



## Impact of Monetary and Non-Monetary Factors on Employee Motivation in Pakistan Telecommunication Limited

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### ABSTRACT

Employee motivation is the important thing motive force of organizational productivity, especially in provider businesses inclusive of telecommunications. The gift observe investigates the effect of financial and non-economic variables on worker motivation in Pakistan Telecommunication Limited (PTCL), a most reliable enterprise withinside the public area. Using a quantitative studies strategy, statistics have been accumulated from a consultant populace of personnel hired in PTCL via based questionnaires and eventually analyzed thru statistical processes including correlation and regression analysis. The findings endorse that profits-primarily based totally variables, i.e., aggressive earnings and well timed rises, own a very robust superb dating with motivation levels. Moreover, non-revenue variables, i.e., appreciation, profession improvement opportunities, and a effective organizational climate, play a essential position in selling worker dedication and engagement. The take a look at highlights the want for an included approach—a mixture of economic incentives with non-economic motivators—to increase sustainable worker performance. The findings of the take a look at offer realistic implications for policymakers and human useful resource managers in public zone corporations who are seeking for to expand powerful motivational policies. Organizational practices and destiny studies pointers also are discussed.

**Keywords :** Employee motivation, economic factors, non-economic factors, public quarter, PTCL, Pakistan telecommunications

### INTRODUCTION

Organizations are beneathneath growing strain to boom productiveness, offer amazing services, and maintain a committed team of workers withinside the aggressive and fast converting commercial enterprise global of today. Employee motivation is one of the maximum vital determinants of productiveness, process satisfaction, and normal overall performance a few of the many factors that make contributions to organizational success. In addition to being greater engaged at paintings, inspired people also are much more likely to be unswerving and proactive, which allows the agency attain its objectives.

In provider shipping industries, along with telecommunications, worker motivation is prioritized because of the industry's reliance on human capital. As as compared to manufacturing-primarily based totally industries, carrier companies are depending on interpersonal skills, problem-fixing capacities, and sturdy determination of personnel to meet consumer expectations. For the general public telecommunication quarter in Pakistan, that is in addition compounded through device limitations, bureaucratic procedures, and extreme opposition from non-public telecom operators with appealing task packages.



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While cash and bonuses have historically been deemed to be the number one motivators, latest human aid control literature locations similar, if now no longer greater, significance on non-financial motivators. Opportunities for profession growth, popularity of effort, nice leadership, and supportive organizational way of life are possibly to be key determinants in an worker's choice to stay dependable to a firm. Therefore, getting a stability among financial and non-economic motivators is crucial to maintaining worker motivation.

The gift studies examines the interactive results of financial and non-financial elements on worker motivation at Pakistan Telecommunication Limited (PTCL), a massive public zone corporation having a completely unique function withinside the telecommunication zone of Pakistan. Based on a observe of monetary and non-economic elements, the prevailing studies is sought to offer realistic implications to human aid managers and policymakers who're interested by enhancing worker motivation, enhancing carrier best, and enhancing organizational sustainability.

### Problem Statement

In Pakistan's public region, mainly in telecommunications, preserving a inspired personnel is a sizable challenge. Pakistan Telecommunication Limited (PTCL), the biggest public telecom provider, faces hard opposition from personal groups that often provide better salaries, higher advantages, and faster profession advancement. Although PTCL gives solid jobs and a few economic perks, personnel have expressed dissatisfaction with reputation, ability improvement opportunities, and organizational support. Research in Pakistan typically makes a speciality of both earnings and advantages or precise non-economic elements. This frequently overlooks how those regions paintings collectively to persuade motivation. Without knowledge this relationship, HR techniques won't meet the general desires of personnel. This can cause decrease engagement, terrible overall performance, and excessive turnover rates. Thus, it's miles important to research how financial and non-financial elements mixed have an effect on worker motivation at PTCL. This will assist create rules that hold body of workers dedication and productiveness amid growing opposition.

### Research Questions

How do economic elements, which includes salary, bonuses, and allowances, impact worker motivation in PTCL?

How do non-economic elements, along with recognition, profession improvement opportunities, and place of work environment, effect worker motivation in PTCL?

What is the mixed impact of financial and non-economic elements on worker motivation in PTCL?

Which elements are perceived through personnel as extra influential in maintaining long-time period motivation?

### Research Objectives

To observe the have an effect on of economic elements on worker motivation in PTCL.

To investigate the position of non-economic elements in shaping worker motivation in PTCL.



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To examine the blended impact of financial and non-financial motivators on worker engagement and performance.

To pick out which class of motivation elements is maximum valued with the aid of using personnel for long-time period commitment.

To offer sensible suggestions for HR managers and policymakers to layout balanced motivation strategies

### LITERATURE REVIEW

#### Understanding Employee Motivation

Motivation, as a key aspect in organizational behavior, is the internal urge that causes individuals to engage in behavior to realize personal and organizational objectives. Early researchers, such as Herzberg, Mausner, and Snyderman (1959), made a clear distinction between intrinsic and extrinsic motivators. They observed that while extrinsic motivators (e.g., pay, benefits) can prevent dissatisfaction, intrinsic motivators (e.g., achievement, recognition) would be far more effective in producing long-term engagement. In a similar vein, Vroom's Expectancy Theory (1964) argued that employees will put in effort when they believe it will produce a desired reward, stressing the importance of aligning (reward) outcomes to individual expectations.

Over the decades, research has moved beyond the binary classification of motivators to examine how complex interactions between financial and non-financial rewards influence work behavior (Deci & Ryan, 2000; Gagné et al., 2015). In knowledge- and service-driven economies, motivation is not solely about paychecks; employees also seek autonomy, respect, and career progression.

#### Monetary Factors as Motivators

Monetary rewards remain one of the most widely studied and implemented tools for motivation. Classical economic theory assumes that higher pay increases employee productivity, and several studies have supported this in various contexts (Gerhart & Fang, 2014; Kim & Park, 2017). Salary increases, bonuses, performance-linked incentives, and fringe benefits can signal appreciation and recognition from the employer, thereby enhancing satisfaction.

In Pakistan, research by Rehman et al. (2017) found that pay satisfaction significantly influenced employee retention in telecom companies. Similarly, Shahid et al. (2018) noted that in public organizations, timely disbursement of salaries and benefits was a key determinant of employee morale. However, some scholars argue that monetary incentives often produce short-term boosts in productivity but may fail to sustain motivation over the long term unless coupled with non-financial motivators (Kuvaas et al., 2017).

#### Non-Monetary Factors in Sustaining Motivation

Non-economic elements consist of numerous factors including reputation, profession improvement, management support, process autonomy, and work-lifestyles balance. Herzberg's Two-Factor Theory (1959) highlighted the significance of intrinsic motivators like achievement, responsibility, and popularity in developing task satisfaction. Recent studies confirms those findings, indicating that personnel who sense valued and revered generally tend to expose greater dedication and loyalty (Saeed et al., 2019; Chen et al., 2021).



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For instance, a look at with the aid of using Danish and Usman (2010) in Pakistani companies observed that popularity and profession improvement possibilities correlated greater strongly with motivation than monetary rewards alone. In carrier industries, wherein interpersonal competencies and problem-fixing count greatly, non-monetary motivators frequently notably have an effect on worker behavior.

### **The Interaction between Monetary and Non-Monetary Motivators**

A growing number of studies suggest that combining financial incentives with intrinsic motivators is the best strategy for long-term engagement. Lawler's Motivation Model (1971) discussed the relationship between extrinsic and intrinsic factors, pointing out that relying too much on either can reduce overall motivation. Evidence backs this integrated approach. For example, a study by Ahmed et al. (2020) on Pakistani telecom employees showed that financial incentives alone could not counteract the negative effects of a poor work environment or lack of recognition. Similarly, Gupta and Sharma (2018) found that organizations that combined competitive salaries with employee empowerment programs saw higher retention rates and better service quality.

### **Theoretical Perspectives Relevant to the Study**

This study builds upon three distinct theories:

**Herzberg's Two-Factor Theory**, which distinguishes hygiene factors (e.g., pay, task security), from motivators (e.g., recognition, self-development).

**Vroom's Expectancy Theory** states that motivation is a characteristic of the expectancy (mindset) that attempt ends in performance, which in flip ends in reward.

**Self-Determination Theory (Deci & Ryan, 2000)**, which states that primary mental wishes for autonomy, competence, and relatedness need to be maxed out to fulfil intrinsic motivation. Collectively, these theories provide a strong basis for exploring the dual role of monetary and other motivators in the public telecommunications sector.

### **Research Gap**

While severa research have explored worker motivation in each non-public and public sectors, constrained empirical paintings has tested the blended impact of economic and non-economic motivators specially inside Pakistan's public telecommunications sector. Additionally, maximum research awareness on both monetary or non-economic elements in isolation, overlooking how the interplay among the 2 shapes worker attitudes and behaviors. This have a look at seeks to bridge that hole through imparting a complete evaluation of each classes of motivators in PTCL.

### **Theoretical Framework**

This study draws upon a combination of classical and contemporary motivation theories to provide a robust analytical foundation.

### **Herzberg's Two-Factor Theory (1959)**

Herzberg's theory divided motivators (recognition, achievement, personal development and growth) and hygiene factors (salary, benefits, job security and working environment). While hygiene factors are



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important because they can prevent dissatisfaction, motivators are active contributors to engagement, performance and motivation. Salary levels are important in public telecommunications processes, even to prevent dissatisfaction. However, recognition and employee engagement with development and growth opportunities are what sustain employee motivation over long periods of time.

### **Vroom's Expectancy Theory (1964)**

According to Vroom's model, people are motivated to perform a particular work task when they believe they can accomplish high performance (expectancy), high performance will lead to relevant awards (instrumentality) and the awards will be valuable (valence). In PTCL, this means however that the expectation of employee motivation will only occur when employees believe/have trust that effort will result in meaningful and favorable and observable outcomes. **3. Self-Determination Theory (Deci & Ryan, 2000)**

These ideas in self-determination theory claim that engagement is positively increased when psychological needs related to autonomy, competence and relatedness are met. Self-determination theory is a relatively new perspective. However, engaging employees in the public sector, as in hierarchical/public organizations, can be unsuccessful yet important when their autonomy, competence and relatedness needs are met

By combining those frameworks, the examine tactics worker motivation as a multidimensional assemble fashioned through each extrinsic (monetary) and intrinsic (non-monetary) factors.

### **Conceptual Framework**

The conceptual framework for this research integrates monetary and non-monetary factors as independent variables influencing employee motivation, which in turn impacts job performance.

### **Independent Variables:**

**Monetary Factors:** salary, bonuses, fringe benefits.

**Non-Monetary Factors:** recognition, career growth opportunities, leadership support, work environment.

### **Dependent Variable:**

**Employee Motivation**

### **Mediating Variable (optional for extended analysis):**

**Job Satisfaction** – acts as a bridge between motivation and performance.

### **Framework Logic:**

Monetary and non-economic elements exert direct affect on motivation.

Motivation complements activity delight and commitment.

Higher pleasure consequences in advanced overall performance and decreased turnover intention.



## METHODOLOGY

### Research Design

This take a look at employs quantitative studies layout with a descriptive-correlational approach. Quantitative techniques had been selected to permit statistical trying out of the relationships among variables, making sure objectivity and replicability.

### Population and Sample

The goal populace accommodates personnel operating in numerous departments of Pakistan Telecommunication Company Limited (PTCL). Using stratified random sampling, personnel had been grouped primarily based totally on task category (technical, patron service, administrative) to make certain numerous representation.

A overall of 2 hundred questionnaires have been distributed, with one hundred seventy finished responses received (85% reaction rate), that's statistically ok for regression analysis.

### Data Collection Instrument

A structured questionnaire was designed, divided into three sections:

**Demographics** – age, gender, department, years of experience.

**Monetary Factors** – measured using items adapted from validated pay satisfaction and benefits scales (Heneman & Schwab, 1985).

**Non-Monetary Factors** – items covering recognition, career development, and leadership support, adapted from Hackman and Oldham's (1975) Job Characteristics Model.

**Employee Motivation** – measured using a Likert-scale adaptation of the Work Motivation Scale (Gagné et al., 2015).

Responses have been recorded on a 5-factor Likert scale starting from strongly disagree (1) to strongly agree (5).

### Data Collection Procedure

The questionnaires have been dispensed each bodily and electronically. Respondents have been confident anonymity to inspire sincere responses. Data become accumulated over a duration of 4 weeks, with follow-up reminders despatched to non-respondents.

### Data Analysis

Data became analyzed the usage of SPSS software. The evaluation consisted of the subsequent statistical analyses:





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Descriptive Statistics had been used to tell demographic traits and the approach for the variables.

Reliability Testing (withinside the shape of Cronbach's alpha) allowed for checking for the inner consistency of every scale.

Correlation Analysis changed into used to evaluate the power and course of the relationships among the variables.

Multiple Regression turned into used to evaluate the predictive electricity of the economic and non-economic methods on worker motivation.

Prior to records collection, institutional assessment board (ethics) approval became granted.

### Data Analysis and Results

#### Descriptive Statistics

Out of the one hundred seventy respondents, 62% have been male and 38% have been female. The biggest age organization turned into 31–forty years (45%), observed via way of means of 21–30 years (35%), with the the rest above forty years. In phrases of task category, forty% had been from technical departments, 35% from client service, and 25% from administration. The majority had 6–10 years of labor experience, indicating a rather solid workforce.

Mean ratings indicated slight to excessive perceptions of financial benefits ( $M = 3.62$ ,  $SD = 0.78$ ) and robust perceptions of non-financial factors ( $M = 3.85$ ,  $SD = 0.73$ ). The common worker motivation rating changed into excessive ( $M = 3.91$ ,  $SD = 0.70$ ), suggesting that PTCL personnel normally file being motivated, alaven though with room for improvement..

#### Reliability Analysis

Cronbach's alpha values for all scales surpassed the minimal appropriate threshold of 0.70, indicating correct inner consistency:

Monetary Factors:  $\alpha = 0.83$

Non-Monetary Factors:  $\alpha = 0.86$

Employee Motivation:  $\alpha = 0.88$

#### Correlation Analysis

Pearson correlation coefficients found out giant wonderful relationships:

Monetary Factors and Employee Motivation:  $r = 0.62$ ,  $p < 0.01$

Non-Monetary Factors and Employee Motivation:  $r = 0.71$ ,  $p < 0.01$



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The more potent correlation among non-economic elements and motivation indicates that recognition, management support, and profession improvement may also have a extra profound effect on worker motivation than economic advantages alone.

### Multiple Regression Analysis

A couple of regression become performed to observe the mixed impact of economic and non-economic elements on worker motivation.

Model Summary:

$$R^2 = 0.62, F(2, 167) = 136.5, p < 0.001$$

Regression Coefficients:

$$\text{Monetary Factors: } \beta = 0.38, p < 0.001$$

$$\text{Non-Monetary Factors: } \beta = 0.51, p < 0.001$$

Interpretation: Both elements considerably expect motivation, with non-financial elements rising because the more potent predictor.

### DISCUSSION

The findings affirm that economic and non-monetary incentives each have key features in stimulating worker motivation withinside the public telecommunications sector. Thus, however, have been non-economic incentives—control recognition, possibilities for expert development, and a pleasant organizational climate—observed to be barely extra powerful.

This take a look at underlines Herzberg's Two-Factor Theory, while repayment and advantages forestall satisfaction, proper motivation is derived from recognition, achievement, and private growth. The findings additionally validate Self-Determination Theory, given that non-economic factors satisfy the mental necessities for autonomy, competence, and relatedness.

Significantly, whilst maximum personnel have been usually happy with their economic reimbursement, they located a excessive price on such elements as recognition, expert growth, and excellent leadership. This shows that during sectors including PTCL, wherein there are formalized and preferred pay scales, improving the running surroundings is probably a greater green manner of stimulating motivation.

### CONCLUSION

The observe well-knownshows that the employees' motivation withinside the Pakistani public telecommunication enterprise is a mixture of economic and non-economic elements, the latter barely having extra influence. Money is critical withinside the pride of needs, however long-time period motivation is predicated on dedication to non-monetary means, which include the facilitation of leadership, praise systems, and profession progression.

These findings discover that there's a want for a complete praise device that carries tangible and intangible elements to offer an incentivized team of workers producing advanced performance.





## RECOMMENDATION

**Strengthen Recognition Programs** – Introduce formal recognition systems that reward employees for exceptional performance, teamwork, and innovation.

**Enhance Career Development** – Offer training workshops, mentoring programs, and clear promotion pathways.

**Improve Leadership Practices** – Train managers in transformational leadership to foster trust, engagement, and collaboration.

**Maintain Competitive Pay** – Regularly review and adjust salary structures to remain competitive with private sector counterparts.

**Encourage Employee Voice** – Create open communication channels to involve employees in decision-making, which can boost their sense of belonging.

## Significance of Study

This study makes several contributions:

**Practical Significance:** Provides actionable insights for HR managers in public-zone groups to layout balanced motivation strategies.

**Theoretical Contribution:** Extends the utility of Herzberg's, Vroom's, and Self-Determination theories to the Pakistani public telecommunications context.

**Policy Relevance:** Offers proof for policymakers to reconsider praise and reputation structures in government-owned enterprises.

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