

## An Implementation of Reward System to Improve on Employee's Motivation

Lim Yew Qing, Poh-Chuin Teo

Azman Hashim International Business School, Universiti Teknologi Malaysia, 54100, Kuala Lumpur, Malaysia

Email: limqing@graduate.utm.my

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### Abstract

As industries evolve, the need for a larger workforce becomes apparent. However, ensuring high employee performance is essential to maintain the quality of work produced. Employee performance directly affects their motivation, making it crucial to address issues that hinder performance and motivation. This study aimed to investigate the implementation of reward systems to improve employee motivation at Company A. The focus was to identify reward types that effectively motivate employees to excel in their roles. The intervention plan consisted of two (2) cycles. The first cycle involved providing employees with a non-financial reward, specifically a family day event, while the second cycle implemented other types of non-financial rewards in the form of celebrating employees' birthdays in the workplace. The research design utilized a combination of qualitative and semi-quantitative data collection methods. This research anticipates that implementing reward systems positively contributed to employee motivation, ultimately resulting in improved performance levels. By using interviews and surveys a mixed-method approach was applied. Thematic analysis and the Social Sciences Statistical Package (SPSS) were then used to interpret and analyse the findings. As a result, the reward system that was implemented in this organization was found to be significant based on the result generated by Thematic analysis and paired samples t-test analysis. Family days and employees' birthday celebrations also improve ties between employers and staff since they get to socialize and have fun together instead of just working. Finally, this study also discussed its implications, limitations and recommendations for future researchers.

**Keywords:** Employee Performance, Motivation, Reward Systems, Non-financial Rewards.

### Introduction

Since logistics is the cornerstone of economic growth and supports global trade, it has assumed a crucial role. Today's business world needs it as one of its fundamental service offerings, and it also serves as an engine for growing market growth (Zuraimi et al., 2013). In the past two decades, it has become clear how the logistics role has evolved and will continue

to do so. Previously, it was viewed as a supporting industry to other functional sectors, but now it is seen as a strategic industry in and of itself. The success of this industry would affect Malaysia's industrialization and competitiveness in international trade since it was one of the driving forces behind the country's development of industrialisation (Lebdioui, 2022). The number of employees needed must expand dramatically when a business or industry develops. It is important to ensure employee performance and motivation as the number of employees increases (Utin & Yosepha, 2019). Hence, the organisation should implement a variety of reward systems to increase motivation among employees.

Every company and organisation aspire to success and works to maintain steady growth. Modern business environments are fiercely competitive, and organisations of all shapes, sizes, technology capabilities, and market emphasis struggle to boost staff productivity and motivation. The human resource department has assumed the main responsibility for increasing employee motivation (Mahapatro, 2021). An individual who is fundamentally motivated would devote themselves to their profession to the extent that it naturally includes pleasant duties for them (Franco-Santos & Gomez-Mejia, 2015). Employees are regarded as an essential component of the human capital of any firm. If employees are motivated and content, they will perform their jobs diligently and energetically. Demotivated workers are more likely to put in little to no effort at work, create low-quality work, spend little time there, and even leave the company when better chances arise. Thus, the organisation needs to design different methods to improve the performance and motivation of staff. The most challenging factor faced by organisations is to make sure that employees are highly motivated. There is numerous research revealed that providing reward systems is one of the best approaches to maintaining workforce motivation (Kumar et al., 2015).

The term "rewards" means a certain monetary sum, object, or experience that an employee receives in return for their work or for performing something well (Hassan, 2022). Reward systems play a major role in human resource management. They are there to attract brilliant individuals, motivate them, and retain those who are more compatible with the business (Stone et al., 2020). An employee can be complimented for a job well done with a prize. It encourages performance optimization, which advances a career and raises morale (Ngwa et al., 2019). An organisation has to implement practices that increase the performance and motivation of employees as employees expect financial and non-financial rewards for their efforts and services. Rewards can be categorised into two (2) types which are financial and non-financial rewards. Extrinsic incentives are financial benefits including wages and salaries, bonuses, compensation, allowances and job promotion whereas non-financial rewards known as intrinsic rewards include recognition, responsibility, career opportunity and work-life balance (Hamzah & Matkhairuddin, 2023).

### **Problem Statement**

In an organisation, employees are regarded as pivotal assets. The productivity and success of the organisation are significantly influenced by employee performance and motivation. The personnel of every organisation are what determines how long it can survive. The people who carry out the major duties and make a substantial contribution to the organisation are the employees. Highly motivated workers will increase the effectiveness of the business and aid in achieving its goals and objectives (Sitopu et al., 2021).

Employee performance is one of the key factors that strongly influence organisational success. Job performance refers to a person's real work performance or accomplishment as the source of performance. Work performance is defined as the calibre and volume of work

produced by an employee while carrying out the tasks allocated to them. Performance in performing its obligations is not independent. Instead, it is always influenced by a person's special talents, qualities, and characteristics as well as by their level of job satisfaction and the amount of compensation they receive. Learning organisations play a vital role in enhancing worker performance by offering training and professional development to their personnel (Gitongu et al., 2016).

In Company A, the current employee's performance is poor such as producing low-quality work and slow response to work requests which affected the completion rate of work. This problem in the company was identified through an informal interview with the employees of the company. The company also do not have a proper and better solution to solve this issue. In this research, it may help to understand the implementation of reward systems to improve on employee motivation. With the improvement of understanding of the implementation of reward systems to improve employee motivation, it indirectly serves as a method for other companies (Trivedi, 2014). A successful reward system should be able to increase an organization's success while also guaranteeing that the workforce is highly motivated.

The Ishikawa (Fishbone) diagram was used in this study to better highlight the root cause of the lack of motivation among employees in Company A. Figure 1 highlighted the root cause of the occurrence of lack of motivation among employees in Company A. Four (4) factors contribute to the occurrence of issues arising in Company A which are the relationship between employees and employers, their motivation level on the job, the working environment and others. Based on Figure 1, demonstrates how poor communication caused expensive and time-consuming misunderstandings that generated conflict and lack of recognition from superiors, and ultimately the poor relationship between employees and employers. A dull working environment occurs if uncommunicative colleagues keep maintaining. In addition, Heavy workloads and pressure can also have an impact on someone's motivation at work because people's motivation levels continually fall under stress, which causes poor productivity syndrome and lower work performance.

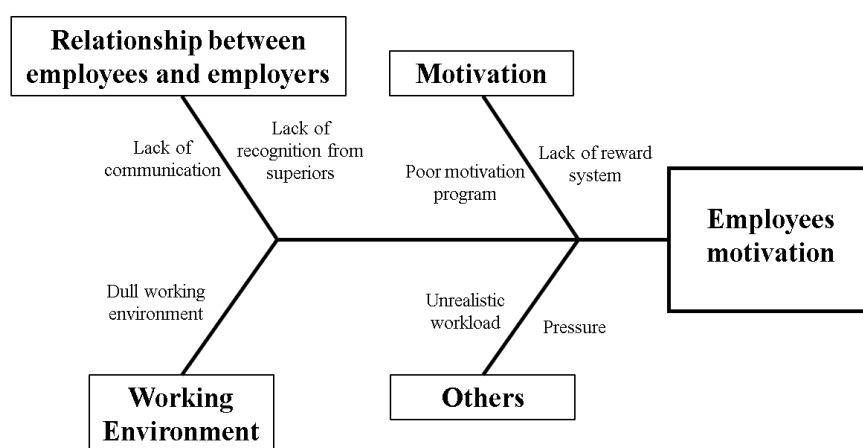


Figure 1 Fishbone Diagram for Problem Diagnosis

### Research Questions

Three (3) research questions in this study which include:

RQ1. What are the factors that lead to a lack of motivation among employees?

RQ2. What strategies can be used to improve the lack of motivation among employees?

RQ3. To what extent the implemented reward systems improve the motivation among employees?

### **Literature Review**

Previous studies have shown that extrinsic rewards, such as compensation, perks, bonuses, recognition, or career progression, have historically been used to explain motivation in the workplace. In contrast, intrinsic rewards are significant in a workplace motivation strategy that increases employees' drive to work. A financial bonus is one type of concrete intensive reward that many individuals respond strongly to. A sound plan, however, employs both intrinsic and extrinsic rewards to maintain employees' motivation throughout their employment because, once the reward is exhausted, the motivation may also wane (Noorazem et al., 2021). The findings of our study demonstrate that intrinsic rewards are essential to motivating success because they provide long-term, intangible benefits that are typically inexpensive to produce and can be successfully replicated repeatedly (Manzoor et al., 2021).

According to Joubert and Karodia (2015) research, although annual wage increases and the 13th cheque were deemed to be the two most motivating reasons, employees in the business appear to be more motivated by intrinsic incentives than by extrinsic benefits. The idea of a "total rewards system" is used to justify the study's findings. A whole rewards system incorporates both intrinsic and extrinsic rewards and contains all components thought to be valuable to employees.

Employees might be extrinsically and intrinsically driven to work effectively at the same time, according to the theory. The majority of the occupations are motivated both internally and externally. Additionally, it can be stated that intrinsic factors have a stronger potential to influence employee motivation than extrinsic reasons. Extrinsic factors alone do not cause performance to increase, according to many researchers. According to research, an organisation must achieve high levels in each of the following five (5) work characteristics: skill variety, task identity, task importance, autonomy, and feedback. On the other side, the company must set high standards for dedication to peers and supervisors, pay, and job security to extrinsically drive personnel. Managers must provide all job requirements since doing so will encourage high levels of employee performance (Munir et al., 2016).

Moreover, the best kind of motivation, as stated by numerous scholars Perry & Mesch (2006); Shanks (2007); Bessell et al (2002); Drake et al (2007), is the mixture of both extrinsic and intrinsic motivation. Additionally, as people's status at work changes, so do their opinions of what motivational strategies are appropriate. To attain excellent performance, managers must recognise these various scenarios and take them into account while developing their motivational methods.

In conclusion, extrinsic benefits like compensation, bonuses, and job promotions have traditionally been used to motivate employees in the workplace. Intrinsic rewards, however, are crucial to a successful motivational strategy because they provide long-term, intangible benefits that are inexpensive to obtain and can be repeated. Although both are required to maintain employee motivation, recent studies have revealed that intrinsic rewards are more motivating to workers than extrinsic ones. It is essential to have a holistic rewards programme that covers all components that employees consider to be valuable, including both intrinsic and extrinsic rewards (Agbenyegah, 2019). Managers must supply all work qualities, including skill diversity, task identity, task priority, autonomy, feedback, commitment to peers and superiors, remuneration, and job security, to achieve excellent employee performance.

Extrinsic and intrinsic motivation work best together, and when people's standing at work changes, so do their opinions of what motivational strategies are most effective. To attain excellent performance, managers must recognise these various scenarios and take them into account while developing their motivational methods (Nabukeera et al., 2019).

### Herzberg's Two-Factor Theory

Frederick Herzberg designed Herzberg's Two Factor Theory in 1959. Herzberg's Two-Factor Theory is also known as the Motivation-Hygiene Theory. This theory defined two (2) factors which are motivation factors and hygiene factors in determining employee working behaviours and level of performance. In contrast to extrinsic elements that discourage employee unhappiness, motivational factors are intrinsic variables that increase employee job satisfaction (Acquah et al., 2021).

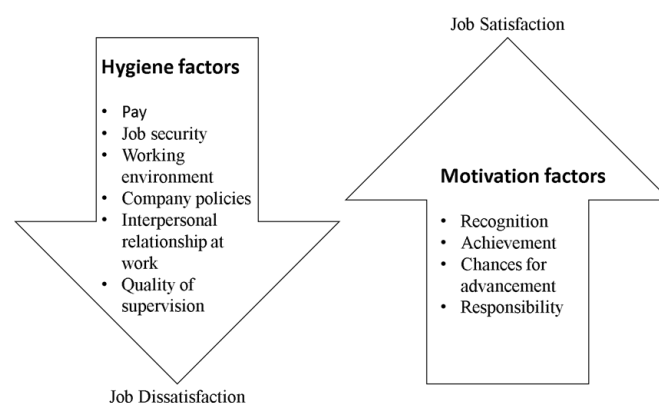


Figure 2 Herzberg's Two Factor Theory (Mehrad, 2020)

Employees' job satisfaction is not always determined by hygiene factors. When hygiene factors are absent, it will lead to dissatisfaction occurs. The presence of hygiene factors is to avoid any dissatisfaction arising in the workplace (Yusoff et al., 2013). Hygiene factors are extrinsic to the job and are related to the environment in which the job is conducted. Such factors consist of pay, job security, working environment, company policies, interpersonal relationships at work and quality of supervision. Hygiene factors may not be a source of motivation for employees, but they may be a source of discontent and consequently, demoralisation of employees if they are 'bad'. Hygiene elements should be viewed as a prerequisite for motivational factors to have an impact on employee motivation (Mehrad, 2020).

Employees' work performance and motivation can be motivated by the motivation factors. Motivation factor is defined as a complex factor that contributes to a sense of personal development and self-actualisation. These factors include recognition, achievement, chances for advancement and responsibility (Mehrad, 2020). Employees will be motivated by motivation factors to add more interest to their work. Employee productivity and efficiency increase when their motivational requirements are met.

Therefore, Herzberg's Two-Factor theory evaluates both intrinsic and extrinsic rewards and contends that only by combining the two can a balanced reward system be formed, which will help firms motivate employees and boost productivity (Emelianova, 2019). Employee discontent at work will only be lessened by hygiene issues. It won't, however, lead to a

happier workplace. An important supply of motivation factors will encourage employees' inner growth and development which leads to increased efficiency and performance. However, a lack of this factor will just deny their feelings of neither satisfaction nor dissatisfaction at work (Acquah et al., 2021). It is critical to provide appropriate hygienic factors to employees as a form of motivator, which has so far yielded some satisfaction. In the absence of hygienic variables, demotivation will result. Therefore, it is crucial to concentrate on boosting motivating aspects like job enrichment, giving workers more opportunities for promotion, optimising competencies, taking on more responsibility, facing new challenges, and giving workers praise as needed (Nguyen, 2017). In the context of the research study, Herzberg's Two-Factor theory can determine the suitable reward systems that can be used by Company A. Company A can improve the lack of motivation among employees based on this theory.

### Proposed Interventions

The first-cycle intervention plan and the second-cycle intervention plan provide employees with non-financial rewards. Non-financial rewards are essential to improve the motivation among employees in the organisation.

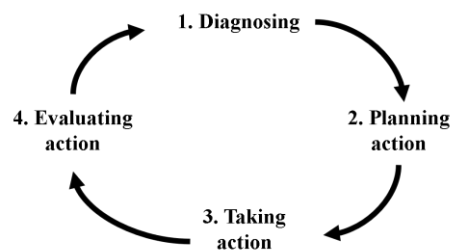


Figure 3 Action Research Cycle

In this research, there are two (2) action research cycles were carried out. Diagnosing the problem of staff performance has remained in the company over the years. Looking at this long unresolved issue, it was proposed that action research study the staff performance which led to lack of motivation among employees and the strategies used to improve the lack of motivation among employees in action research cycle one. The intervention planning of action implemented a non-financial reward system which was family day to allow the employees to feel a sense of togetherness and improve relationships among employees and employers.

Research cycle two aims to enhance the motivation among employees. Enhancing the motivation among employees by introducing another type of non-financial reward system which was an employee's birthday celebration in the workplace. Pre- and post-intervention data was collected similar manner to analyse the outcome. The interview and questionnaire were used as a tool for data gathering. The research methodology used to evaluate the action research cycle.

### Methodology

The science of researching how to do research is known as the research methodology. Research methodology is always used by researchers to gather, evaluate, describe, and forecast events. The gathered information was used to address the study questions and hypotheses. In this research, the pragmatism approach of philosophy was applied as there



are a variety of data-gathering techniques and an inductive methodology that uses research questions to focus the study.

### **Research Design**

In this research, a descriptive cross-sectional design was used and a mixed-method data-collecting technique which consists of both quantitative and qualitative data was proposed to be implemented in Company A. Participative action research represents a collaborative approach wherein researchers work closely with employees to identify problems, implement interventions, and evaluate outcomes. In the context of employee motivation, participative action research could involve employees in the identification of motivational issues, co-creation of intervention strategies such as designing or refining the reward system and continuous feedback loops to assess the impact of implemented changes. This participative approach fosters a sense of ownership among employees, leading to increased engagement and commitment to the intervention, ultimately enhancing the likelihood of sustained improvements in motivation within the organization.

### **Data Collection**

The study adopts a mixed-methods design. The mixed method includes both qualitative and quantitative data collection. Researchers can develop broad perspectives and identify connections between the various interconnected aspects of research problems by using mixed methodologies (Hafsa, 2019). As a result, it emphasises gathering data, analysing data, and combining quantitative and qualitative data in a single study or a series of research. Primary data were the research tool used in the study. Interviews and questionnaires are the two sorts of research tools that were employed in the study. Participants were interviewed several times, and respondents got a questionnaire. One-on-one interviewing was used to conduct the interview.

### **Data Analysis**

The data regarding employees' motivation and their perception of reward systems have been analysed using Statistical Package for Social Science (SPSS) software. The data are analysed using a descriptive analysis technique. It entails rearranging, categorising, and changing raw data to provide descriptive information in a form that is simple to understand and analyse. It is also used to describe the fundamental characteristics of the data in research. Almost all quantitative investigations of data are built on the foundation of descriptive statistics and easy graphical analysis. Additionally, Cronbach's alpha offers a tool to gauge and assess a test's or scale's internal consistency or reliability. In qualitative research, the classification and interpretation of the statement utilising a variety of sources or examples to further understand the phenomenon are known as data analysis. Qualitative data, like interview transcripts, notes, and recordings, is non-numerical information. Transcribing the audio from the interview, categorising the transcriptions, going over the notes, and interpreting the results are the stages of qualitative data analysis.

### **Findings**

Data analysis was presented on both text and numeric data, whereby both the qualitative and quantitative findings will be discussed.

**Qualitative Findings**

Qualitative analysis analyses qualitative data such as text data from interview transcripts. The interview session was conducted face-to-face with two (2) Human Resource personnel and transcribed into written words. The interview was conducted for not more than 30 minutes. The content is categorised into six (6) major themes. These main themes were then presented under the six (6) variables including financial reward, non-financial reward, the ineffectiveness of annual bonuses as a motivator, poor employee working attitude, employee motivation and customizing rewards to fit the company.

The demographic profiles from the interview session were collected such as age, education and brief details on the interviewees. There are two (2) human resource personnel from Company A participated in the interview session. Presently, Ezel was the head of the Human Resource department and he has been working with Company A for 20 years. Daniel has been working as a Human Resource Assistant for 12 years in Company A. Table 1 shows the participants' profiles.

Table 1

*Profiling of Interviewees*

Participants (Pseudonym)	Gender	Education level	Brief Details on the Interview
1. Ezel	Male	Bachelor of Human Resource Development	Working with Company A for 20 years. Currently, serve as the head of the Human Resources department.
2. Daniel	Male	Diploma in Business management	Working with Company A for 12 years. Currently serve as the Human Resource Assistant.

The six (6) main themes will be discussed in the table below.

Table 2

*Categories of Themes*

Theme	Evidence
<b>Financial Reward</b>	<p>“Some employees care more about money, they work only for money and do not care more about other things, so financial rewards are useful for them.”</p> <p>“We provide bonuses to the employees to drive their work harder and contribute more. However, the staff does not care for this kind of financial reward, they still produce low-quality work and slow response to work requests which will affect the completion rate of work. Maybe the financial reward is not their main concern.”</p>
<b>Non-Financial Reward</b>	<p>“The non-financial reward might be more useful to them as they have time to communicate with each other and have a better understanding rather than after work then back home, do not have any other time to gather.”</p> <p>“Using non-financial rewards to motivate employees is not only a saving cost but also a smart employee retention strategy.”</p>



Theme	Evidence
<b>Ineffectiveness of annual bonuses as a motivator</b>	<p>“Our company provides annual bonuses to the staff based on their performance. The amount they get is based on their yearly attitude. But this kind of reward is not effective in improving the motivation of staff.”</p> <p>“Additionally, employee bonuses may unintentionally encourage competition among employees rather than teamwork. But when a company already has a poisonous workplace culture, it happens more frequently. Therefore, in such a situation, the current unhealthy culture must be changed.”</p>
<b>Poor employee working attitude</b>	<p>“The current employee’s performance is poor such as producing low-quality work and slow response to work requests.”</p> <p>“Lazy to do work cause the work was not organized on time and high frequency of absences.”</p>
<b>Employee motivation</b>	<p>“A reward system is a good way to motivate employees. But need to find the most suitable types of reward systems to implement. This is because giving rewards for hard work is one way to boost employee motivation and participation.”</p> <p>“Employee motivation can enhance productivity and enable a business to produce at higher levels.”</p>
<b>Customizing rewards to fit the company</b>	<p>“After implementing the new reward system, it looks to have some improvement. I think non-financial rewards are a better way to continue to improve employee motivation.”</p> <p>“If want to provide a reward system, it should provide an appropriate way. This is because implementing a suitable reward system really can motivate employees.”</p>

### **Quantitative Findings**

Based on Table 3, in the dataset encompassing 55 participants who engaged in both cycles of the online questionnaire for this research, a notable demographic distribution emerged. Among the respondents, 49.1% were male employees, while 50.9% were female employees. Age-wise, 34.5% fell within the 31 to 40 age brackets, followed by 27.3% in the 21 to 30 years old category. Additionally, 14.5% were aged between 41 to 50 years old, with 12.7% aged 20 years old and below, and 10.9% aged 51 years old and above. Ethnicity-wise, the respondents comprised 34.5% Malay, 34.5% Chinese, and 30.9% Indian. Educational backgrounds varied, with the majority holding SPM/STPM or equivalent qualifications, constituting 45.5% of the respondents. Furthermore, 29.1% held Diplomas, while 23.6% and 1.8% were Bachelor’s Degree holders and Skills and Academic Certificate holders, respectively. In terms of work experience, 20 respondents possessed six (6) to nine (9) years of working experience, followed by 16 employees who had two (2) to five (5) years of experience. Nine (9) respondents possessed ten (10) years and above of working experience, six (6) respondents had less than one (1) year of working experience, and four (4) respondents possessed one (1) year but less than two (2) years of working experience. Regarding departmental distribution,

38.2% of the respondents were responsible for the transport department, followed by 25.5% in the sales and marketing department. Accounting and finance, as well as the billing department, each comprised 12.7%. Additionally, 7.3% and 3.6% were in the forwarding and human resource departments, respectively.

Table 3  
*Socio-Demographic Profile of Respondents*

Category	Indicator	Frequency	Percentage (%)
<b>Gender</b>	Male	27	49.1
	Female	28	50.9
<b>Age</b>	20 years old and below	7	12.7
	21 – 30 years old	15	27.3
	31 – 40 years old	19	34.5
	41 – 50 years old	8	14.5
	51 years old and above	6	10.9
<b>Race</b>	Malay	19	34.5
	Chinese	19	34.5
	Indian	17	30.9
<b>Education level</b>	SPM/STPM or Equivalent	25	45.5
	Skills and Academic Certificate	1	1.8
	Diploma	16	29.1
	Bachelor's Degree	13	23.6
<b>Working Experience</b>	Less than 1 year	6	10.9
	1 year but less than 2 years	4	7.3
	2-5 years	16	29.1
	6-9 years	20	36.4
	10 years and above	9	16.4
<b>Working Department</b>	Human Resource	2	3.6
	Accounting and Finance	7	12.7
	Billing	7	12.7
	Sales and Marketing	14	25.5
	Transport (Air Freight/Sea Freight/Land)	21	38.2
	Forwarding	4	7.3

### Effectiveness

In the second cycle, 44 staffs thought that the implemented non-financial reward system was effective and continued to participate in the activity provided by the company. From Table 4, the results showed that the number of employees who continued to participate increased after being involved in the non-financial reward intervention compared to cycle one.

Table 4  
*Effectiveness of non-financial reward system provided by the organization*

	AR 1 Post Data		AR 2 Post Data	
	Frequency	Percent	Frequency	Percent
<b>Yes</b>	28	50.9	44	80.0
<b>No</b>	27	49.1	11	20.0
<b>Total</b>	55	100.0	55	100.0

### Normality Test

Table 5 for both AR 1 Post-Data and AR 2 Post-Data. For the perception variable, the skewness and kurtosis values for AR 1 post-data are 0.013 and 0.638 while for AR 2 post-data, the values change to -1.380 and 0.151. For effectiveness, the skewness and kurtosis values for AR 1 post-data are -0.186 and -0.835 and for AR 2 post-data, the values change to -1.374 and 0.232 respectively. Lastly, for the motivation variable, the values for skewness and kurtosis for this variable are -0.055 and -1.145 while after the intervention, the values change to -1.413 and 0.349. From the values that have been stated, the skewness and kurtosis values for all three (3) variables are normally distributed since values of skewness and kurtosis under these three (3) variables are between -2 and 2.

Table 5

#### *Test of Normality on Skewness and Kurtosis Values*

Variables		AR 1 Post-Data		AR 2 Post-Data	
		Statistic	Std. Error	Statistic	Std. Error
Perception	Skewness	0.013	0.322	-1.380	0.322
	Kurtosis	0.638	0.634	0.151	0.634
Effectiveness	Skewness	-0.186	0.322	-1.374	.0322
	Kurtosis	-0.835	0.634	0.232	0.634
Motivation	Skewness	-.055	0.322	-1.413	0.322
	Kurtosis	-1.145	0.634	0.349	0.634

### Reliability Test

Cronbach Alpha values for each of the three variables are displayed in Table 6. The Cronbach's Alpha value must be greater than 0.7 for the data in a reliability test to be considered reliable.

Table 6

#### *Reliability Test for AR 1 Post and AR 2 Post Intervention*

Variables	AR 1 Post-Data		AR 2 Post-Data	
	Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
Perception	0.717	6	0.962	6
Effectiveness	0.805	4	0.953	4
Motivation	0.836	4	0.962	4

### T-Test

The results of the t-test analysis show that the mean value for AR 2 post-intervention for each of the three variables was higher than AR 1 post-intervention where the perception mean value for AR 1 post-intervention was only 3.52 compared to AR 2 intervention where the mean value is 4.33, effectiveness mean value for AR1 post-intervention was 3.15 while AR 2 post-intervention the value change to 4.34 and for motivation, the mean value for AR 1 post-intervention was 3.21 which is lower than value for AR 2 post-intervention is 4.32.

### Discussions

In the second cycle, the quantitative data analysis focused on determining the employees' motivation after implementing the intervention plans. The T-test was conducted to obtain the results before and after intervention in this second cycle. According to data analysis, the

results of employees' motivation have been improved and showed acceptable significant values, which means that the new intervention plan has a positive impact on employees' motivation. In addition, the T-test was also performed to compare the results of the first and second action research cycles before and after intervention. From the results, the intervention increased employee retention and the creation of a happier workplace. The employees were more loyal to the company, and the overall business operation would improve.

Based on the analysis result, the results of the study are significant where perception ( $t = -6.373$ ,  $df = 54$ ,  $p < 0.05$ ), effectiveness ( $t = -7.240$ ,  $df = 54$ ,  $p < 0.05$ ) and motivation ( $t = -7.022$ ,  $df = 54$ ,  $p < 0.05$ ). A higher mean score value for perception, effectiveness and motivation is improved which is shown in the Paired Sample Statistics table above. It indicated that the employees' motivation can be increased.

Financial benefits such as salary, bonuses, and career advancements have traditionally served as key incentives for driving employee performance in the workplace. Nonetheless, non-monetary rewards play a vital role in a comprehensive motivational strategy as they yield enduring, intangible advantages that are cost-effective and can be recurrently implemented. While both forms of rewards are imperative for sustaining employee motivation, recent research suggests that intrinsic rewards tend to have a stronger impact on workers compared to extrinsic ones.

### **Research Limitations and Future Recommendations**

The entire action research was able to accomplish its objectives through the implementation of pertinent interventions, and the outcomes aligned with those. Given the research limitations that were discovered during the data collection process, several recommendations for additional research could be made.

Conducting further research to explore and implement a wider range of non-financial rewards beyond family events and birthday celebrations. This could involve incorporating wellness programs, flexible work arrangements, skill development opportunities, and other forms of recognition to cater to the diverse needs and preferences of employees. In addition, expanding sampling techniques beyond convenience sampling, such as incorporating random sampling methods, could enhance the representativeness of the study. A larger and more diverse sample size from various departments or levels within the organization could offer richer insights into the varied experiences and perceptions of the workforce regarding the reward system.

Besides, conducting comparative studies across different industries to understand the varying impacts of non-financial rewards on employee motivation. It could offer valuable insights into how varying organizational structures, cultures, or industry-specific factors influence the effectiveness of reward systems. Comparisons with similar interventions in diverse settings would allow for a more nuanced understanding of the system's impact. This would help identify industry-specific best practices and facilitate the exchange of knowledge and strategies to enhance employee engagement and satisfaction across various sectors.

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### **Conclusions**

The research concluded that there is an improvement from Cycle 1 and Cycle 2 pre-and post-implementation of the interventions. It was agreed that the intervention implemented improves employee motivation by implementing non-financial rewards to make employees feel a positive work environment, fostering a stronger sense of loyalty, and ultimately contributing to the overall success of the organization.

This research makes a significant theoretical and contextual contribution to the existing knowledge on employee motivation and organizational success. The findings emphasize the effectiveness of non-financial rewards in enhancing employee motivation, thereby creating a positive work environment. The theoretical contribution lies in the validation and reinforcement of motivational theories that highlight the importance of non-monetary incentives in driving employee engagement and satisfaction. In a broader organizational context, this research focuses on the pivotal role that employee motivation plays in fostering a sense of loyalty among staff, leading to increased commitment and productivity. The practical implications of implementing non-financial rewards as an intervention strategy are underscored, providing organizations with actionable insights to enhance workplace dynamics and contribute to overall success. By bridging the gap between theory and practice, this research serves as a valuable resource for both scholars and practitioners, offering a nuanced understanding of the multifaceted relationship between employee motivation and organizational achievement.

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