Analyzing the influence of monetary and non-monetary rewards on employees' engagement: A study among employees of private service-based companies in Malaysia

Saereenmathy Francies[1], Thilageswary Arumugam[2], Mastura Basri[3]*

Faculty of Business, Universiti Malaya-Wales, Malaysia

20200467@student.umwales.edu.my[1], thilages@umwales.edu.my[2],
masturabasri@umwales.edu.my[3]*

ABSTRACT

This study delves into the factors influencing employee engagement within Private Service-Based Companies in Malaysia, focusing on both monetary and non-monetary incentives. These factors play a critical role in shaping employee engagement and loyalty to an organization over the long term. The research is centered on evaluating responses from Private Service-based employees in Malaysia concerning various compensation and benefits packages available, and how monetary and non-monetary rewards impact employee engagement. By examining these dynamics, the study offers valuable insights for HR managers within the service sector to refine existing compensation and reward structures to better align with workforce needs. To validate the final hypotheses, the researcher will utilize SPSS 27 to analyze the direct and indirect relationships among the key variables. A sample of 150 responses were obtained through convenience sampling from employees working in private service-based companies across Malaysia for the purpose of analyzing the influence of rewards system on employee's engagement. The study's outcomes reveal a preference among Malaysian employees for monetary reward systems over non-monetary ones, underscoring the significance of monetary incentives as primary motivators to enhance employee engagement. To assist policymakers, governmental entities, and businesses in optimizing their employee compensation strategies, the study proposes several recommendations, including salary enhancements, bonuses, improved health and medical benefits, and other measures aimed at bolstering overall employee engagement within organizations.

Keyword (s): Employee engagement, monetary, non-monetary, employee satisfaction, performance

INTRODUCTION

In today's fast-paced business environment, organizations are always seeking ways to enhance their competitive advantage by elevating the workforce's dedication and performance levels. Employee engagement is a framework in the realm of human resources (HR) that focuses on an individual's enthusiasm and commitment towards job. The concept of employee engagement is relatively recent, with management experts acknowledging it for about two decades (Hobel, 2006). Moreover, Baxter et al. (2010) emphasize that offering appropriate incentives is essential to motivate employees within an organization. Mottaz (1999) highlighted that organizations must be capable of providing rewards to enhance employee engagement levels. Maintaining internal fairness among employees is vital for every organization, as it fosters a stronger commitment to the organization's values and goals. Various factors influence employee engagement, with rewards – both monetary and non-monetary – playing a significant role in shaping engagement levels (Smith, 2023).

Attracting and retaining talented individuals is crucial for organizations in all industries. Understanding the complex interplay between monetary and non-monetary rewards is vital (Baxter et al., 2010). By acknowledging and rewarding employees based on their performance and suitability for the job, organizations can sustain motivation and cultivate stronger commitment. When employees receive rewards that align with their needs, they are more likely to demonstrate increased dedication, leading to higher work engagement and loyalty to their company (Taufek et al., 2016).

While the importance of rewards in shaping employee engagement is widely acknowledged, there remains a notable gap in understanding the factors contributing to their effectiveness. Monetary rewards like salary, bonuses, incentives, stock options, benefits, and annual raises are increasingly crucial, alongside non-monetary rewards such as recognition, professional growth, flexible schedules, wellness initiatives, and work-life balance. Organizations must enhance their reward systems to attract top talent and maintain a motivated, engaged workforce (Postelnyak, 2023).

Incomplete understanding of these factors hinders organizations' ability to create effective incentive structures and risks losing valuable employees to competitors with a better grasp of engagement drivers. With the rise of remote work and flexible schedules, traditional methods of managing and engaging employees are no longer as effective (Hossan et al., 2024). Companies need to find new ways to connect with their employees and foster a sense of belonging in a more distributed work environment with the use of effective reward systems. Therefore, the study's primary goal is to provide evidence-based recommendations to help firms optimize their reward programs, aligning them with the evolving needs and expectations of today's workforce.

This study aims to address the gap by exploring the factors influencing employee engagement concerning reward systems. It seeks to analyze how different reward elements correlate with engagement metrics like job satisfaction, commitment, and performance. By shedding light on these issues, this research can help organizations in Malaysia develop targeted strategies to improve employee engagement and create a more positive and productive work environment.

LITERATURE REVIEW

Employee Engagement

Research indicates that an assessment and reward system positively influence employee retention, productivity, and job satisfaction. A crucial connection exists between employers and employees, as demonstrated by Al Maktoum, S. S. (2015), emphasizing mutual respect as a key motivator for employees to perform at their best. Employers are encouraged to acknowledge employee performance with gestures of respect, such as symbolic awards, fostering a sense of connection and motivation. Both financial and non-financial rewards play a role in recognizing employee efforts. While monetary rewards directly benefit employees, non-monetary rewards, highlighted by Burgess & Ratto (2003), boost engagement and motivation. Employee engagement hinges on attitudes, behaviors, and perceptions towards the organization, which are nurtured internally.

"The concept of "employee engagement" refers to an employee's level of enthusiasm and commitment towards their company and its goals. According to Hobel (2006), Smith (2023) defines it as a process that fosters innovation, enhances profitability, improves efficiency, retention, and customer satisfaction. Al-Mehrzi and Singh (2016) suggest that when employees are engaged in the organization's vision and mission, and work towards its objectives, they feel a sense of fulfillment knowing their contributions aid in the organization's growth and success. Khan (1990) describes employee engagement as employees' motivation to contribute to the organization's competitive edge and their dedication to exceed basic requirements to achieve organizational goals. Engagement is when individuals express their physical, cognitive, and emotional aspects while fulfilling their professional responsibilities (Kahn, 1990). Akingbola & van den Berg (2019) suggests that to enhance employee engagement, individuals should invest their full selves - including physical, cognitive, and emotional energies - in their daily work tasks. Employees evaluate their engagement level based on three factors: the significance of their work, the sense of safety, and the availability of resources. The level of employee engagement is determined by these three criteria.

Key factors that can increase employee engagement include intrinsic motivation, as highlighted by Lacy (2022), which leads to higher productivity and serves as the foundation for organizational efficiency and ongoing success. Engaged employees tend to stay longer, preserving institutional knowledge, reducing turnover costs, and promoting organizational growth and stability (Stuart, 2015). Financially, companies with highly engaged employees tend to be more profitable due to the combined effect of heightened productivity and improved customer satisfaction (Pappas, 2023). Prioritizing employee engagement yields tangible benefits, including innovative ideas and solutions contributed by engaged employees committed to excellence, as demonstrated by Postelnyak's research in 2023.

Reward

Both monetary and non-monetary rewards are instrumental in stimulating and retaining employees, heightening their dedication, and driving performance. Implementing appropriate incentives, such as salary adjustments for progression, is imperative. Organizations should prioritize the provision of rewards to bolster employee engagement and uphold internal equity across the workforce.

Monetary Reward

In recognition of an employee's accomplishments or contributions, organizations provide monetary rewards as financial incentives. This includes salary, bonuses, incentive pay, stock options, equity, benefits, and annual salary increments. Employers use monetary rewards to show direct recognition and gratitude for their employees' efforts. Monetary rewards are essential for attracting, retaining, and engaging exceptional personnel in a competitive job market. According to a study by Kimutai (2015), monetary rewards contribute to employees' sense of financial stability and security, leading to increased commitment and productivity. Another study by Kapasi (2021) suggests that employees' financial well-being can have positive effects on their overall welfare, including stress reduction, improved productivity, and personal development.

Salary, as described by Surbhi (2015), refers to a set monetary compensation given to employees regularly to acknowledge their daily performance, productivity, and involvement. Umar (2012) argues that salaries and rewards play a significant role in enhancing employee performance within the workplace. According to Kanzunnudin's prior research (2007), each organization is tasked with establishing and managing employee salaries that align with their daily needs. The successful implementation of a sound wage strategy is expected to have a positive impact on workforce sustainability, the achievement of organizational objectives and goals, as well as the realization of the vision and mission (Umar, 2012). Additionally, performance-based bonuses are commonly linked to specific objectives or goals, and they can be awarded on a monthly, quarterly, or annual basis (Rudy, 2016). These incentives act as a concrete motivator for employees to achieve and exceed their performance goals. Other than that, profit-sharing programs have incentivized employees to assume responsibility and ownership by sharing in the company's financial successes. These initiatives have fostered a culture focused on producing results and encouraged employees to improve the company's profitability (Mahesh, 2023).

Non-Monetary Reward

Non-monetary rewards, as defined by Woodruffe (2006), are non-financial incentives offered by organizations to retain and motivate employees for their outstanding performance. These rewards, which hold no cash value or clear monetary equivalent, fall under the category of non-monetary incentives. The connection between non-monetary rewards and employee productivity has transcended mere trend status and is now a permanent fixture, despite some scholarly skepticism. According to Singh (2020), individuals are more likely to persist in certain behaviors or actions when they result in positive outcomes. Non-monetary incentives serve as a prime example of this phenomenon. Improving employee morale and job satisfaction, fostering a positive workplace culture that values and respects employees, resulting in increased engagement and productivity, and meeting employees' needs and desires beyond monetary rewards, non-financial perks are connected to employee engagement (Mohamed Taufek et al., 2019).

McCraty and Childre (2004) emphasize that recognition and appreciation are devoid of negative emotions, serving as ways for employers to express gratitude to their employees for their accomplishments. Additionally, appreciation, as outlined by McCraty and Childre (2004), conveys a profound sense of gratitude between individuals. Fagley (2016) proposes that appreciation, gratitude, and ritual collectively represent a more intricate concept. In their study across the private-based sector of China, Aguinis, Joo, and Gottfredson (2013) confirmed that non-monetary rewards hold greater value than monetary ones due to the elevated respect and appreciation linked to employees' successes.

In addition to that, McSwine (2023) emphasized that when employees perceive their employer's dedication to improving their performance, it not only fosters skill development but also increases employee engagement, motivation, and retention rates. The implementation of work-life balance initiatives is vital in preserving a healthy and efficient workforce on top of enhancing overall employee' engagement. According to research carried out by Alm et al. (2019), providing flexible work options to employees is an effective strategy in assisting them to maintain a healthy balance between their personal and professional lives. Granting individuals the autonomy to choose their preferred work arrangements can improve job satisfaction, decrease stress, and achieve a better work-life balance (Alm et al., 2019).

Research Model and Theory

The Job Demand - Resources Theory (JD-R)

The JD-R model serves as a valuable theoretical framework for exploring the correlation between job features, employee satisfaction, and productivity. Introduced by Wilmar Schaufeli and Arnold Bakker in 2000, this model has been extensively utilized in studies on burnout and employee engagement. Job demands and job resources are the two primary types of job characteristics in the JD-R model. The tasks and duties within a job can have an impact on an individual's mental, emotional, and physical well-being. Job demands encompass various aspects like workload, time, emotional, physical, and cognitive factors (Schaufeli & Bakker, 2000).

Two key elements influencing employees' happiness and productivity at work are their job demands and job resources, as outlined in the JD-R model (Schaufeli & Bakker, 2000). Employee engagement in this context refers to a dedicated, enthusiastic, and deeply involved approach to one's work. Job demands entail the aspects of a job that are mentally or physically demanding and require consistent focus (Schaufeli & Bakker, 2000). Furthermore, the correlation to engagement, stress, and burnout, which can reduce engagement, stems from high job demands that are not effectively balanced or managed.

On the contrary, job resources pertain to job aspects that aid employees in achieving success, reducing stress, and fostering personal growth (Schaufeli & Bakker, 2000). Examples of job resources encompass autonomy, feedback, social support, opportunities for skill development, and prospects for career advancement. As per Chen and Cooper's research in 2014, job resources are instrumental in reaching work objectives, alleviating job stress, and promoting both personal and professional growth. Furthermore, in terms of engagement, providing sufficient job resources can boost engagement levels by facilitating effective job performance (Schaufeli & Bakker, 2000). These resources not only enhance morale but also help alleviate the impact of high work demands.

Employee satisfaction and productivity rely on achieving a balance between job demands and job resources as suggested by the JD-R model. When job demands exceed available resources, employees are at risk of burnout, which manifests as emotional exhaustion, cynicism, and reduced professional effectiveness. Conversely, high employee engagement, characterized by active involvement, dedication, and deep immersion in work, is more prevalent in environments with ample job resources and low demands (Chen & Cooper, 2014). Swift (2023) states that when employees are positively engaged, they demonstrate increased energy, involvement, and perseverance in their work. Those who have a passion for their work are more likely to enjoy it, perform well, and stay committed to their organizations. They are also more prone to innovative thinking, assisting colleagues, and overall excellence. According to Schaufeli and Bakker (2000), employee engagement within the JD-R model can be viewed as a positive mental state that emerges when job demands and resources are in equilibrium.

Herzberg's Two-Factor Theory of Motivation

However, it's crucial to critically examine the JD-R model in light of other prominent theories, such as Herzberg's Two-Factor Theory (Herzberg et al., 1966), to gain a more nuanced understanding of employee engagement. Herzberg's theory distinguishes between hygiene factors (related to the work context, like salary and working conditions) and motivators (related to the work itself, like achievement and recognition). Hygiene factors are thought to prevent dissatisfaction, while motivators drive satisfaction and engagement.

While both theories contribute to our understanding of engagement, they differ in their emphasis. The JD-R model focuses on the balance between demands and resources, suggesting that engagement arises when resources are sufficient to meet demands. Herzberg's theory, on the other hand, emphasizes the distinct roles of hygiene factors and motivators, suggesting that true engagement stems primarily from motivators. This distinction is important when considering monetary and non-monetary rewards. While monetary rewards might primarily address hygiene factors (preventing dissatisfaction), non-monetary rewards, particularly those related to recognition, development, and meaningful work, can act as motivators that drive engagement (Noe et al., 2017).

Therefore, when examining the influence of monetary and non-monetary factors on employee engagement, it's essential to consider both the JD-R model and Herzberg's Two-Factor Theory. The JD-R model provides a broad framework for understanding the interplay between demands and resources, while Herzberg's theory highlights the specific roles of hygiene factors and motivators in driving engagement. By integrating these perspectives, organizations can develop more effective strategies for engaging their employees.

Research Framework and Hypotheses

The conceptual framework describes the link between the dependent variable, Employees' Engagement, and the independent variables, Monetary Rewards and Non-Monetary Rewards, in this study.

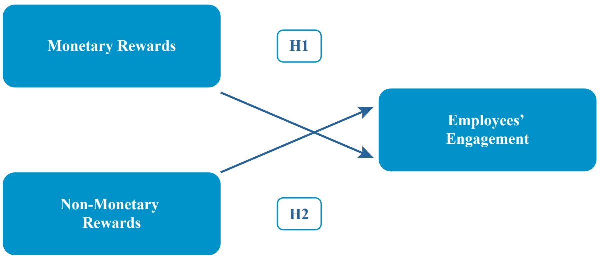

Figure 1: Conceptual Framework

H1: There is a significant impact of monetary reward and non-monetary reward on employee engagement.

H2: There is a significant impact of non-monetary reward on employee engagement.

MATERIALS AND METHODS

This research utilizes a quantitative research methodology, with SPSS software being a suitable tool for analyzing the relationship between independent and dependent variables. In addition, demographic profiling and normality testing, using measures like skewness and kurtosis, will be carried out to determine if the dataset follows a normal distribution. Moreover, the questionnaire survey data's reliability will be evaluated using Cronbach's alpha coefficient. Descriptive statistics will be used to summarize the data, aiding in understanding by calculating percentages, means, and standard deviations. Following this, regression analysis will be conducted to test the research hypotheses, employing multiple regression models. In this model, employee engagement will be the dependent variable, while monetary rewards and non-monetary rewards will be considered as independent variables. The research aims to survey at least 150 respondents, following Hair et al.'s (2010) guidelines. A convenience sampling method is adopted for its speed, convenience, cost-effectiveness, and accessibility to the sampling population.

FINDINGS

Descriptive Statistics

The study seeks to investigate the impact of monetary and non-monetary rewards on employees' engagement among employees of private service-based companies in Malaysia. Descriptive statistics were used to assess the levels of agreement among respondents on the influence of each factor, as shown in Table 1. Mean scores, standard deviations, and frequency distributions were analyzed to offer insights into the central tendencies and variability within the sample. These descriptive measures helped in identifying any anomalies or outliers that could influence the overall results. A notable concern was the monetary reward, with participants strongly agreeing (mean of 4.432) on its impact on employee engagement. This suggests a unanimous view that monetary rewards such as salaries, bonuses and incentives are the main contributor towards employees' willingness to engage with the company. Similarly, monetary rewards were perceived to have an influence towards employees' engagement, with respondents displaying a moderate level of agreement (mean of 3.790). This descriptive analysis also revealed a significantly higher mean of 4.064 for employee engagement indicating a higher strong agreement among respondents of this survey in relevance to the availability of monetary and non-monetary rewards.

Table 1 Descriptive Statistics

Variables	N	Mean	Std. Deviation
Employee Engagement	150	4.432	0.566
Monetary Rewards	150	3.790	0.414
Non-Monetary Rewards	150	4.064	0.611

In overall, the findings of this analysis underscored the importance of rewards both monetary and non-monetary towards building engagement with employees. Hence, it is also suggested that firms look into various measures to ensure employees are compensated and rewarded fairly.

Reliability

The study utilized a reliability test to assess the internal consistency of the three main constructs. The Cronbach's alpha reliability coefficient, ranging from 0 to 1, indicates the level of internal consistency within the scale. According to Gliem and Gliem (2003), a Cronbach's alpha closer to 1.0 signifies higher internal consistency. George and Maller (2003) suggest the following guidelines: above 0.9 is excellent, above 0.8 is good, above 0.7 is acceptable, above 0.6 is questionable, above 0.5 is poor, and below 0.5 is unacceptable. Table 2 displays the Cronbach's Alpha reliability coefficient for the study's items. All variables in the table demonstrated acceptable Cronbach's alpha values, exceeding the recommended threshold of 0.60 as stated by Hair et al. (2010). In conclusion, the reliability analysis provided strong evidence for the internal consistency and construct validity of the measures used in this study.

Table 2 Reliability Analysis

Variables	Cronbach's Alpha	Status
Employee Engagement	0.83	Accepted
Monetary Rewards	0.66	Accepted
Non-Monetary Rewards	0.78	Accepted

In conclusion, the reliability analysis provided strong evidence for the internal consistency and construct validity of the measures used in this study.

Correlation

To ensure there is no multicollinearity, a Pearson Correlation test was carried out. According to Shrestha (2020), multicollinearity is unlikely if the Pearson Correlation coefficient is below 0.8, with a significance level of 0.05 (2-tailed). From the measure of Pearson Correlation, the dependent variable (DV) has a positive of correlation to independent variables (IV) which are Monetary Rewards (MR) and Non-Monetary Rewards (NMR). Table 3 shows the strength of correlation between variables. It can be concluded that EmpEng and MR have a strong degree of correlation. Conversely, the analysis indicated only a moderate correlation between EmpEng and NMR.

Table 3 Summaries of Pearson Correlation (2-tailed)

dv	iv	Person Correlation (2-tailed)	Direction and Strength of Correlation
n=150			
EmpEng	MR	0.733	Strong, Positive
	NMR	0.441	Moderate, Positive

Regression

In this analysis, Table 4 should that 66.9% of the DV can be explained by the IV which translate into significant relationship between Employee Engagement and Monetary Rewards as well as Non-Monetary Rewards.

Table 4 R Square

r	R Square	Adjusted R Square
.720	.669	.455

Table 5 Multiple Linear Regression

Variables	Coefficient	Sig	F-value	Sig	Result
Intercept term	5.921	<0.001	56.927	<0.001	-
Monetary Reward (H1)	0.77	0.001	-	-	Supported
Non-Monetary Reward (H2)	0.51	0.003	-	-	Supported

The research showed a notable positive correlation between the independent variables and employee engagement. The study indicated a strong and positive connection between monetary rewards and employee engagement, with a coefficient value of 0.77 and a p-value of 0.001 (H1).

Furthermore, a positive and significant association between non-monetary rewards and employee engagement was confirmed, with a coefficient value of 0.51 and a p-value of 0.003 (H2).

DISCUSSION

This study has effectively addressed the objectives and research questions, focusing on the impact of monetary and non-monetary rewards on employee engagement within private service-based companies. The initial hypotheses set for the study were confirmed, particularly those relating to the connection between monetary rewards, non-monetary rewards, and employee engagement. The correlation between the independent variables (monetary and non-monetary rewards) and the dependent variable (employee engagement) is based on The Job-Demand Resource Theory. This discovery supports the study's hypothesis, indicating significant relationships among monetary and non-monetary rewards and employee engagement. Improving these independent variables, such as monetary and non-monetary rewards, leads to increased job satisfaction, ultimately fostering higher employee engagement in private service-based companies.

Notable findings from this research suggested that employees of the private service-based companies in Malaysia is more attracted to monetary reward as compared to non-monetary rewards as proven by result of analysis in the previous chapter. This is supported by a study conducted by Waqas (2014) that examined both monetary and non-monetary rewards as independent variables. The findings indicate the significance of monetary rewards in business, such as bonuses, wages, raises, and paid time off. Employee engagement plays a crucial role in enhancing organizational performance, with monetary incentives having a notable effect on employee engagement. On top of that several other authors have also concluded that monetary reward has the most significant impact towards employees' engagement. According to Umar (2012), monetary rewards significantly impact employee engagement, leading to increased motivation, enthusiasm, and commitment to their work. Various forms of monetary incentives like salary, bonuses, incentive pay, stock options, equity, benefits, and annual salary increments can serve as strong motivators. Dhamagadda's (2023) study among employees of manufacturing companies in India also highlighted the significance of monetary rewards in enhancing employee engagement. Offering concrete recognition and motivation through monetary incentives can boost engagement levels.

CONCLUSION

The report outlines strategies for Malaysian service-based businesses to develop or enhance incentive programs. By carefully selecting a mix of monetary and non-monetary benefits, companies can increase employee engagement. This new understanding has led to organizations incorporating both types of incentives into their compensation structures. The research findings can guide modifications in compensation schemes as companies acknowledge the diversity within their workforce. Employee reward preferences are significantly influenced by age, experience, and job roles. Aligning engagement approaches with employee preferences can enhance effectiveness for businesses. When employees understand how their pay contributes to their total compensation, they are more inclined to perform at their best. This motivation to achieve and exceed goals in order to receive these rewards can result in heightened dedication and positivity among employees. By personalizing incentive programs, businesses can foster a more motivated and committed workforce. For instance, younger employees might value opportunities for professional development and career advancement, while more experienced staff may appreciate flexible working conditions or additional paid leave. It's also essential to consider the unique needs of various job roles; sales teams might be driven by performance bonuses, whereas creative departments might thrive with recognition and creative freedom.

Moreover, fostering a culture of appreciation and recognition can go a long way. Regularly acknowledging employees' contributions, whether through formal awards or casual praise, can create a positive work environment where individuals feel valued and motivated. Implementing feedback mechanisms is another key strategy. By actively seeking and responding to employee feedback, companies can continuously improve their incentive programs to better meet evolving needs. This dialogue not only enhances the efficacy of the programs but also reinforces a sense of involvement and belonging among employees. Additionally, transparency in the incentive program is crucial. Clearly communicating the criteria for rewards and the benefits available helps build trust and ensures that employees understand how their efforts contribute to their recognition. This clarity can demystify the reward process and make it more approachable and attainable for everyone. Another important aspect is to ensure fairness and equity in the distribution of incentives. Employees are more likely to remain engaged and loyal if they perceive that their hard work is acknowledged and rewarded fairly, without favoritism. This can be achieved by implementing consistent and objective evaluation criteria.

Technology can also play a pivotal role in enhancing incentive programs. Utilizing performance management software and apps can streamline the tracking of employee achievements and reward distribution. These tools can provide real-time feedback and recognition, making the process more dynamic and immediate. It is also beneficial to periodically review and update the incentive programs to ensure they remain relevant and effective. As business landscapes and workforce demographics change, so too should the strategies for employee engagement and motivation.

On a broader perspective, the government and policymakers have the potential to establish a conducive environment that offers fair incentives to employees in private service companies, leading to a more equitable and efficient workforce. By implementing policies that promote transparency, accountability, and equal opportunities, the government can ensure that private sector employees are rewarded based on merit and performance. Additionally, investing in continuous professional development programs and fostering a culture of lifelong learning can empower employees to enhance their skills and adapt to the ever-evolving job market. Furthermore, encouraging collaboration between educational institutions and private companies can bridge the gap between academic knowledge and practical skills, better preparing graduates for the workforce. By prioritizing employee well-being through supportive workplace policies, such as flexible working hours, mental health resources, and family-friendly initiatives, the government can contribute to a more satisfied and productive workforce.

In essence, the Malaysian government's role in shaping a fair and thriving private sector employment landscape is crucial. With strategic planning and committed effort, it can pave the way for a brighter, more inclusive future for all its citizens.

Lastly, a well-rounded, responsive, and inclusive incentive program can significantly contribute to a thriving workplace. By understanding and addressing the varied needs and preferences of their employees, Malaysian service-based businesses can cultivate a culture of motivation, satisfaction, and high performance, ultimately driving business success.

FUTURE RECOMMENDATIONS

Future researchers are encouraged to conduct comparative analysis to compare the effectiveness of monetary versus non-monetary rewards in different industries within the private sector.

Additionally, it would be wise to analyze the differential impact of these rewards across various demographic groups, such as age, gender, and cultural backgrounds as workforce is becoming more diverse over the years. Future researchers may also look into conducting longitudinal studies to understand the long-term effects of monetary and non-monetary rewards on employee engagement and retention. This would help examine how changes in reward strategies over time influence employee motivation and productivity. Lastly, future research may also examine the role of corporate culture and leadership styles in moderating the effectiveness of reward systems. It is significantly relevant for more studies to be conducted on understanding how transparent and participative decision-making processes regarding rewards influence employee engagement.

REFERENCES

Aguinis, H., Joo, H., & Gottfredson, R. K. (2013). What monetary rewards can and cannot do: How to show employees the money. Business Horizons, 56(2), 241-249.

Ahmed, Shemila Jemal Amde, Muhaba Nuredin Ferejo, & Yaregal Tarekegn. (2022, November 22). Exploring determinants of employee engagement in the emerging market.

Akingbola, K., & van den Berg, H. A. (2019). Antecedents, consequences, and context of employee Engagement in Nonprofit Organizations. *Review of Public Personnel Administration, 39*(1), 46–74. https://doi. org/10.1177/0734371X16684910

Al Maktoum, S. S. (2015). A study on drivers of employee engagement in the United Arab Emirates (Master's thesis, The British University in Dubai). Retrieved from https://bspace.buid. ac.ae/bitstream/handle/1234/746/110081. pdf?sequence=1&isAllowed=y

Alm, J., Price, H., & Smyth, A. (2019, July 11). *Improve employee engagement using recognition and reward.* Jostle Blog. Retrieved December 24, 2023, from https://blog.jostle.me/blog/improve-employee-engagement-using-recognition-and-reward

Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. Journal of Managerial Psychology, 22, 309–328.

Chen, P. Y., & Cooper, C. L. (2014, September 15). "Job Demands Resources Theory" in: Wellbeing: A Complete Reference Guide. Retrieved December 20, 2023, from https://www.isonderhouden.nl/doc/pdf/arnoldbakker/articles/articles_arnold_bakker_344.pdf

Dhamagadda, T. (2023, August 28). The Benefits of monetary rewards in the workplace. HubEngage. Retrieved December 25, 2023, from https:// www. hubengage.com/employee-recognition

Gallup. (2023, January 9). How to improve employee engagement in the workplace. Gallup. Retrieved December 20, 2023, from https://www.gallup. com/ workplace/285674/improve-employeeengagement-workplace.aspx

Hair, J. F., Celsi, M. W., Money, A. H., Samouel, P., & Page, M. J. (2011). Essentials of Business Research Methods ME Sharpe. Armonk, NY.

Hobel, J. (2006, November 6). Loyal staff worth the effort (Editorial): Engagement isn't a replacement for loyalty. Canadian HR Reporter, 19(19), 26–26. Retrieved from https://www.hrreporter. com/news/hr-news/loyal-staffworth-the-effort-editorial/311026

Kanzunnudin, M., (2007). Effect of wages and supervision of employee productivity: A case study on PT Tonga Tiur Son Zenith District Kragan. *Fokus Ekonomi, 2*(1), p. 11-20.

Kapasi, Z. (2021, September 9). Employee rewards - Do employees like them? *HubEngage.* Retrieved December 24, 2023, from https://www.hubengage. com/employee-recognition/employee-rewards-doyou-know-what-your-employees-like/

Kimutai, K. A. (2015, November 7). Effect of reward on employee engagement and commitment at rift valley bottlers company. *International Academic Journals.* Retrieved December 24, 2023, from https://www.iajournals. org/articles/iajhrba_v1_i5_36_54.pdf

Lacy, S. (2022, October 2). – Academic Journal. Retrieved December 20, 2023, from https://research.ebsco.com/c/vy25p4/search/details/yewieurhnf?q=the+concept+of+employee+engagement

Mahesh. (2023, August 2). What is reward system? definition, features, types, & benefits. *BokasTutor.* Retrieved December 24, 2023, from https://bokastutor.com/reward-system/

McSwine, J. W., & Silva, N. D. (2022, April 26). Job characteristics and job engagement: Retrieved December 28, 2023

Mohamed Taufek, F. H. B., Zulkifle, Z. B. Z. B., & Mohd Sharif, M. Z. B. (2019, June 24). . . - YouTube. Retrieved December 24, 2023, from https://www.sciencedirect.com/science/article/pii/S2212567116000873?ref=pdf_download&fr=RR-2&rr=8399021fda99389f

Mottaz, C. J. (1999). The relative importance of intrinsic and extrinsic rewards as determinants of work satisfaction. The Sociological Quarterly, 26(3), 365–385. https://doi.org/10.1111/j.1533-8525.1985. tb00233. of Yemen:

Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). Human resource management: Gaining a competitive advantage. McGraw-Hill Education.

Pappas, C. (2023, January 26). Guide for managers to increase employee engagement. eLearning Industry. Retrieved December 20, 2023, from https://elearningindustry.com/employee-engagement

Postelnyak, M. (2023, November 28). Top 10 Companies for Employee Engagement in 2023. Contact Monkey. Retrieved December 20, 2023, from https://www.contactmonkey.com/blog/top-companies-employee-engagement

Quantum Workplace. (2023, November 28). What is employee engagement? What, Why, and How to Improve It. *Quantum Workplace*. Retrieved December 20, 2023, from https://www.quantumworkplace.com/future-of-work/what-isemployee-engagement-definition

Rudy, L. J. (2016, December 26). Employee compensation, incentive, and benefits strategies: Principles of management. *Lumen Learning*. Retrieved December 24, 2023, from https://courses.lumenlearning.com/wm-principlesofmanagement/chapter/employee-compensation-incentive-andbenefits-strategies

Saks, A. M. (2006, october 1). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology,* 21(7), 60. https://doi.org/10.1108/02683940610690169

Saks, A.M. (2006). Antecedents and consequences of employee engagement. Journal of Managerial Psychology, Vol 21, No 6, 600-619.

Schaufeli, W., & Bakker, A. (2000). The JD-R Model - Analyzing and improving employee well-being. *Mind Tools.* Retrieved December 20, 2023, from https://www.mindtools.com/a5igk4e/the-jd-rmodel

Singh, A. (2020, July 15). Monetary vs non-monetary rewards: What's the difference? nectar. Retrieved December 22, 2023, from https://nectarhr.com/ blog/the-difference-between-monetary-nonmonetary-rewards

Smith, T. (2023, October 28). What is employee engagement? Definition, strategies, and example. *Investopedia.*

Stuart, N. (2015, March 12). Say, Stay and Strive, the effects od. DBS eSource. Retrieved December 20, 2023, from https://esource.dbs.ie/server/api/core/bitstreams/6e58013b-ffea-4ef1-b57b-0e09f9c77fd8/content

Surbhi, S., 2015. Differences between salaries and wages. *Key Differences.* Https://Keydifferences.Com/Difference-Between-Salary-Andwages.

Swift, C. (2023, April 12). The JD-R Model. Accipio. Retrieved December 20, 2023, from https://www.accipio.com/eleadership/building-teams/the-jd-r-model/

Taufek, M., Zulhafiza Binti Zulkifle, & Zulfadhli, M. (2016). Sustainability in employment: Reward system and work engagement. *Procedia. Economics and Finance,* 35, 699–704. https://doi. org/10.1016/s2212-5671(16)00087-3

Umar, A., (2012). Effect of wages, motivation, and job satisfaction on the performance of workers in the manufacturing industry in the city of Makassar. *Jurnal Aplikasi Manajemen, 10*(2), p. 406-418

Vance, R. J. (2006). Employee engagement and commitment: A guide to understanding, measuring and increasing engagement in your organization, SHRM Foundation's Effective Practice Guidelines, SHRM Foundation

Waqas, Z. (2014, August 13). The effect of monetary and non-monetary rewards on employee engagement and firm performance. iiste.org. Retrieved December 25, 2023, from https:// www.iiste.org/Journals/index.php/EJBM/article/ viewFile/16530/16937

Woodruffe, C. (2006). The crucial importance of employee engagement.

Wright, J., & Silva, N. D. (2022, April 26). Employee engagement. job characteristics and Job cngagement. Retrieved December 24, 2023, from https://www.sciencedirect.com/science/article/abs/pii/S0007681312001632