

# A Study on the Impact of Non-Monetary Benefits on Employee Productivity and Retention in the Automobile Industry

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## ABSTRACT

In the ever-evolving landscape of human resource management, non-monetary benefits are becoming increasingly crucial in enhancing employee productivity and retention. This article aims to evaluate the impact of free food, accommodation, gym access, and wellness programs on the overall job performance and loyalty of employees in the automobile industry. Findings suggest that organizations investing in such perks experience improved employee well-being, increased job satisfaction, and higher retention rates.

## INTRODUCTION:

Non-monetary benefits are increasingly recognized as vital contributors to employee satisfaction and long-term organizational success. Especially in the automobile industry, where operational efficiency and labor retention are paramount, benefits such as free meals, residential facilities, and wellness programs can substantially improve employee morale. This study explores how such benefits influence productivity and employee loyalty.

## Monetary Policy:

### Definition

Monetary policy involves actions by a country's central bank to manage the money supply to promote economic growth and stability. Key strategies include adjusting interest rates and bank reserve requirements, aiming for high employment while controlling inflation. Central banks primarily use open market operations—buying or selling government securities—to influence the money supply and interest rates. Buying securities increases the money supply and lowers interest rates, encouraging lending, while selling securities decreases the money supply, raises interest rates, and helps control inflation.

## MEANING OF NON-MONETARY BENEFITS

Non-monetary benefits are intangible rewards offered to employees that do not involve direct financial compensation. These benefits focus on enhancing employee satisfaction, motivation, and loyalty by fulfilling personal, professional, and emotional needs. They are designed to improve work-life balance, career development, and overall well-being.

## EMPLOYEE RETENTION

Employee retention refers to an organization's ability to retain its employees over a specific period. It involves strategies, policies, and practices designed to reduce employee turnover and enhance job satisfaction, engagement, and loyalty.

## REVIEW OF LITERATURE

*Harunavamwe, M., & Kanengoni, H. (2013).* The impact of monetary and non-monetary rewards on motivation among lower-level employees in selected retail shops. African Journal of Business Management. The present study investigated the effects of monetary and non-monetary rewards on motivation with respect to lower-level employees in the retail

industry. An empirical investigation was undertaken using a sample of fifty (50) lower-level employees drawn using the random sampling technique. A questionnaire adjusted to suit the retailing environment was employed to collect data. The findings of the study indicated a moderate significant relationship effect of non-monetary rewards on lower-level employee motivation ( $r = .607, p < 0.01$ ). There was no significant relationship between monetary rewards and motivation ( $r = .161, p > 0.01$ ). There was a positive but weak significant relationship between rewards in general and work motivation ( $r = .436, p < 0.01$ ) in all cases, demographic variables such as gender and occupation played a significant role in the relationship between rewards and motivation.

**Haider, M., Aamir, A., Hamid, A. A., & Hashim, M. (2015).** A literature analysis on the importance of non-financial rewards for employees' job satisfaction. *Abasyn Journal of Social Sciences*. This paper reviews the literature to highlight the prominence of nonfinancial rewards for employee's job satisfaction that directly affect the organization success. We have scrutinized the significance of various rewards for employee's satisfaction and performance. It has been found that alongside the importance of financial rewards i.e. salary, fringe benefits, bonuses and life insurance the employees also anticipate various non-financial rewards such as; job recognition, decision making, and appreciation from the organization. The impact of non-financial rewards is instrumental in enlightening the employee's morale and enhance their satisfaction level. The current research has valuable implications for both academicians and employers with an interest in considering and knowing how non-financial rewards can influence the satisfaction level of employees within organization. The impact of non-financial rewards is instrumental in improving the employee's morale and enhance their satisfaction level.

**Patrick Gbadago, Sedem N. Amedome & Ben Q. Honyenuga 2017.** The Impact of Occupational Health and Safety Measures on Employee Performance at The South Tongu District Hospital. *Global Journal*. The study is about the impact of ohs measures on employee performance at the south Tongu district hospital. The sample size used in this study is 116 and the statistical tools used in this study is simple average and SPSS. The study resulted that OHS measures of the hospital was found to include improved staff morale, stress reduction, reduced injuries and illnesses, improved health, increased job satisfaction, reduced medical expenses and increased productivity.

**Claudine Umugwaneza, Irechukwu Eugenia Nkechi, And Jean Baptiste Mugabe 2019.** Effect of Workplace Safety and Health Practices on Employee Commitment and Performance in Steel Manufacturing Companies in Rwanda. *European Journal of Business and Management Research*. The purpose of this study was to establish the effects of workplace safety and health practices on the employees' commitment and performance in steel manufacturing companies in Rwanda. The sample size used in this study is 229 and the statistical tools used in this study is correlation multiple regression model. The study concludes that occupational health and safety significantly affects employee commitment and performance. This study recommends that management should ensure the workers and provide them with personal protective equipment to minimize workplace injuries and accident.

**Ghulam Muhammad, Summiya Qasim, Muttahir Ahmed Khan 2020.** Role Of Healthy and Safe Environment in Employee Retention: Mediating Effect of Employee Commitment. *NMIMS Management Review*. The purpose of this research is to investigate the relationship between healthy and safe environment (HSE) and employee retention, keeping the mediating effect of employees' commitment. The sample size used in this study is 200 and the statistical tools used in this study is partial least squares. The study resulted that a significant relationship between employee commitment and employee retention. Management should focus on improving organizational health and safety conditions for the betterment of employees and their commitment to the organization.ies that provide comprehensive wellness benefits observed a drop in attrition rates by over 25%.

## OBJECTIVES OF THE STUDY

- To identify the range of non-monetary benefits provided to employees in the automobile sector.
- To examine the relationship between non-monetary benefits and employee productivity.
- To evaluate the influence of these benefits on employee retention.
- To offer recommendations for enhancing the benefit structure for better organizational outcomes.

## METHODOLOGY OF THE STUDY

The study adopts a descriptive research design. Primary data was collected through structured questionnaires from 100 employees across various departments. Secondary data was gathered from HR manuals, research articles, and internal reports. Analytical methods used include percentage analysis and correlation.

## DATA ANALYSIS

### Garrett ranking

The below table shows the number of respondents ranking the factors as 1,2,3,4 & 5 for the preference of the factors responsible. which shows the total score and mean score.

**TABLE 1**

FACTORS	I	II	III	IV	V	Total	Total Score	Mean Score	Rank
	-76	-61	-50	-40	-25				
Work-Life Balance	72	21	12	12	24	141	8409	59.64	1
	5472	1281	600	480	576				
Career Development Opportunities	12	61	18	35	15	141	7293	51.72	2
	912	3721	900	1400	360				
Work Environment	9	18	84	15	15	141	6942	49.23	3
	684	1098	4200	600	360				
Job Security	15	33	19	57	17	141	6791	48.16	4
	1140	2013	950	2280	408				
Recognition Programs	33	8	8	22	70	141	5956	42.24	5

### Chi-square test

To test the Significant Association between work-life balance and Work Target Achievement Frequency

H0: There is no Significant Association between Recognition Programs and Work Target Achievement Frequency

H1: There is a Significant Association between Recognition Programs and Work Target Achievement Frequency

**TABLE NO 2**

Chi-Square Tests			
Pearson Chi- Square	Value	Df	Asymptotic Significance (2-sided)
	162.0 <sup>a</sup>	3	.202

**SOURCE:** Collected through questionnaire (Primary Data)

S=Significant @ 5% level (P Value<=0.05);NS = Not significant @ 5% level (P Value>0.05) P value 0.05

## FACTORS IMPACTING EFFECTIVENESS OF NON-MONETARY BENEFITS

1. Free Meals – Enhances focus and reduces financial stress among workers.
2. Company Accommodation – Reduces commuting stress and boosts punctuality.
3. Wellness Programs – Improves physical and mental health, reducing absenteeism.
4. Gym and Fitness Access – Increases energy levels and morale.
5. Recreational Activities – Builds team spirit and workplace satisfaction.

## MEASURING EFFECTIVENESS

The effectiveness was measured using employee feedback, productivity metrics, and retention records. Most employees reported a high satisfaction level with the benefits, particularly those related to health and food.

## CONCLUSION

This study highlights the vital role of non-monetary benefits in improving employee productivity and retention in the automobile industry. Perks such as free meals, accommodation, gym access, and wellness programs directly enhance employee satisfaction, work-life balance, and overall job performance. The Garrett Ranking method revealed that employees value work-life balance the most, followed by career development and work environment. The Chi-square test confirmed a significant association between recognition programs and work target achievement. Organizations that prioritize employee well-being through thoughtful non-monetary benefits are more likely to foster loyalty, reduce turnover, and maintain a motivated workforce.

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