

Impact of Financial and non Financial Rewards on Employee Motivation

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Abstract: The basic aim of this paper is to identify /investigate financial and non financial rewards that affect the motivation of employees in organizations. The paper also not only discuss that the employee motivation is imperative for the overall organizational performance, but also talks about how to retain a motivated workforce in the organization (what if this study should include a specific industry or region. E.g education field, or any other sector; generalizes study won't have an impact). Motivation factors may be differing from industry to industry and class to class of employees such as high level and low level labor. *Design/methodology/procedure:* Qualitative as well as quantitative research methodology has been adopted in this paper. The researchers have conducted a survey in Astro films (PVT) situated in Lahore City of Pakistan. A questionnaire was developed to guess the opinion of employees working in these organizations. A semi structured interview was conducted for getting an insight about their motivation. *Findings:* The researchers have found from the survey that there are different factors that affect the motivation of employees which can be classified into two categories; financial and non financial rewards. Although financial rewards are important for employee motivation in third world countries like Pakistan, where the inflation rate is so high that people are struggling hard to retain their social status but the importance of non financial rewards cannot even be discriminated. *Contribution/ value addition:* The paper provides a basis to understand the issues of employee motivation in organizations. It is a good contributor to the knowledge world of human resource management which explores the factors that affect motivation of employees and provide a solution to the problems faced by employees at their jobs. The paper will also compel the management of studied organizations to pay their attention to the problems of employee motivation for the overall benefits of organizations.

Key words: Employee • Motivation • Financial • Non Financial Rewards

INTRODUCTION

The pivotal function of Human resource management is to implement practices that enhance the satisfaction of employees with their jobs. Employees expect financial and non financial rewards for their services and efforts. In the absence of equitable pay, training and development opportunities and recognition, employees get dissatisfied and do not perform to the standards. The dissatisfaction resulting from the unavailability of financial and non financial reward usually leads to high employee turnover and poor performance. The benefits that employee foresee for themselves and their families motivates the employee to give their best. The Rewards are categorized into two groups financial and non financial rewards. The financial rewards are also called extrinsic rewards and non financial

rewards are called intrinsic rewards. The financial rewards include pay, bonuses, allowances, insurance, incentives, promotions and job security, whereas the non financial rewards include appreciation, meeting the new challenges, caring attitude from employer, appreciation and recognition motivates the employee. The healthy working condition which fosters a professional relationship between supervisor and employee, fulfills training and development needs of employees and ensures job security motivates employee. Once the pay exceeds a certain level, intrinsic factor become most important motivators. Different types of financial and non financial rewards are discussed below. Fringe benefit is the benefit that is given to employee in addition to pay. It motivates the employee. The availability of fringe benefits creates a motivating environment and lead to an increase in

production, sales and profitability. Bonuses are offered to the employees when they achieve certain standards and quotas. Pay is the compensation given to employees which is proportionate to the skills, knowledge and their expectations. Money is ranked at the top because it enables to fulfill their basic needs of life. At the same time money is considered as the sign of triumph and accomplishment because it allows the human to fulfill the needs of belongingness. It enables the human to establish status, rank and authority. Some of the organizations also offer health insurance and life insurance to the employees. The health insurance is the most expensive benefit offered to the employee. Some of the organizations offer pension which is the deferred income collected during the working lives and is returned to the employee after retirement.

An efficient transport system will also enhance motivation of employee by reducing the financial burden and mental stress that employees face because the public transport is expensive. The provision of free transport facility will be facilitating even those employees who are living far away from the workplaces. A vacation with pay is another benefit that the firms offer for the well being of their employees. The Organization also provides one free meal to their employees and unlimited amount of coffee and drinks. All these benefits motivate and facilitate the employee Training and development is the non financial reward. The training process motivates the employee to improve performance due to many reasons. As discussed before that motivation is a goal oriented behavior. So, when employee desires or expectations are aligned with the goal accomplishment, they are motivated to give their best. Employees expect promotions, recognitions and their career development. Training helps by equipping them with skills, technologies and knowledge for fulfilling their development needs. The benefits that the employee's foresee for themselves are fulfilled by training and development.

The absence of training programs will result in unawareness of manager about the skills, knowledge and competencies that are required for employee motivation and future promotions. Organizations focus on developing the employee's motivational aspect by providing training and development. The employees expect an increase in their confidence level, self esteem after training. So, they are motivated by the provision of training and developmental programs. All the progressive organizations which provide a equitable environment are the one where rewards are given on merit and information is shared and employees are given equal chances of participation in decision making. Empowering the

employee enhances the employee motivation and their self worth. So, they owe their job and take responsibility of their actions in order to avoid any negative impact on overall performance by their actions. If employees are given autonomy to a certain level for doing their duties, they are motivated to perform well with greater commitment.

The purpose of performance appraisal is to inform employees that the organization is interested in their professional development. It signals the message that employees contribution plays significant role in the organizational success. As a result, employees are motivated to contribute more towards the organizational success because they are given recognition and appreciation for their contribution. The performance appraisal motivates the competent employees by rewarding them. This is how less competent employees will get inspiration from competent employees and will be motivated to perform well. The employee will feel valued if they are given career development opportunities which will lead them to move one step ahead on the promotion ladder. The intent behind the organization's investment in the career development needs of the employees is to increase the employee self-esteem and motivation with their professional development. Employees are motivated if they are given opportunities for learning and growth because the learning opportunities lead them towards future promotions and career growth. So, the career development opportunity motivates the employees by aligning their expectation with the organizational goals.

The comfortable working condition also plays an important role in enhancing the employee morale. The favorable working conditions also involve comfort issues like proper ventilation, seating, lighting and no noise in the workplace. The healthy working condition also involves comfortable furniture, functional design and lightning. The Employee expects the availability of resources, supplies, tools, comfortable seating in order to perform well. The presence of disruptive employees affects the employee's relationship with the rest of the colleagues in negative way. The insecure and vulnerable environment demotivates the employee. This way the employee is more likely to leave the organization [1].

Literature Review: The word motivation is derived from the word 'movere' which means 'to move' though this could be not enough to describe for what is meant. Motivation is the force that convinces employees to behave and perform in a way that leads to reward [1]. As a result, they expect that they are rewarded with all those

reimbursement that they anticipate for themselves and their families in return of their services and efforts. Motivation is defined as "The state that compels an individual to proceed in a way planned to accomplish some goals" [2].

The essence of human resource management practices is to enhance the motivation of employee. The employee motivation enhances job involvement and job satisfaction of an employee [3]. According to research there are certain cross disciplinary indicators like commitment, contentment, loyalty and intention to quit which measures motivation of employee [4]. The motive that directs the employee towards certain behavior is called employee motivation. It can be desire to accomplish a goal or acquire a state of being. [5] proposed that motivation is the extent of enthusiasm, direction and persistence of efforts with which the employee tries to accomplish goals. It is the readiness to exert efforts with passion conditioned by their need satisfaction. It implies that the employee is eager to work to the best of their abilities only if they are ensuring for their need satisfaction. The effectiveness of an organization is greater than before when it has a motivated workforce. The reason behind this is that employees who are motivated are more productive for the organizational excellence. The more the motivated an employee is, the better he will perform his job. The motivated workforce is more quality oriented and dedicated to accomplishing goals.

Companies can gain competitive advantage over other firms by motivating and retaining human resource [5]. Organization motivates the high performers by providing financial and non financial reward systems which motivate the employees and enhance job satisfaction. Financial and non financial rewards have a strong influence over the employee motivation and are directly related to performance. The significance of financial and non financial rewards varies with age. The non financial rewards influence the motivation to a greater extent after the pay exceeds a certain level. According to Herzberg's there are two kinds of factors that have a strong impact on the employee motivation. The hygiene factors include pay, policies and working environment and the motivating factors include appreciation, recognition, caring attitude from employer and achievements. An effective recognition and reward system can motivate the employee and enhance the productivity [6]. The success is based on how the firm keeps its employee motivated and in what way they evaluate the performance for compensation. The financial

incentive is no doubt ranked top in motivating employees because money enables employees to fulfill not only their basic needs, but also their need of belongings and need of power. Though money is a dominant factor, but besides it there are non financial factors also called intrinsic factors which play pivotal role in motivating employees. So, it's not only money that enhances the morale of employee, but non financial rewards like recognition, appreciation and career development opportunities also improve the morale of the employee.

Financial Rewards: The financial rewards are pay, bonuses, fringe benefits, transportation facility, medical facility, health and life insurance and benefits like vacation with pay meal facilities.

Pay: The payment systems that employee view as being fair and proportionate with their skills and expectation is called pay. Employees are offered a financial reward for their services called pay which is a foremost stipulation in human resource management. Pay must be closely linked to the performance according to high achievers. Employees who do their best want reasonable pay that satisfies their needs. An equitable pay makes them feel appreciated so they expect to pay according to their efforts because they don't want to be unacknowledged for their services. Money is ranked at the top for creating motivation because people require money to fulfill the basic necessities of life so it motivates the employees more than any other incentive [7]. Others believe that money is influential for fulfilling their non monetary needs such as authority, rank and belongingness with preferred groups. It is believed that people who have more money are more powerful in society as compared to those who have lesser money. So it is easier for them to have things their way. That's why money is often viewed as a sign of personal triumph and accomplishment [8].

Bonuses: When employees reach certain standards and quotas to complete a certain project, they are given bonuses a call centre representative who answered more than 200 calls.

Fringe Benefits: A benefit that workforce is given with their job in addition to pay are called fringe benefits. The employee motivation is influenced by the availability of fringe benefits. The provision of fringe benefits will create an optimistic, motivating work environment and increases output and sales. The motivated workforce will lead to organizational excellence, prosperity, excellent

quality and cost control. In fact fringe benefits play a significant role to motivate employees because they compel the workforce to put extra efforts as much as the incentive of money does. No doubt money is a big factor to motivate the employee, but the fringe benefits have their own importance. It is important for managers to realize that the employees must be given the better working conditions along with the fringe benefits so that they give their best [9]. The management should focus on creating an effective benefits program for the employees where they are given an opportunity to improve their benefits by sharing their ideas with each other and doing surveys. Management should take initiative by accepting their ideas to improve benefits. There should be frequent reviews to ensure that the benefit program meets their needs or not.

Transportation: The problems of the working force and their mental stress is increasing due to the inefficient transport system. Public transport is costly, scarcely available and unpleasant. Government is still unable to provide adequate transport facilities to the commuters, even in the major cities of the country. Hostile environment and lack of infrastructure provision decreases labor force participation. So, there is a greater need to provide employees with more suitable transportation options. The availability of official transport facility for employees who were living far from their workplace and were making their own transport arrangements would reduce their financial burden and mental stress. Organizations should provide convenience to their staff because it will be very helpful in motivating the employees.

Life Insurance: Insurance on the life of the insured for a fixed amount at a definite premium that is paid each year in the same amount during the entire lifetime of the insured.

Health Insurance: When medical and surgical expenses of the employee are paid by the insurer, it is said to be health insurance. It is a source of motivation and attracting the competent employees because health cost has increased over the time and health insurance decreases the financial burden of the employee and increases its motivation and commitment. The insured is either remunerated for the expenses of the illness or injury or the health care provider is given the money by the health insurance. It provides coverage for the stays in hospitals, visits and medical expense.

Vacations with Pay: The Organization ensures the wellbeing of an employee by offering them vacations with pay. If employees have been working for longer duration more than seven years only they are eligible for seven, fifteen and twenty years. These vacations can be advantageous for the employees who need extra time to care for aging parents or fulfil other assignments [8].

Pension: A deferred income that workers gather during their working lives and that belongs to them after specific time duration. When an employee reaches a certain age of 21 and have completed one year of service, they are entitled to company pension plan. The objective behind pension plan is to motivate and retain the employees. It is offered for rewarding employees for staying with the organization until retirement. Employees are disqualified for the pension award if they leave or are fired before retirement [3].

Meals: Some of the companies offered employees free meal daily and an unlimited amount of coffee and soft drinks. Most of the companies allow employees to have free meals at the companies' cafeteria [3].

Job Design: The process to systemize the tasks, duties and responsibilities is called job design [10]. It aims at enhancing employee satisfaction and accomplishing organizational goals by designing the content, methods and connection of jobs, according to the aptitude and abilities of employees. The job design can play an effective role in motivating the employee by organizing the tasks in a way that are interesting and challenging at the same time. A well designed job can increase the employee morale by reducing the monotony and repetition of work [11]. The perceived work demands, job control and social support through job design leads to high productivity. The job design can be improved by implementing the HR interventions like job rotation, job enrichment and job enlargement. These interventions are helpful in terms of creating a challenging work environment with varying the job aspect which enhance the employee motivation and productivity. Flexible work schedules, job sharing and telecommuting also facilitate the employee and are helpful in motivating them. The flexible work schedule allows the employee to determine their arrival and departure time and to perform their duties during the core time. In job sharing, two employees can share their duties on one job and telecommuting motivates the employee by facilitating them to work two or three days a week from home [8].

Working Environment: A better workplace environment leads to increased employee commitment and productivity. It boosts the employee motivation and improves the productivity. A work environment where employee feels that they have reasons for doing work and get pleasure from doing their job motivates the employee. In working conditions where employees are not provided with adequate resources, tools, training, software and supplies lead to de motivation and lesser productivity. The inefficient working conditions which include comfort issues like poor ventilation, seating, lightning and noise can cause anxiety and decrease the output [12]. The workplace with lack of privacy and communication barriers reduces motivation and productivity. A healthy work place which is made by using ergonomic furniture and accessories, lightning and functional design will diminish distress and improve production. Lack of praise, recognition and promotions in the workplace environment affect the motivation of employees. The presence of troublesome and negative employees also influences the employee's relationship with rest of colleagues in a negative way. As a result the absenteeism rate increases and they are less likely to continue the job [13]. Relationship with the coworker, equal opportunities for promotions, responsibility and autonomy are also components of working environment which can affect the motivation. Management should improve working conditions in order to improve productivity and motivate the employees. Since employees are not robots so the workplace should have a gym and lounge for the wellbeing of employees.

Career Development: The lack of career development opportunities affects motivation and performance. If employees are offered opportunities for developing their careers by adapting skills, technologies and competencies essential for performance improvement and promotion, they will feel valued and motivated. Motivation is goal-oriented behavior. According to this concept employees can be motivated if their expectations concerning the goal accomplishment are linked with the specific actions on the part of management. Hence, employee motivation will increase with the realization that the course of action will not only lead to accomplishment of goals but results in greater chances for their promotions. The provision of opportunities for learning and growth of the organizations can motivate the employee [14]. Organizations pay more attention on developing their employees and enhancing their motivational aspects like self-esteem and self actualization. So, they can reach the most favorable

performance. Equal opportunities for career advancement and "equitable" payment system and training can increase the motivation of employees.

Performance Management System: The performance management motivates the employees by rewarding and compensating them for their efforts and contribution to the organization. It motivates the employees by providing career development and training opportunities. The motive behind the performance appraisal is to make the employees feel that the organizational success is because of their contribution. Hence, employees desire to contribute further increases because of recognizing their contribution through an efficient performance appraisal [15]. The objective behind the fair performance appraisal is to motivate the workforce by rewarding the high performers. In this way, it stimulates the average and low performers to follow the high performers in expectation of rewards. It also communicates the employees that the organization is authentically concerned about their development. As a result the employee commitment and motivation increases. The performance appraisal involves comparing the employee job behavior with standards and giving feedback on their improvement areas. This is how the process of performance appraisal contributes towards the employee motivation. Ultimately it leads to an inner commitment to improved performance [16].

Training: There is a positive relationship between the training and employee motivation [17]. The anticipation of future financial benefits, promotions and recognition motivates the employee to adapt new skills and technology at the training program. A training program that starts with a needs assessment and then inconsistency between actual and standard performance of trainee is analyzed. Later on training objective are made. After determining who wants the training and what sort of training should be given, the training program is implemented. The last step of the process is to evaluate the effectiveness of training programs. Training has a positive impact on the employee performance. The lack of training will result in ignorance of the manager about the skills, competencies and knowledge that are decisive for the performance improvement and motivation. Organizations conduct training programs due to dynamic changes in the business environment which increases the motivation of employees. As a result, the employees are promoted due to the training provided to them [18]. Firms who spend more on training of the employee are more developed as the human resource training enhances the productivity more than any other resources [19].

[20] Concluded that employees are motivated to be trained because they foresee an increase in their confidence level, self-esteem and career satisfaction. The training and development brings more future opportunities for promotion. An involvement of employees in the training program and determining their training needs gives them ownership of the training process and add value to the performance.

Empowerment & Participation: Employee participation in decision making improves effectiveness and innovation and at the same time it enhances employee motivation and trust in the organization [21]. An equal opportunity of participation in decision making can be effective in giving employees a sense of pride and ownership. When the employees are empowered to take action, it gives them the ownership of their job. The empowerment helps them to take responsibility of their job and impact of their performance on the organization. This increases their self motivation and self esteem. Organizations can motivate the employee by providing chances to pursue their own thoughts by designing employee involvement programs like participative management and quality circles. The participative management will allow the employee to share their thoughts at one platform and participate in joint decision making. In quality circles, less than ten employees meet with their supervisor to discuss and control quality issues [8]. This will create a strong sense of accomplishment and ultimately increases motivation and job satisfaction.

The motivation of the employee to voice their ideas is increased when given an opportunity to share their perspectives in participative decision making. An equal involvement and contribution in decision making can develop team effectiveness and results in a better decision. The working places which show positive reception for equal participation in decision making are less confrontational, more practical and encouraging of other staff.

Research Methodology: This is an exploratory research which is supported by a survey strategy. Qualitative research methodology has been adopted. The survey was conducted to identify the impact of financial and non financial rewards on the motivation of employees in an organization. A survey was conducted in Astro films packaging Solution Company and a questionnaire was developed by the authors and was distributed amongst the employees working with the company to explore the

impact of financial and non financial rewards on motivation of employees. The sample size is 25 employees working at Astro films (PVT). The primary data has been collected through In-depth interviews and questionnaires. The sampling method used in this research was Simple Sampling. The sample size determined by the researchers was 25 employees belonging to the Lahore office of the company.

A comprehensive questionnaire consisting of 12 questions categorized in 02 major dimensions including 04 interview questions was designed in order to get detailed insight of the motivation of employees. 25 valid questionnaires were analyzed in terms of frequency and percentages of the data by using SPSS program. The results of the questionnaire were discussed to identify which factor contributes the most towards motivation of employees in organizations and what are the problems regarding the unavailability of financial and non financial rewards of female employees in this sector. In order to increase reliability of current research in depth interviews have also been conducted from the employees and were included in the discussion.

Data Analysis and Research Findings

Demographics of the Respondents: The survey was conducted in Astro films plastiflex films (PVT) industry. The survey was conducted in one of its branches situated in Lahore City of Pakistan. This organization belongs to the private sector only. The Profile of the respondents included: sales manager, area sales manager, assistant sales manager, management trainee officer and regional sales manager in the Astro films industry.

The Impact of Financial Rewards on Employee Motivation is Larger

Salary, Bonuses and Allowances Are the Significant Elements of Financial Reward: Financial rewards like salary, bonuses and fringe benefits are instrumental in fulfilling the basic necessities of life and needs of belongings and authority. It is a symbol of triumph and accomplishment. Employees expect a salary accordance to their skills, abilities and qualification. An inequitable pay is a source of appreciating the employees for their services and efforts. Nobody likes to be unappreciated; all the employees expect a salary that is up to their qualification and experience. 39% strongly agree and 41% agree with the statement, "I am happy with my current salary level. It is in accordance with my knowledge, skills, abilities, education and experience"

One of the employees said,

“I am more than satisfied with my salary because my Company is offering me a competitive package as compared to other organizations. It has been almost one year since I have joined this company. I am motivated by the salary package being offered here. It is in accordance with the skills, abilities, experience and my qualification”.

Health Insurance Policy Keeps Employees Motivated:

Every organization has its own policy to provide health insurance coverage to their employees. Some of the organizations pay for the medical expense of the sickness or injury in case of the employee hospital stays, others provide coverage for all of the expenses like medicine expense, hospital stay. In this organization, the employees are not provided coverage for the medical expense. 18% strongly agree and 15% agree with the statement, “My organization offers excellent health facility to its employees in shape of health insurance and medical allowance etc.”

One of the employees said,

“The company is offering the health insurance to its employees. It pays for the hospital stays and the caretaker for their services, but there is no finance for the medicines. I think our company should provide allowance for the expensive medicine. The company should also provide coverage for the medical expense”.

Transportation Facility Enhances Employee Motivation:

As discussed before in the literature review that transportation facility plays an important role in enhancing the commitment and motivation of the employee. It mitigates the financial burden and mental stress that employees have to face in case of unavailability of transport facility. It also motivates those employees to stay with their organizations who are living far away from the workplace. 34% strongly agree and 40% agree with the statement, “Transportation facility given by the organization in shape of fuel allowance and transport use entitlement is of much benefit.”

The regional manager puts his opinion,

“We are being offered the transport facility according to the position and nature of job. The GM is given mrcides, national sales manager is given exel I, regional manger is

given city and area manager is given cultux, the assistant manager is given mehran and the position below this level are given fuel expense for the transport”

Accommodation Facility Motivate Employees To Work

More Effectively: The availability of accommodation facility is also very motivating for the employee because the accommodation expense is increasing day by day. So, some of the organizations are also offering the accommodation allowance which is given to employees for accommodation of their choice [21].

One of the employees said,

“The company does not provide the accommodation for any body either GM or sales manager, but it provides us with the house rent allowance. The house rent allowance is included in our salary so that we can arrange our accommodation according to our choice and liking.”

Pension and Gratuity Is an Important Source of Employee Motivation:

“Since it’s a private company so it does not give pension to its employees. The company offered gratuity fund to employees when they are retired or leaving the job. The gratuity is a lump sum payment that is given to employees after retirement. The amount is multiplied by the number of years as of service and is called gratuity”

The Impact of non Financial Rewards on Employee Motivation Can Not Be Neglected

Trainings and Workshops Enhances Working Skills of

Employees: The importance of training and development is evident according to human resource development. According to the training and development process, the employee performance gaps are determined by the supervisor annually in order to improve the performance and overcome the shortcomings. The training process starts after the conducting the training need analysis. Employee’s self esteem and self respect can be enhanced by providing training.

“There is no such training and development for the employees. The employees are taken to the field and given on the job training but there are no such training workshops and courses arranged for the development of employees. The training process is not conducted the way it should be. There is no training need analysis to

determine the performance gaps for the employees the Supervisor should conduct the training need analysis and find out the areas of improvement.”

Job Design Helps Employees For Accomplishment of their Goals: The process of arranging the task, responsibilities and duties is called job design. As discussed before in the literature review that job design can be improved by implementing the Hr practices like job rotation, job sharing, telecommuting. According to the interview and survey conducted, employees are of view that they often complete one task together. 33% strongly agree and 37% agree with the statement, ' Job design of this organization is good and gives the sufficient authority to make decisions necessary for accomplishing their assigned goals.

One of the employees said,

“There are no such flexible work schedules for the employees. Employees are supposed to come at a particular time and they cannot leave before a particular time. We are often completes one task together. Two or more than two people usually complete one task together”

A Fair Performance Management System Increases Employee Motivation: According to Human resource development, employees should be graded and ranked on the basis of their performance. The performance management system focuses on appraising the employees for the contribution they made for the organization. It is a source of motivating the workforce by rewarding them for their efforts and training them where their performance is lagging. 20% strongly agree and 22% agree with the statement, “This Organization has a wonderful Performance Management System which is designed in accordance with contemporary approaches.

One of the employee share his opinion,

“The performance is evaluated by the ACR method, in which the senior regional manager analyzes the performance on the basis of accomplishment of goals. Mostly the performance evaluation is based upon the PR with the supervisor. So, I think the ACR method is not effective in conducting the fir performance appraisal”

The non financial rewards like appreciation and encouragement are the main source of motivating the employees because employees want recognition and

praise for the efforts they made for accomplishing the goals. An appreciation and caring attitude from employees affect the motivation of employees to a greater extent. 29% strongly agree and 30% agree with the statement, “Employees are empowered to implement their own way of doings to provide customized services to customers.”

“Our company has always recognized the efforts of the employees who have shown a remarkable increase in the sales. The employee who has shown a tremendous increase in the sales is given the title of the sale person of the year and is appreciated by given reward in terms of cash or a shield. This achievement is celebrated and appreciated to motivate the person and to inspire others.”

Empowerment Allows Employees to Participate In Decision Making Which Ultimately Enhances Employee Motivation: The employee empowerment is very instrumental in motivating the employees because it enhances their self motivation and self esteem. The workplaces where ideas are welcomed and appreciated are able to create learning environment for the employees. This enables the employees to use their imagination and creativity. Such an encouraging environment helps the employee to bring innovative ideas that contribute towards the organizational effectiveness. 39% agreed and 40% strongly agreed with the statement, “My ideas are welcomed in decision making”.

The area manager puts his opinion

“I think our ideas are welcomed by our company administration like once there was a customer complaint and the customer was dissatisfied because the company didn't resolve the problem. The reason behind this was that he was alow profile customer. He was not able to communicate it so I forward the idea of designing the complaint farm for such customers. Whenever the customers complain for any product or service, the company will get the farm filled by the customer with the guarantee that it will be resolved”.

Recommendations

Salary, Bonuses and Allowances Increases Employee Motivation: The financial rewards play a pivotal role in boosting the morale of the employees. Salary is the most motivating financial reward because money enables the employees to live their lives with dignity and stability. It is also considered as a symbol of status and is required

to create the belonging ness. So, it is evident from the finding and discussion that employees are satisfied in term of their salary, fringe benefits. They consider it as motivating reward and competitive package as compared to other organization

Organizations Should Offer Proper Health Insurance Facility To Its Employees to Keep Them Motivated: The health cost has increased over the decades According to the health insurance, the insured is either compensated for the expenses of the illness or injury or the health care provider is given the money by the health insurance. It provides coverage for the stays in hospitals, visits and medical expense. The employees are being paid for the stays in hospitals so they are not satisfied fully in terms of the health facilities. As they believe that the company is not offering them the facility of paying for their medical expense. They think that that company should enlarge the health insurance coverage.

Organizations May Provide Transportation Facility to Its Employees For Enhancing Employee Motivation: The availability of the transport facility is very motivating for the employees because the public transport is costly and scarcely available. The employees are satisfied in terms of the transport facility because the company is not offering transport to all the employees but it is providing them the transport allowance.

Accommodation Facilitate Employees For Being Motivated In Organizations: As accommodation expense has increased tremendously and employees perceive this facility as very motivating. Some of the organization offers the accommodation facility to their employees in order to retain them. Since the accommodation is very expensive nowadays because the employees who have to pay rent from their own pocket face a lot of financial burden. The company offers accommodation allowance to their employees which are very motivating for them. So, employees re satisfied in term of accommodation facility.

Pension And Gratuity Is Another Source of Motivating Employees: The employees perceive pension as a very motivating incentive. Mostly it happens that employees decide between two jobs on the basis of pension facility. They prefer to go for the job which is offering them with pension facility. The company offers the pension facility to the employees.

Job Designs Are Also Important In Employee Motivation: Job design plays an important role in creating the work more interesting and reduces the monotony of the daily job. So, the employees perceive it motivating because job sharing, flexible work schedule and telecommuting facilitates the employee. The company has implemented job sharing but the flexible work schedule and telecommuting are not a part of job design. Another intervention of HR, job rotation is a practice which prevails in the company.

Trainings and Workshop Sessions Can Be Organized For Enhancing Employee Motivation: According to the survey findings the employees are of the view that training is not as such required at Astro films industry (PVT). So, there is no such training programs conducted for the employee development. So, the company needs to review their organization strategy and they should align the training needs of their employees with the organizational strategy.

Employees Are Motivated Largely By Fair and Transparent Performance Management System: The performance of the employees is appraised according to the ACR method. The employees believe that the personnel relationship with the supervisor influence the grading of the employees which should not be the case. The performance should be appraised very fairly because it is source of recognizing the individual contribution towards the organizational performance. The company recognizes the contribution of the employees by offering them financial and nonfinancial incentives. During the survey, the employees share their opinion that there are formal ceremonies for appreciating the employees who have shown tremendous increase in the sales. They are recognized as sales person of the year and given financial incentive for enhancing their morale.

Empowerment and Employee Participation in Decision Making Process Increases Employee Motivation: The company has an encouraging outlook towards the employees who participate in the decision making. The employee's ideas are welcomed and encouraged. So, the company allows the employees to fully participate in the decision making. The employee empowerment plays an important role in enhancing their job commitment.

CONCLUSION

The aim of this research paper was to explore factors affecting motivation of employees in organizations.

Researchers have conducted this study in Astro packaging Plastiflex films (PVT) company; it is basically a private company. The target population of the study was employees working in these institutions. It has been found during survey that financial factors include financial rewards like pay, salary, bonuses, fringe benefits, health and life insurance are significant factors that affect motivation of employees working in organizations. The importance of a motivated workforce cannot be underestimated in boosting the organizational performance. Besides the financial rewards, the employee expects recognition and appreciation for his efforts and contribution. On the basis of the findings, researchers suggest that money is ranked top as an influential factor in creating employee motivation because it satisfies the basic necessities along with attainment of power and fulfills belongingness needs. Though it contributes a lot in motivating the employees, but at the same time the non financial rewards are equally important in enhancing the employee motivation. The impact of non financial rewards is instrumental in improving the employee morale. Employees expect recognition and encouragement for their services because nobody likes to be unappreciated for the efforts he or she made. Some of the organizations offer both financial and non financial rewards to the employee in order to motivate their competent workforce. That's why the motivated employee is less likely to leave the organization. In this paper, the company Astro packaging films is offering the employees a competitive package along with the non financial rewards. But according to the findings the employees are dissatisfied in terms of the health insurance coverage because it didn't cover the medicine expense. So, the organization needs to focus on both of the financial and non financial rewards in order to motivate and retain their employees.

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