conditions	3.9	1.2
Autonomy and control	3.9	0.9
Achievement	3.8	1.0
Career development	3.3	0.9
Overall	**3.75**	**0.966**

Source: Research   Data

From the **Table 4.10,** response from the respondents indicate that non-financial rewards greatly motivate employees with a mean score range of 3.3-4.4, from the table it is evident that non-financial rewards greatly motivate employees, to a great extent.

Table 4.11: Relationship between Non-Financial Rewards and Employee Motivation

In order to establish the relationship between Non-financial rewards and employee motivation Pearson product moment correlation was calculated and the results are summarized in the **Table 4.11.**

Non –financial reward	Pearson correlation co-efficient
Recognition	0.87
Employee voice	0.91
Enriched jobs	0.76
Strong organization values	0.89
Meaningful work	0.77
Work life balance	0.97
Good leadership	0.9
Safe working condition	0.98
Autonomy and control	0.42
Authority	0.73
Career Development	0.52
	0.80

Source: Research data

From the **Table 4.11**, the Pearson moment product correlation signifies a positive strong correlation of a mean of 0.80 indicating a strong relationship between non-financial rewards and employee motivation.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Employee Motivation is crucial for the effective functioning of personnel in any organization as not only does it increase employees job satisfaction as well as well as job retention and overall organization performance (Dessler, 2009). The use of non-financial rewards as a motivator has been very effective, mainly because it provides intrinsic motivation, which last longer and thus valued by employees as a motivator.

The main objective of this study were to establish the perceived relationship between non-financial rewards as well as specific objectives were to establish the non-financial rewards offered at Impact Marketing (k) limited, to determine Impact marketing employees perception of non- financial rewards offered at their place of work, and to establish the extent to which non-financial rewards offered by impact Marketing motivate the employees. This chapter gives a summary of the discussions, conclusions and recommendations drawn after analyzing data.

5.2 Summary

The main objective was to establish the perceived relationship between non-financial rewards and employee motivation, from the Pearson moment correlation, which was found to be 0.8 and thus signifying a strong positive correlation between non-financial rewards and employee motivation.

The first specific objective was to establish non-financial rewards offered by impact marketing and the findings were : popular rewards at impact Marketing were work life balance 90%, good leadership 77%, recognition 80%, safe working conditions 80%, others were achievement 47%, Career development 50%,and Autonomy and control 30%

The second objective was to determine Impact Marketing employees perception of the non-financial rewards offered at their place of work, the findings were that most of the non-financial rewards were rated to be important with the mean scores in the range of 3.5-4.5.The

only factor rated less important was recognition (3.3). The overall mean score was 4.09 implying that most of the non-financial rewards were considered important to the respondents. The overall standard deviation was <1 indicating that there were no significant variations in the responses.

The third specific objective was to establish the extent to which non-financial rewards offered by impact Marketing motivate employees Most non-financial rewards were rated to a great extent as the means cores were in the range3.5-4.5and overall mean was3.75. This means that non-financial rewards greatly motivate employees. The non-financial rewards that were found to motivate employees the most were   good leadership (4.2), career development (4.4),   safe working conditions (3.9) and autonomy and control (3.9). The overall standard deviation was < 1 hence no significant variations in the responses.

5.3 Conclusion

Motivating employees is crucial for maximum employee performance and overall job satisfaction in every organization. However not every kind of reward given to employees to motivate them has the same   motivating effect on them, as some rewards   more so non-financial rewards are highly preferred by employees thus providing a greater motivating effect on them. The effect of non-financial rewards on employee motivation should not be overlooked. Indeed there exists a strong positive correlation between non–financial rewards and employee motivation, and thus employers should strive to provide their employees with non-financial rewards as their motivating effect on employees is more long lasting and highly favored by employees as well. Emphasis thus should be given to non-financial rewards to motivate employees because of the high motivating effect it provides to employees as well as having the advantage of not being costly more so in this cash strapped economic times.

5.4 Recommendations

Intrinsic motivation brought about by non-monetary rewards at the workplace is more valued by employees since they are long-lasting and have great motivating effects. The use of non-financial rewards to motivate employees should not be overlooked, since as research findings reveal, there is a positive linear correlation between non-financial rewards and employee

motivation, thus organizations should give prominence to this less costly and yet effective methods of motivating employees . Employers should also vary the type of non-financial rewards offered to employees as each non-financial reward is perceived to have differing motivation effects on employees so as to create maximum motivation.

5.5 Limitations of the Study

Out of a population 36 employees only 30filled and returned the questionnaires. The response rate was therefore 86% with a none-response rate of 14%. Some respondents did not also fill in some of the key data that was essential in coming up with the findings and conclusions.

5.6 Suggestions for Further Research

Despite the limitations of this study, scholars should be able to utilize these findings to create novel studies for further investigations on relationship between non-financial rewards and employee motivation. Studies could also be conducted in other organizations other than Impact Marketing (k) ltd in order to validate or invalidate the findings of this study. The study findings are according to the employees' point of view. The scope of the study may also be extended to cover the views of other key stakeholders especially employers on their perception of the relationship between non-financial rewards and employee motivation.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Please give answers in the spaces provided and tick the box that matches your response to the questions where applicable

SECTION ONE: PERSON AND ORGANIZATION PROFILE

1) Name of organization---

2) Which of the following best describes your position?

    a) Top management   ( )

    b) Middle management/Supervisory   ( )

    c) Unionisable   ( )

3) Gender?   (tick as appropriate)

a) Female ( )   Male ( )

4) What is your age bracket?

    a) Under 20 years   ( )

    b) 21 – 30 years   ( )

    c) 31 – 40 years   ( )

    d) Over 50 years   ( )

5) Length of continuous service with the organization?   (tick as appropriate)

    a) Less than two years   ( )

    b) 2 – 5 years   ( )

    c) 6 – 10 years   ( )

    d) Over 10 years   ( )

6) How long has your organization been in existence?

a) Under 5 years   ( )

b) 6 – 10 years   ( )

c) 11 – 15 years   ( )

d) 16 – 20 years   ( )

e) 21 – 25 years   ( )

d) Other   (specify) --

SECTION TWO: NON-FINANCIAL REWARDS OFFERED AT IMPACT MARKETING

(7) Tick the type of non-financial rewards offered by Impact Marketing from the list provided below

(a)Good leadership ( )

(b) Safe working conditions ( )

(c)Recognition ( )

(d) Quality of work life ( )

(e) Work-life balance ( )

(f)Career Development ( )

(g)Employee voice ( )

(h) Enriched jobs ( )

(i) Strong organization values ( )

(j) Meaningful work ( )

(k) Achievement ( )

(l) Autonomy and control ( )

8)

How important are non-financial rewards to you as an employee?	Extremely Important	Moderately Important	Important	Less Important	Not Important

9) Does your organization vary different kinds of non-financial reward to different individuals?

Yes   ( )   No   ( )   Don't know   ( )

11) If yes kindly explain how

SECTION THREE: NON-FINANCIAL REWARDS AND EMPLOYEE MOTIVATION

(12) How important are the following non-financial rewards to you?

Non-Financial reward	Very Important	Important	Moderately Important	Not Important
Employee Recognition				
Employee voice				
Quality of work life				
Enriched jobs				
Strong organization values				
Meaningful work				
Work-life-balance				

Strong organization values				
Good leadership				
Safe working Conditions				
Autonomy & Control				
Achievement				
Career Development				

(10) To what extent do the following non-financial rewards motivate you ?

Non-Financial rewards	Very great Extent	Great Extent	Moderate Extent	Less Extent	Not At All
Employee Recognition					
Employee voice					
Quality of work life					
Enriched jobs					
Strong organization values					
Meaningful work					
Work-life-balance					
Strong organization values					
Good leadership					
Safe working Conditions					
Autonomy & Control					
Achievement					
Career Development					

(11) Suggest other non-financial rewards that would motivate you as an employee?

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THANK YOU.