

The Impact of Financial and Non-Financial Rewards on Employee Motivation: Case Study NRA Sierra Leone

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ABSTRACT

The basic aim of this paper is to find the impact of financial and non-financial rewards on employee motivation, case study the Sierra Leone National Revenue Authority. The study also not only discuss that employee motivation is imperative for the overall organizational performance, but also talks about how to retain a motivated workforce. Motivation factors may be differing from organization to organization and class to class of employees such as high level and low level labor. Qualitative as well as quantitative research methodology has been adopted in this study. The researchers have conducted a survey in NRA. A questionnaire was developed to guess the opinion of employees working in this organization. A semi structured interview was conducted for getting an insight about their motivation. 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 developing countries like Sierra Leone, 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. The study 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 study will also compel the management of studied organizations to pay attention to the problems of employee motivation for the overall benefits of organizations.

Keywords: Employee motivation, Financial rewards, Non-financial rewards, NRA, Sierra Leone

INTRODUCTION

It is widely debated that 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 employees 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 design and management of motivational reward systems present managers with one of the most difficult human resource tasks. Bagraim et al. (2007) noted that, there is need to find out the needs and goals of employees in order to address them and achieve the required motivation. Thompson et al. (2005) indicate that a properly designed motivational reward structure is management's most powerful tool for mobilizing organizational commitment to successful strategy execution and productivity. Arnolds and Venter (2010) stated that there is a huge crisis of motivation in most large corporations. Their findings show that, business firms spend billions of money each year on

courses and incentives, to increase employee motivation, but these interventions do not always translate into higher levels of employee motivation. This is as a result of the different perceptions between management and subordinates on the way organizational goals should be achieved.

Employees and managers give different levels of importance to various motivational rewards depending on the situation. Delany and Turvey (2007) noted that, managers want a workforce with speed, high productivity and adaptability to change. Employees on the other hand want an entrepreneurial environment, strong skill development and opportunities for growth and competitive compensation to be motivated. A body of experience, research and theory has been developed to study motivational rewards. Some of the researches focused on non-financial motivational techniques. An example is the research by Arnolds and Venter, (2007) on the strategic importance of non-financial motivational rewards. However other research for example Ramlall (2004) focused on money as a motivator on all levels of employment. This presented challenges and misconceptions regarding money as a motivator since different levels of employees are motivated by different factors. For example, it is possible that lower level employees whose needs fall under lower order needs according to Maslow's hierarchy of needs can be highly motivated by monetary rewards depending on how these financial rewards are administered.

This study therefore aims to examine the effect of financial and non-financial incentives on job satisfaction, which is used in National Revenue Authority (NRA); and to indicate the difference of employee attitudes related to job satisfaction and incentives on some demographical variables. The questionnaires prepared for this purpose are applied to 20 employees at NRA Sierra Leone, which are currently working in the head office in Freetown. The data obtained from the research are analyzed via several techniques by using SPSS 20.0 program. According to the results of the analysis, a significant relation is observed between the financial and non-financial incentives and the job satisfaction of employees. When these relations are compared, the result is that the attitudes towards financial incentives have a stronger effect on job satisfaction than the attitudes towards non-financial incentives. Besides, the differences

among some demographical variables (union membership, gender, income level) and the attitudes towards these incentives and job satisfaction levels are tested. This research plays an important role to provide significant data for strategically administrative institutions of revenue authorities in terms of financial and non-financial incentives, job satisfaction and some demographical characteristics of the employees. The study was guided by the following objectives:

- To examine the effect of financial reward on motivation among employees of NRA Sierra Leone
- To examine the effect of non-financial reward on motivation among employees of NRA Sierra Leone
- How much each reward practice is impacting employee's motivation?

LITERATURE REVIEW

It is a fact that there is hardly a scholarly work that could be completed without making reference or drawing from the ideas of similar works that already exist. As researchers continue to build their ideas on previous works, the knowledge bank continues to flourish. The present study is no exception to this. In a competitive business climate, more business owners are looking at improvements in quality while reducing costs. Meanwhile, a strong economy has resulted in a tight job market. So while businesses need to get more from their employees, their employees are looking for more out of them. Employee reward and recognition programs are one method of motivating employees to change work habits and key behaviors to benefit a business organization.

Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual and/or group levels. They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. While previously considered the domain of large companies, small businesses have also begun employing them as a tool to lure top employees in a competitive job market as well as to increase employee performance. Newman and Gerhart, (2011) also specified that rewards can play a significant role in influencing employees' attitudes and perceptions of work. Owing to the fact that rewards represent

anything that is valuable and meaningful to the recipient, skilled and talented employees are less likely to be motivated by rewards that are not aligned with their preferences and values. The main reason reward management exists in business organizations is to motivate the employees in that particular organization to work hard and try their best to achieve the goals which are set out by the business typically encompass not only traditional, quantifiable elements like salary, valuable pay and benefits, but also more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization (Armstrong M., 2010). Reward management in a business organization deals with the design, implementation and maintenance of reward practices that are geared towards the improvement of the business organizations performance.

The word motivation is derived from the word, „mover“ 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 (Dessler, 2009). As a result, they expect that they are rewarded with all those reimbursements 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” (John R. Walker, 2016). 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 (Nickson, 2013). According to research there are certain cross disciplinary indicators like commitment, contentment, loyalty and intention to quit which measures motivation of employee (Lauby, 2009). 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.(Golembiewski, 2010) 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 (Golembiewski, 2010), 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 (Richard M. Burton, 2014). 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.

Non-financial rewards otherwise known as intrinsic rewards are the job inherent and intangible rewards included in the job itself such as job tasks, challenging and interesting job and training possibilities offered to the employees. Non-financial rewards do not

enhance the employee's financial position directly but make the job more attractive. Some of the Non-financial rewards that a business organization offer might include-an attractive pension scheme, access to private medical care, help with long-term sickness, crèche facilities, counseling services, staff restaurant etc. Non-financial rewards can have an even more substantial impact on employee satisfaction and motivation than traditional financial rewards. A study by the Hay Group involving around four million employees found that employees listed work climate, career development, recognition and other non-financial issues as key reasons for leaving a job. Even well-compensated employees may leave a company if dissatisfied with these aspects. Companies with excellent non-financial incentive plans can attract motivate and retain talented people. (Armstrong M, 2013).

Financial reward otherwise known as extrinsic rewards are the non-job related rewards such as pay, salary and work conditions. Gupta and Shaw (1998) concluded in their research that financial incentives are indeed effective.

They took the point of view that not all the jobs are Interesting and challenging in nature, if we would live in an ideal world everyone would be intrinsically motivated and rewarded, but in many work places this is not the reality. They concluded that money matters to most of us and it motivates us because of the symbolic and instrumental value it bears. Symbolic value of money recaps what we ourselves and what others think about it, instrumental value of money means the ends we can get for exchanging it.

Financial rewards are those that will enhance the employees financial well-being directly e.g. bonus, increase in wages and profit sharing schemes i.e. are pay bonuses, fringe benefits, transportation facility, medical facility, health and life insurance and benefits like vacation with pay meal facilities (Chelladurai, 2009).

Pay: is a payment system 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 (Sara L. Rynes, 2009).

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 (Scott A. Snell, 2014)

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

Fringe Benefit: 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 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 form an agers to realize that the employees must be given the better working conditions along with the fringe benefits so that they give their best (Bruce, 2012) 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.

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 fulfill other assignments (Scott A. Snell, 2014).

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 (Nickson, 2013).

Based on the literature review there is a knowledge gap when implementing the reward practices in place (Pfeiffer & Sutton 2006). It is common that the management is believing in certain rewards to be more efficient motivators than the others whereas employees' perceptions of the most significant rewards may differ highly from the reward practices which managers consider to be the most motivating. Nelson proposed managers to simply ask their employees what they want. (Nelson 2004) The conflict of interest may result in disengagement, job dissatisfaction and higher intentions to quit the employing organization.

Armstrong et al. (2010) admit that reward management can never be totally 100 per cent scientific or 100 per cent right. The challenge is to find the best fit practice for your organization.

They also emphasized the importance of tailoring the reward programs to suit individual needs at the organization as many of the reward programs fail if the „one-size fits all“ approach is used without careful consideration and implementation. Jensen et al. (2007) said that the “best-practice” regarding the reward programs is simply the one which suits your organization.

METHODOLOGY AND MODEL

A descriptive research design was used aiming at determining the role of financial and non-financial reward in promoting employee motivation in the Sierra Leone National Revenue Authority (NRA) a case study of Freetown Sierra Leone, where the context was the NRA head office in Bathurst Street

Freetown. The population of interest was 30 employees that consisted of the management staffs at NRA head office.

Mugenda and Mugenda, (2003) explains that the target population should have some observable characteristics, to which the researcher intended to generalize the results of the study. The primary data has been collected through In-depth interviews and questionnaires. The sampling method used in this research was Simple Random Sampling.

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 employees in this organization so as to increase reliability of current research in depth.

Model

Multiple linear regression Analysis is used to determine the nature and degree of linear relationship between two sets of data. The degree of positive or negative correlation between the multivariate data can then be determined by estimating the Coefficient. We have therefore used a multiple linear regression model to determine how much do financial and non-financial rewards influence employee motivation at NRA.

Multiple linear regression models were used to assess whether employees motivation is a function of the variables indicated on the objectives. It provided information on impact of an independent variable while simultaneously controlling the effects of other independent variables. Thus a regression model of the form

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + u$$

is used in analyzing the effects of financial and non-financial rewards on employees motivation in NRA. Where Y was the dependent variable which was the employee motivation, α is the regression constant, β_1 and β_2 , are the coefficients of the regression model, X_1 is the first independent variable, i.e. financial reward, and X_2 is the second independent variable i.e. non-financial reward. The above model was formed in view to find out the association between financial and non-financial rewards in motivating employees.

ANALYSES

Only one data collection method was used to collect data i.e. questionnaire interview. A face to face interview accomplished through the use of a questionnaire administered to the respondents.

The responses from the interviewees were captured using forms/questionnaires. The data was then entered in a Microsoft Access data entry screen and then exported to excel for cleaning. The final edited data was subsequently exported to SPSS 20.0 for analysis.

RESULTS AND DISCUSSIONS

Following a line of investigation, fundamentally statistical weights were computed to reflect the

Table1. Demographic characteristic of employees at NRA

		Frequency	Percentage
Gender	Male	9	37.5%
	Female	15	62.5%
Age category	≤29	12	50%
	30-39	9	37.5%
	40-49	3	12.5%
	≥50	0	0.00%
Level of Education	Secondary	1	4.2%
	Tertiary	7	29.2%
	University	16	66.6%
Experience	less than a year	4	16.7%
	1-2 years	13	54.2%
	3-4 years	7	29.1%
Department	Administrative	3	12.5%
	IT	4	16.7%
	Revenue collection	17	70.8%

In the above table, 24 respondents were interviewed comprising of 9 (37.5%) males and 15 (62.5%) females, however this result is not surprising because the national household and population census of Sierra Leone (2014) report more females than males.

Finding shows, the organization had 50% of the employees below 30 years since the highest percentage of the Sierra Leone population is composed of youth. About 66.6% of NRA staff had completed university at the highest level of education attained and only 4.2% had attained secondary with the remaining had completed tertiary education.

70.8% of the staff interviewed where in revenue collection department since they earn through financial and non- financial rewards with about 54.2% of the respondent had been working in NRA for at least 2years.

probability of staff sampled and adjustments for non-responses. However, the study population comprises 30 Staff of NRA across each department at the targeted head office of which 24 respondents reflecting 80% were able to respond to the questions.

Characteristics of the Respondents

Here, we give the background characteristics of respondents that participated in the survey, the gender distribution of respondents that participated in the study, age, education and period worked in the institution were looked at. Most of these aspects are believed to relate to the variables of the study hence can affect employee motivation at NRA. A breakdown of this information is presented in table 1 below:

Reliability Analysis

Reliability of the questionnaire was evaluated through Cronbach’s Alpha which measures the internal consistency. Cronbach’s alpha was calculated by application of SPSS for reliability analysis. The value of the alpha coefficient ranges from 0-1 and may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales.

Table2. Reliability Analysis

Extent	Cronbach's Alpha	Number of Items
Financial Reward	0.803	9
Non-Financial	0.751	8

The higher the value, the more the reliability of the scale generated. Cooper & Schindler (2008) has indicated 0.7 to be an acceptable reliability

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coefficient. In the above table financial rewards had the highest reliability ($\alpha=0.803$) followed by non-financial rewards ($\alpha = 0.751$). This illustrates that all the two scales were reliable as the values of their reliability were above the prescribed cut off point (0.7) proposed by Cooper & Schindler (2008).

Current reward practice at NRA

Financial reward was the most common reward practice at NRA, followed by non-financial rewards. Staff gave examples of non-financial rewards given and this included airtime, fuel cards, shopping vouchers and house appliances whereas financial rewards was only cash mentioned. Using the table below it also shows Revenue collection department used most financial rewards (69.7%) than any department while IT department use non-financial reward (45%) than any department. This explanation is clearly shown by the table and figure below.

Table3. Current reward practice at NRA categorized by department

	Administrative	IT	Revenue collection
Financial Reward	67.4%	55%	69.7%
Non-Financial Reward	32.6%	45%	20.3%

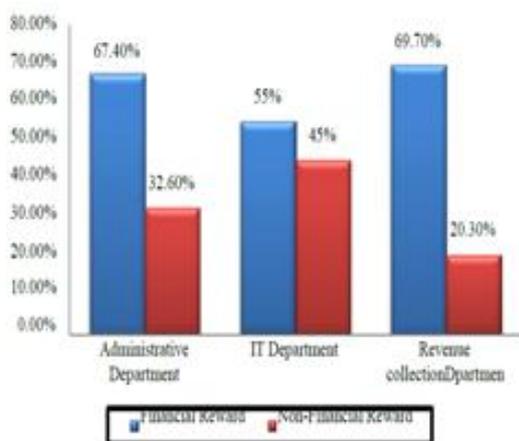


Figure1. Current reward practice at NRA categorized by department

Reward Grouping with the Highest Impact to Motivate Employees

Table4. Reward grouping with the highest Impact to Motivate Employees

Variables	Mean	Standard
Financial	3.80	0.13
Non-Financial	3.74	0.12

From the findings on NRA regard to employee motivation, the study found that financial reward is a great component of employee motivation as shown by mean of 3.80, non-financial rewards is an important component as shown by the mean of 3.74.

Financial Reward on Employee Motivation

From the findings in table 5 on the importance of Financial rewards on employee motivation, the study found that medical benefits is important as shown by a mean of 4.57, retirement benefits are important as shown by the mean of 4.32, good working environment is important as shown by a mean 3.88, job security and company's closeness to amenities is important as shown by mean of 3.79, fuel benefit is important as shown by a mean of 3.77, parking availability is important as shown by a mean of 3.55, cell phone benefits are important as shown by a mean of 3.03 while eating and smoking facilities are not important as shown by a mean of 1.43.

The study found out that the majority of the respondents indicated that employee's level of education qualification affect the benefits given to employees; it was revealed that the employees with higher level of education received would receive more benefits than those with low education, the study also found that the employees who have been in the company for a long period would receive more benefits compared to those in the company for a short period. The study also found that the employees who deliver higher targets receive more benefits than those who do not.

Table5. The importance of Financial Reward on Employee Motivation

Variables	Mean	Standard
Medical benefits	4.57	0.30
Cell phone benefits	3.03	0.18
Retirement benefits	4.32	0.37
Fuel benefits	3.77	0.13
Job Security	3.79	0.15
Good working environment	3.88	0.16
Company closeness to	3.79	0.04
Eating and smoking	1.43	0.22
Availability of parking	3.55	0.14

Non-Financial Rewards on Employee Motivation

From the findings in table 6 on the impact of non-financial benefits on employee motivation,

the study found that employee appreciation is important as shown by mean of 4.24, Feeling well informed is important as shown by the mean of 4.11, Recognition of meaningful work done is important as shown by a mean 3.99, Freedom to plan and work independently and Sense of progression are important as shown by mean of 3.91, Degree of autonomy in performance of work is important as shown by a mean of 3.85 while Participation of goal setting is important as shown by the mean of 3.44.

Table6. Rate of Non-financial rewards on Employee Motivation

Variables	Mean	Standard
Employee appreciation	4.24	0.19
Job rotation	3.62	0.14
Recognition of meaningful	3.99	0.17
Degree of autonomy in	3.85	0.15
Sense of progression	3.91	0.08
Development of competence	3.79	0.14
Feeling well informed	4.11	0.18
Freedom to plan and work	3.91	0.12
Participation of goal setting	3.44	0.06

Majority of the respondents indicated that the NRA offer non-financial reward to appreciate employees in form of self-esteem and appreciation for work done so that they felt satisfied for their achievement and growth of the institution.

By offering non-financial rewards the study found that the employees will be motivated hence they will be loyal and committed to the institution and hence increasing performance.

Majority of the respondents indicated that to ensure there is a favorable working environment for employees in at NRA the management need to ensure they maintain effective communication among the employees since this ensures that the employees are able to participate effectively in policies concerning the institution, majority of the respondents also indicated that the employees should be sometimes left to work on their own under minimal supervision since this ensures that they get an opportunity to grow and become responsible.

Majority of employees also indicated that the working environment should recognize the needs of different employees cultures and be respectful of different cultural or religious practices of employees.

Regression Results

From the table 7 below, R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table below there was a strong positive relationship between the study variables as shown by 0.895 at the 5% significance level. The Adjusted R squared is the coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variables, from the findings in the table below the value of adjusted R squared was 0.714 an indication that there was variation of 71% on employee motivation due to changes in Financial and Non-financial rewards at 95% confidence interval. This is an indication that 96% of the changes in employee motivation could be account for by the independent variables.

Table7. Model Summary

Model	R	R	Adjusted	Std. error of the
1	.895 ^a	.827	.714	.30527

Model	Unstandardized		Standardizes	t	Sig.
	B	Std.	Beta		
(Constant)	.115	.048		2.418	.031
Financial	.625	.180	.568	3.464	.002
Non-	.192	.060	.176	3.203	.007

From the regression equation below, it was found that holding financial rewards and non- financial rewards to a constant zero, employee motivation will be 0.115 units, a unit increase in financial reward would lead to increase in employee motivation at NRA by 0.625 units, a unit increase in non-financial rewards would lead to increase in employee motivation at NRA by 0.192units. overall financial reward had the greatest effect on employee motivation at NRA, followed by non-financial rewards. At 5% level of significance and 95% level of confidence, financial rewards had a 0.002 level of significance; non-financial rewards had a 0.007 level of significance. All the variables were significant (p<0.05). Substituting the estimated results in the empirical model specified in the methodology gives:

$$Y = 0.115 + 0.625X_1 + 0.192X_2$$

The above equation is our final estimated equation which shows how much each independent variable may impact or influence the dependent variable as already explained

in the interpretation and analysis above. The authors have decided to use regression because Regression analysis is one of the most important statistical techniques for business applications. It's a statistical methodology that helps estimate the strength and direction of the relationship between two or more variables.

The analyst may use regression analysis to determine the actual relationship between these variables by looking at the use of the reward practice by Sierra Leone National Revenue Authority and the employee's performance over the past few years. The regression results show that this relationship is valid. Regression analysis is an indispensable tool for analyzing relationships between variables. For example, it can:

- Identify the factors that are most responsible for employee's motivation
- Determine how much a change in rewards will impact employee's performance
- Develop a forecast of the future value of NRA's performance in terms of employees output.

CONCLUSIONS AND RECOMMENDATIONS

The research findings were already presented in the previous section. The aim of this section is to present the conclusions drawn from the research findings.

The aim of this thesis was to find out how the financial and non-financial rewards are impacting employees motivation. The following research questions were settled and the aim of this paper was to answer these questions:

- How are financial rewards impacting the employee's motivation?
- How are non-financial rewards impacting the employee's motivation?
- How much each reward practice is impacting employee's motivation?

It was considered necessary to map all the reward practices in use, how the rewards are distributed, what is the magnitude and relevance of the rewards and why these reward practices took place in order to understand the bigger picture of NRA's culture of rewarding. This was a requisite also to understand the premise for employee's motivation in this organization. What is positive about NRA's reward practices is that the entire rewards approach is well implemented to their reward mix. The rewards

offered to the employees include financial and non-financial rewards which indicate that the different employee needs are recognized as not all the employees are keen on receiving only financial rewards and vice versa.

The entire rewards available for the employees are considered to be comprehensive and more importantly the rewards available are relevant for the employees. Based on the answers given to this very question in the questionnaire it can be said that the employees are satisfied with the relevance of the rewards because majority of the distribution of responses were diverse. NRA should not abandon the ability to have financial rewards as these were considered to be the most relevant rewards for the employees.

It should be noted that in NRA the non-financial rewards are proven to be as relevant as the financial rewards. This note includes practical implication for the institution especially during the time of economic recession when the resources to reward allocation are tight or even diminished. According to the literature if the employees feel that the rewards are relevant they also feel motivated as the rewards correspond to their needs. This research adds to the literature as the employees considered rewards to be mainly relevant.

In summary, what can be concluded is that both financial and non-financial rewards have impact on employee motivation. The impact which rewards have on motivation can be reinforcing or hindering one's motivation. It is considered that the NRA has well managed to reward its employees as none of the employees felt that they are not motivated at all. For this case study organization what can be concluded is that the total rewards which they have in use are positively impacting the employee motivation as suggested by the regression result. From the findings the study recommends reward packages must be valuable to the employees and should be based on realistic and reliable standards. The rewards exercised at NRA must be clearly identified and should have some meaning for the employees. The reward plan exercised at NRA should be made clear to the employees so that they can simply determine personal cost benefits for different level of effort they put. The human resource department at NRA should consider developing clear policies and rules pertaining to how workers will be paid and the rules for

achieving the standards and rewards should be understandable to all employees.

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