

# Non-Monetary Incentives to Motivate –A Case Of Garment Firm

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**Abstract** - *The present study explores the non-monetary motivational drivers in the garment workers and examining its effect on performance of the workers. A survey was conducted on 60 garment workers from one of well known garment industry based in Delhi NCR to collect the data. The finding of the study indicated that there is a gap between the manager's and worker's perspective regarding motivation and that non-monetary rewards helps to increase the motivation of worker so that they can perform better in their work place. Also if there are strong policies for motivation, the attrition rate of good workers are reduced.*

**Keywords:** *non-monetary motivation, garment workers, rewards, gap, policy.*

## I. INTRODUCTION

All organizations strive to improve performance while maintaining or reducing costs. The performance of an organization is dependent on human behaviour. A pertinent question is that is there a way in which the organisational performance can be improved by motivating certain behaviours through monetary and non-monetary incentives. This industry is dealing with lots of quality issues. Now-a-days buyers are more quality conscious and want their vendors to work in a way so that there are zero defects occurring while manufacturing. Since the garment industry is a labour intensive industry, proper management of worker and employees are needed, also the management of human resources has become a prime requirement. Most of the time in the work floors we can see a chaotic situation due to work pressure, either it is the production issue or the quality issue. Under the work pressure either the worker is de-motivated or loses interest in doing work which leads to loss in production and leads to more quality issues. Managers need to find out what motivate their workers to perform better by understanding and fulfilling their needs in a smart way. Thus, finding out non monetary motivational drivers for the garment workers will not only be beneficial for increasing the work performance but also for the satisfaction of the workers in the workplace.

## II. OBJECTIVE

To understand the effectiveness of non-monetary benefits on motivation of workers and develop a policy.

Follows with sub-objectives:

1. To identify various non-monetary motivational drivers.
2. To analyse the gap between “manager’s perspective” and “worker’s perspective” regarding motivation.
3. To develop a non-monetary incentive policy.

## III. PREVIOUS WORK

As Weihrich discussed in his book, in all the theories of motivation, there are inducements of some kind of “carrot”, often this is money in the form of salaries or bonuses and the “stick”, in the form of fear- fear of loss to job, loss to income, reduction to bonus, demotion, or some other penalty has been and continues to be a strong motivator. “Motivation refers to the drive and effort to satisfy a want or goal. Satisfaction refers to the happiness experienced when a want is satisfied.” Understandably, the probability exists that highly motivated persons with low job satisfaction will look for other positions. Also, people who find their positions rewarding but are being paid considerably less than they desire or think they deserve, will probably search for other jobs (Weihrich, 1998). According to Patric and Robert, the key findings shows five powerful motivational carrots are:

1. Catch Them Right And Praise Them
2. Give Positive Stroking And Show Genuine Care And Concern
3. Inform, Involve, Mentor And Coach Your People
4. Let Your People Grow And Allow Them to Achieve
5. Match Personal Values And Ensure Person/Environment-Fit (Robertson, 2006).

As Sonawane stated, human beings have constantly endeavoured to stretch beyond potential. Problems related to improving efficiency have always intrigued the human mind and whether it is Adam Smith's Division of Labour or Taylor's Scientific Management, theories have been looked upon towards improving performance. The application of non-monetary factors, however, could be detected from the post Human Relations School of management thought. The unexpected results of the Hawthorne experiments indicated the presence of factors other than monetary and physiological variables and their impacts on employee productivity. These findings lead to a new chapter and revolutionized the field of management research (Sonawane, 2008). According to Ignacio Falgueras Sorauren "The best way to motivate people is treating them as human beings. It is necessary to consider human aspects to obtain good results (Sorauren, 2000)".

In view of Lumumba, motivation of employees is a focus of attention because it may be a means to reduce and manipulate the gap between employees actual and desired state of commitment to the organization and to inspire people to work both individually and in groups. The demand for the organization is to find out what its employee's values and goals are and where they overlap with the organization. There are variables related with the uniqueness of individual (i.e. attitudes, interests, needs). Again, there are variables originating from the nature of the job (i.e. autonomy, level of responsibility in the job). Finally, there are some impacts from the work environment (i.e. peer relations, supervisory practices, salaries and reward systems, and openness in communication). If motivation is to be affected, one or more of these variables should be reviewed (Lumumba, 2012).

As Sonawane cited Keller's (1965), "the study to identify the job factors important to employees, found eight factors none of which related closely to monetary rewards. Those eight factors were job satisfaction, pride in organisation, relationships with fellow workers, relationships with superiors, treatment by management, opportunity to apply ideas, opportunity to give suggestions at work and appreciation of person's effort (Sonawane, 2008)".

Kanengoni cited Frederick Taylor (1911), who described money as the most important reward to motivate lower level employees to achieve high productivity. However, there is lack of conclusive proof on the motivational impact of monetary rewards on job performance of employees. Arnolds and Venter (2007), in their research indicated that frontline employees and blue collar workers rate recognition as their best rewards hence relying only on money can cause

problems because people are motivated by different rewards. According to Bagraim et al. (2007), some employees have financial goal, other have professional goal, and other have personal goal. The same type of incentives can't work for all (Kanengoni, 2013).

According to Jack L. Howard, any business that has employees faces challenges keeping them motivated. Generally, large and small businesses attempt to use financial incentives to motivate employees to achieve the organization's objectives. One of the biggest challenge that small businesses face is that they do not have the same ability to pay as large organizations. This creates a challenge for small businesses when it comes to attracting and retaining quality employees. By using nonmonetary motivators, small business owners can offer employees things that large companies are not in a position to offer. Small business owners are in a position to know each and every one of their employees. By getting to know their employees, a small business owner can make sure that when they recognize and reward their employees for outstanding performance that they are rewarded with something that the employee values. The non-monetary rewards might be more effective than other options, as the employees may develop a loyalty and commitment to the organization (Howard, 2008).

According to Mensah Ruby, Management should consider or take a critical look at motivational tools (examples of which are, delegation, open-door policies, clearly conveying how employee results contribute to organizational results) since they motivate employees to give off their best (Ruby, 2012).

As Narsee cited, Woodruffe (2006) cited examples of non-monetary rewards as, "advancement, autonomy, civilised treatment, employer commitment, environment, exposure to senior people, praise being awarded, available support, the feeling of being trusted, the feeling of working for a good and reliable organisation (Narsee, 2012)".

According to Rosliza Et Al, Money was believed to have a significant impact on employees' motivation at work. As per Rosliza cited Vroom (1974), money will make people work in order to satisfy their personal goals and Darling, Arm and Gatlin (1997), that money has its own influence; however this impact is only temporary. People who are awarded with money will work hard to for the money. When they run short of money, old behaviour will be back into their working life. Most of the researches support that financial incentives or money motivate, but only in short period of time. The smarter way to motivate employees is to use non-financial incentives such as praise and recognition where it

is believed to have a significant intrinsic value to the employees. Managers may have to look at this as the important issue in motivating their employees as money is not the most important thing in employees' life anymore. They also need to be concern on employees feeling as this is the best way to make employees feel appreciated and motivated (Rosliza, 2011).

As Sonawane cited Mayfield et al. (1998), "utilisation of motivating language by supervisor correlates significantly with subordinate's performance and job satisfaction. According to the survey conducted on nursing staff proved the hypothesis that the Superior's use of motivating language had a positive effect on the subordinate's performance and job satisfaction. Actions of line managers is also considered important in motivating employees by reinforcing behaviour through the non-financial rewards like praise and feedback (Sonawane, 2008)".

TABLE 1. VARIOUS NON-MONETARY REWARDS

S.NO	NON- MONETARY REWARDS
<b>WORK PERFORMANCE RECOGNITION AND INVOLVEMENT</b>	
1	Full appreciation of the work done
2	Information given about the work
3	Freedom to work and plan independently
4	Consultation of action
<b>CAREER DEVELOPMENT</b>	
1	Promotion and growth opportunity
2	Job rotation
3	Training and development
4	Performance feedback
<b>WORK LIFE BALANCE</b>	
1	Flexible working hours
2	Employee wellness and health programs
3	Onsite child care services
4	24 hours wellness and health programs
5	Paid maternity leave
<b>WORK ENVIRONMENT</b>	
1	Good working conditions (light/temp/cleanliness/ventilation/etc)
2	Organisation close to amenities (comfort while working)
3	Eating and drinking facilities
4	Parking facilities
<b>OTHERS</b>	
1	Job security
2	Cordial relation (good and healthy relation in organisation)
3	Job delegation
4	Team work
5	Quality cycle to improve performance

#### IV. PROPOSED METHODOLOGY

The research design adopted for this study was survey based. Open end questions were used for interviewing welfare officer to gather information about motivational practices. Close ended questionnaire was used for the workers to collect the data regarding the non-monetary motivation. Population for this survey is workers from garment industry.

*Sampling population:*

Workers of the export house based in Delhi NCR working in different department.

*Sampling size:*

60 workers from different department were selected randomly to fill the questionnaire and the welfare officer of the company was interviewed.

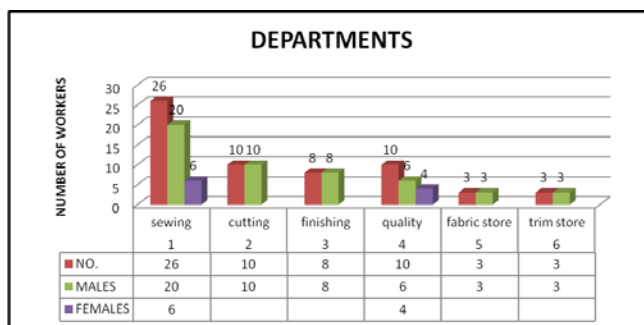
*Sampling method:*

The selections of workers are done on the basis of male to female ratio in the company, which is 5:1, that's why 50 males and 10 females were selected.

The data collection is from primary and secondary sources. Primary sources are through questionnaire and interview and secondary sources are through books, journals, internet sources, etc.

#### V. SIMULATION/EXPERIMENTAL RESULTS

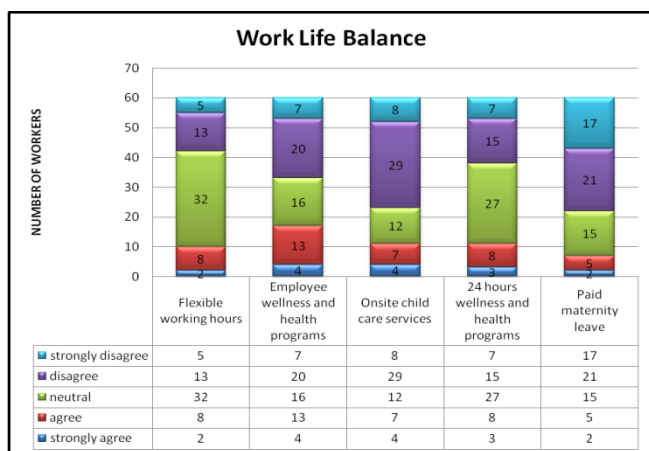
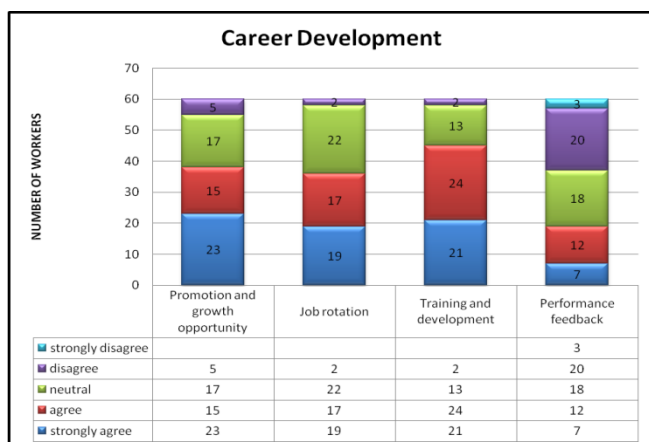
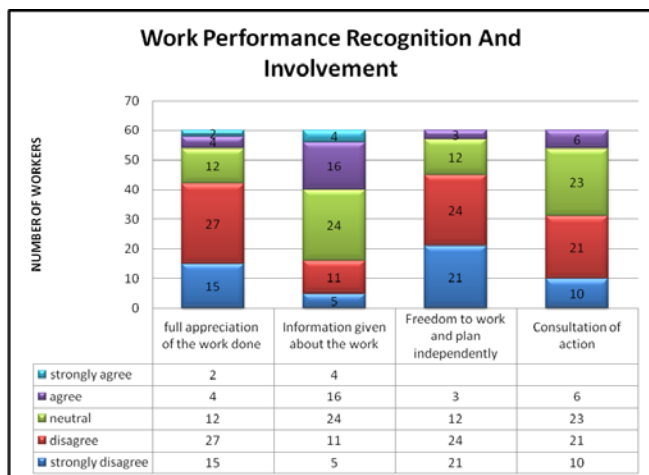
50 males and 10 females from different departments were taken, out of which 35% were from 18-30 years age group, 30% from 31-40 years age group, 28% from 41-50 years age group and rest 7% are 51 years or above. Most of the workers are either intermediate pass or high school pass, still 30% were uneducated.



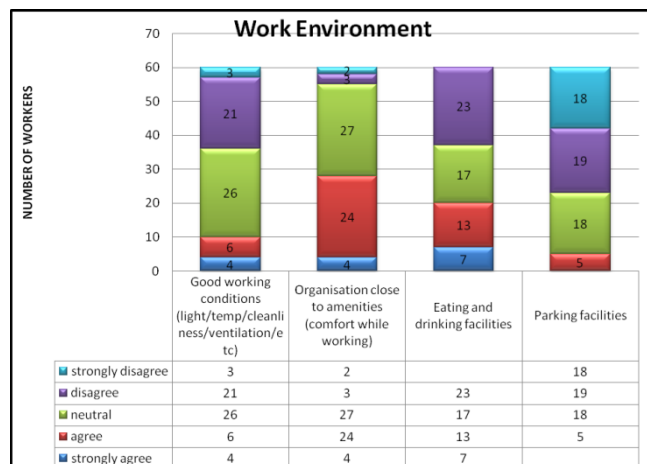
When the workers were questioned about various non-monetary rewards, there were many factors which the

managers think that they have but the worker deny them as they may not be clear to them. Those are like full appreciation of the work done, freedom to work and plan independently, consultation of work, promotion and growth opportunity, job rotation, training and development, comfort while working, and quality circle to improve work performance.

policies they receive, but still many of them agreed that some new policies can be added for their betterment. They feel that that the communication is not up to the mark and management does not take much effort in motivating them.



Most of the workers accept that they are aware about the policies of the company and that they are satisfied with the



As far as the confidence in the non-monetary motivation system is concerned, they showed a neutral view. Most of them agreed that the purpose of non-monetary motivation is to increase the production and to reduce the quality issues; they don't feel much that it is for encouraging employee commitment towards work.

TABLE 2.EFFECT OF NON-MONETARY REWARDS

STATEMENT	1	2	3	4	5
Effect on morale of employee	1.00%	12.30%	29.00%	35.00%	22.70%
Effect on productivity	1.40%	10.90%	33.30%	36.40%	17.80%
Effect on performance	0%	6.70%	25%	39.50%	28.80%

## VI. CONCLUSION

In this research, the non-monetary motivational factors are identified, its effect on performance of workers is examined

and the gap between the understanding of the management and the workers regarding policies and rewards is analysed.

A motivated employee is the strength of organisation. Indian garment industry is a labour intensive industry and success relies on how well the workers are managed to perform work. Also, Indian garment industry mostly comprises small scale enterprises rather than the large scale enterprises. By using non-monetary motivators they can offer workers things that large enterprises are not in a position to offer. Money cannot be the only factor as far as motivating the worker is concerned. By getting to know their workers, help them to learn and grow in their career or by simply motivating them to perform better, garment industry owner can reach to an outstanding performance of the whole organisation. Present scenario shows that there are many policies present but, either the workers are not aware about them or it is not properly communicated and getting benefits from the policies become a long term procedure or pain for them. Thus, a non-monetary motivational reward not only helps the organisation to succeed but also increases the performance of the workers.

As a result of the whole research, a non-monetary motivational policy manual is being made which help the organisation to motivate their workers and thus they can perform better in their work place.

## VII. FUTURE SCOPES

The direct focus of this research is only the workers of garment sector based in Delhi NCR. Since motivation is a huge complex area, and language is one of the barriers along with level of education among the workers, the research can be replicated over different regions of India for future study. A comparative study between monetary and non-monetary motivation for workers can provide rich advances for future studies.

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