

A STUDY ON THE EFFECTIVENESS OF REWARD MANAGEMENT AS A MOTIVATIONAL TOOL IN THE CONSTRUCTION INDUSTRY IN DUBAI

Rose Mary*

ABSTRACT

An effective employee reward system is vital for organizations. It provides a structured framework for recognizing employees based on their contributions, skills, and market value, aligning with the organization's reward philosophy. These rewards help communicate values and set performance expectations, encouraging behaviors that support organizational goals. When creating a reward system, consider: "What motivates employees?" "What behaviors do we want to encourage?" and "How can rewards support those behaviors?" Employees should be viewed as stakeholders in the reward system, having a say in the policies that affect them. The system must be fair, consistent, and transparent to help employees understand how rewards impact them. This research decisively explores reward management as a key motivational tool in Dubai's construction industry. It collects primary data from expatriates with zero to four years of experience. The objective is to thoroughly evaluate the effectiveness of both monetary and non-monetary rewards in enhancing employee motivation and to uncover insightful perceptions from the workforce. Based on thorough data analysis, present actionable recommendations for a robust rewards package designed to significantly enhance employee motivation.

Keywords: Expatriate, Stakeholders, Motivational Tool, Monetary and Non-Monetary Rewards.

Introduction

An effective employee reward system is vital for recognizing and motivating employees based on their contributions, skills, and market value. Built upon the organization's reward philosophy, this system integrates financial rewards—such as competitive pay and benefits—with non-financial incentives like recognition, personal growth opportunities, and achievement.

The primary goal of this system is to clearly convey the organization's values and expectations while fostering behaviors that align with its objectives. Ensuring that every reward initiative adds value and reevaluating those that don't is essential for ongoing improvement.

From the employees' perspective, it is essential to view them as vital stakeholders in the reward process. Employees deserve fair and equitable treatment, as well as transparency regarding how reward policies are formulated and the impact these policies have on their professional experiences.

This research aims to explore the role of reward management as a motivational tool specifically within the construction industry in Dubai. This study examines employees with zero to four years of experience and employs a survey-based methodology to gather comprehensive data. The primary aim is to evaluate the effects of both monetary rewards—such as bonuses and salary increases—and non-monetary rewards—such as recognition programs, opportunities for professional development, and work-

* Research Scholar, Banasthali Vidhyapith (Faculty of Management Studies), WISDOM, Rajasthan, India.

life balance—on employee motivation. The research will assess the effectiveness of these rewards and consider employees' perspectives and preferences, providing an opportunity for them to share their insights and feedback.

After analyzing the collected data, the findings will guide the development of recommendations for a comprehensive reward package. This package aims to boost employee motivation while aligning with the organization's goals, ultimately enhancing success and competitiveness in the industry among expatriates.

Performance-based compensation systems have garnered significant attention and adoption within the construction industry, largely due to the array of benefits they provide. These systems are designed to offer financial rewards and incentives to employees who excel in their roles, ultimately motivating them to achieve higher levels of performance. As a result, organizations experience improved productivity, enhanced efficiency in project execution, and increased profitability.

Effective strategies for implementing performance-based compensation in construction companies include clearly communicating performance expectations, establishing transparent metrics for success, and regularly reviewing and adjusting compensation structures to align with employee performance and overall company goals.

The future of performance-based compensation in the construction industry is discussed, including emerging trends, potential challenges, and the increasing role of technology in tracking performance and facilitating these compensation models. By analyzing these factors, we will demonstrate the significant impact that performance-based compensation systems can have on transforming the future of construction. An organization's performance ultimately depends on the quality of its management and employees, and a well-designed reward system can enhance that quality. However, improving organizational effectiveness cannot rely solely on the reward system; the organization's culture, values, management style, performance management, and employee development programs are also critical. Even the best reward systems cannot replace good management.

Employee Benefits and Services (Non-Monetary Rewards)

Employee benefits are indirect rewards provided to employees or groups of employees as part of organizational membership. From a management perspective, these benefits contribute to attracting, retaining, and maintaining human resources. From the employee's viewpoint, benefits aim to protect them and their dependents from financial risks associated with illness, disability, and unemployment.

Employees can also be motivated by increasing their responsibilities. This aligns with the concept of intrinsic motivation, which focuses on the nature of the work itself. Individuals are motivated when they are given the means to achieve their goals.

Recognition as a Motivator

Acknowledging achievements is a tremendous motivator! Everyone deserves to feel valued for their hard work and to understand how much their successes truly matter. Recognition is linked to esteem needs in Maslow's hierarchy of needs, which encompasses the need for a stable, high valuation of oneself (self-esteem) and the respect of others (prestige).

Rewards are typically perceived in relation to individuals' beliefs about their own abilities, contributions, and value to the organization. This perception is often influenced by information or beliefs regarding how others, both inside and outside the organization, are compensated. Workers may also find satisfaction in other employment aspects, such as status, promotional opportunities, chances to use and develop skills, and relationships with managers.

The level of motivation among individuals is determined not only by how much value they place on the outcomes of their actions—goals or rewards—but also by their perceptions of the likelihood of receiving a worthwhile reward. Individuals will be highly motivated if they believe they can control the means of achieving their goals.

Review of Literature

Asadullah Khan (2017) defines that improving the success of migrant construction laborers in the UAE thrives on recognizing their rich cultural backgrounds and embracing fair work practices. Engaging research through observations, interviews, and personal stories reveals that important cultural elements like long-term orientation, masculinity, uncertainty avoidance, and individualism play a vital role in enhancing their performance. Understanding these factors paves the way for a more supportive work environment. These cultural differences impact the economic and social well-being of the laborers and

their families, the projects, migrant-sending countries (India, Pakistan, Bangladesh, and China), and the UAE. Furthermore, these factors influence the health of the laborers and have environmental effects in the UAE. The findings aim to inform effective migration policies for both sending and receiving countries while helping employers and employees better understand and implement decent work indicators. Ultimately, grasping the national culture can lead to meaningful improvements in decent work practices for migrant laborers in the UAE.

Nour Al Mojahed (2020) This study investigates the impact of a total rewards system on employee motivation among executive management within the real estate sector of the Gulf Cooperation Council (GCC), with a particular focus on the United Arab Emirates (UAE). This exciting research draws on insights from a survey of 250 executive-level employees in the real estate sector. We assessed measurable responses using a 5-point Likert scale and employed the Statistical Package for the Social Sciences (SPSS) to analyze secondary data.

The results from regression analysis, descriptive statistics, and correlation analysis shine a light on the strong positive relationship between monetary rewards and the motivation of executive employees in these firms. Even more encouraging is the finding that non-monetary rewards also significantly contribute to motivation. With these valuable insights in hand, the author offers actionable recommendations that organizations can implement to boost the motivation levels of their executive teams and foster a more engaged workplace culture.

Kasim Randeree and AbdulGhaffer Chaudry (2007) The rapid progression and novelty of the construction industry prompt a closer examination of the factors influencing it. In today's competitive market, project management has become crucial for effectively managing construction projects. Employees are a vital component of any industry, and their job satisfaction and organizational commitment significantly impact turnover rates and overall productivity (Benkhoff, 1997; Randeree and Chaudhry, pending). Leadership plays a key role in shaping employees' job satisfaction and organizational commitment (Lok & Crawford, 1999).

Consequently, it is important to investigate leadership styles in the rapidly expanding construction industry of a diverse city such as Dubai. The research conducted in this setting indicates that workers view Consensus and Team Management leadership styles as the most prevalent in the sector and show a preference for operating under these styles of leadership.

Statement of Problem

Organizations use various methods to motivate employees and boost productivity, often balancing monetary and non-monetary rewards. This raises the question of which type is more effective.

- This research will explore reward management as a motivational tool.
- A combination of both reward types is essential for enhancing employee performance.
- The goal is to evaluate the effectiveness of monetary versus non-monetary rewards in motivating employees in the construction industry in Dubai.

Objective of the Study

- To assess the effectiveness of both monetary and non-monetary rewards in motivating employees.
- To gain insight into employees' views on rewards.
- To provide suitable suggestions for creating a combination of monetary and non-monetary rewards aimed at enhancing employee motivation.

Scope of the Study

The research focuses specifically on the various motivational strategies related to performance management that are offered to expatriates employed in the construction sector, with particular emphasis on the unique context of Dubai in the United Arab Emirates.

Sample

The required data for analysis will be gathered using a structured questionnaire along with in-person interviews with employees from different companies. The questionnaire will focus on a random sample of 100 participants who have between zero and four years of work experience at a well-regarded construction firm in Dubai. This primary data collection will be enhanced by secondary data sourced from reliable materials such as books, magazines, and online articles.

Statistical Tools Utilized for Analysis

For the analysis, percentage analysis will be employed to facilitate comparisons among different data sets. The calculation of the percentage of respondents will be performed using the following formula.

Software Employed for Data Analysis

Data visualization will be accomplished through Microsoft Excel, which will be used to create graphs that effectively represent the percentages associated with each response option. Pie charts and bar charts will provide distinct visual aids that enhance the comprehension of the findings. The insights gathered from the respondents will thoroughly guide the analysis and interpretation of the results, ensuring a comprehensive understanding of the collected data.

Method of Research: Interview

Sample Design: Random Sampling Technique

Sample Size: 100 expatriates working on various construction companies

Hypotheses

These propositions were formulated based on the theories and constructed from initial assumptions. Following the analysis, they will be validated or disproven based on the outcomes of the empirical research.

H₀: The rewards provided do not affect employee motivation

H₁: The rewards provided do affect employee motivation

Limitations

A significant factor that influences the limitations of the study is the considerable amount of time required to perform thorough research within the existing body of literature. Despite this challenge, the authors made a concerted effort to analyze several key theories that are relevant to the topic and ultimately selected those that are deemed most influential in the field. In their dissertation, they specifically highlighted the ethnocentric and geocentric approaches to international management, acknowledging that while these two frameworks are important, there are indeed other methodologies available that warrant attention but were not discussed in detail.

- The study focuses on a small sample size.
- The research is limited to expatriates residing in the Sonapur camp, which may lead to potential bias or reluctance among the participants.
- Limitations in time and resources are present.

Analysis and Interpretation

The questionnaire administered to respondents focused on several key aspects related to motivation:

- To evaluate the significance of both monetary and non-monetary incentives, employees were queried about:
 - The impact of financial recognition for their contributions.
 - The value of acknowledgment from supervisors, clients, and coworkers.
 - Their primary source of motivation (job fulfillment versus salary).
- To gain insights into employees' perspectives on rewards, they were asked about:
 - Their preferences for incentives that are based on team performance compared to those based on individual performance.
 - The importance they place on recognition for achieving targets.
 - The clarity of reward policies.
 - The motivation they derive from pay that is linked to performance.
 - Their participation in decisions regarding compensation.
- To formulate effective recommendations for a balanced rewards package, employees were asked about:
 - Opportunities for skill development.
 - Importance of work-life balance.

- Preferences for motivational attributes.
- Expectations after performance appraisals.
- Other non-monetary rewards.

Table 1: Inquiries about the significance of obtaining formal financial acknowledgment for one's efforts

SL	Responses	Number of responses	Percentage of responses
1	Strongly agree	30	30
2	Agree	50	50
3	Neutral	8	8
4	Disagree	12	12
5	Strongly disagree	0	0
6	Total	100	100

Inference

The data presented in the table reveals that a substantial 80% of employees feel that receiving formal monetary recognition for their hard work and achievements is essential. This indicates a strong sentiment within the workforce regarding the value of financial acknowledgment as part of their motivation. On the other hand, a minority of 12% of employees do not consider monetary recognition to be significant in the context of their contributions. These findings suggest a prevailing belief among employees that formal monetary recognition plays a vital role in enhancing their motivation and engagement levels. It is evident that financial rewards continue to be a key driver in fostering employee satisfaction and commitment to their roles.

Chart 1

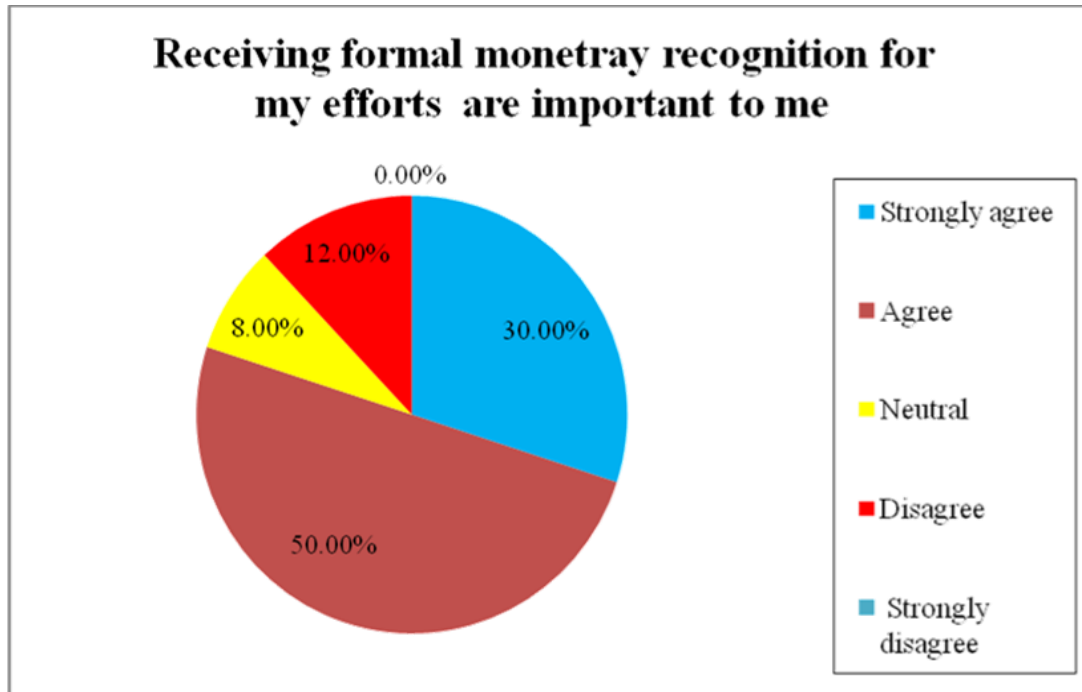


Table 2: Responses related to the motivating factors for workers: Compensation versus Job Satisfaction

SL	Responses	Number of responses	% of respondents
1	The job that you are doing	63	63
2	The pay that you receive	37	37
3	Total	100	100

Inference

The data from the table indicates that 63% of the respondents find their jobs motivating, while only 37% are motivated by their pay. This suggests that organizations should focus on offering challenging opportunities in order to enhance employee motivation through the content of their work.

Chart 2

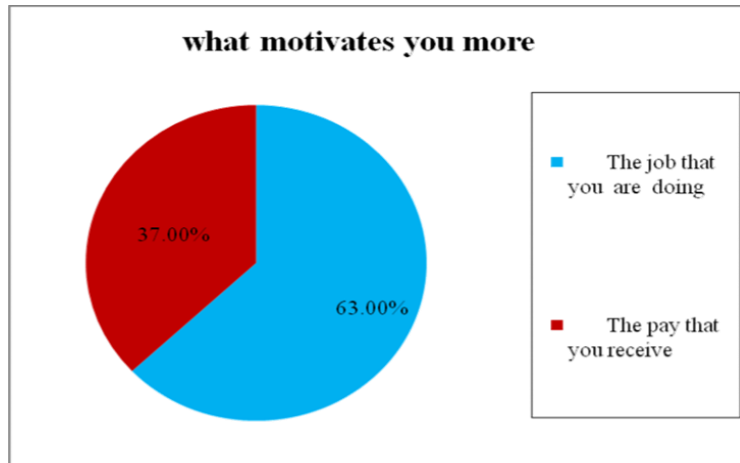


Table 3: Reactions about the implementation of a range of monetary and non-monetary incentives by businesses

Number	Responses	Number of Responses	Percentage of Responses
1	Strongly agree	26	26
2	Agree	58	58
3	Neutral	14	14
4	Disagree	2	2
5	Strongly disagree	0	0
6	Total	100	

Inference

The table indicates that 84% of respondents believe their organizations should offer a combination of monetary and non-monetary incentives as part of their overall reward system for employees. In contrast, only 2% feel that such a combined package is unnecessary for the organization.

Chart 3

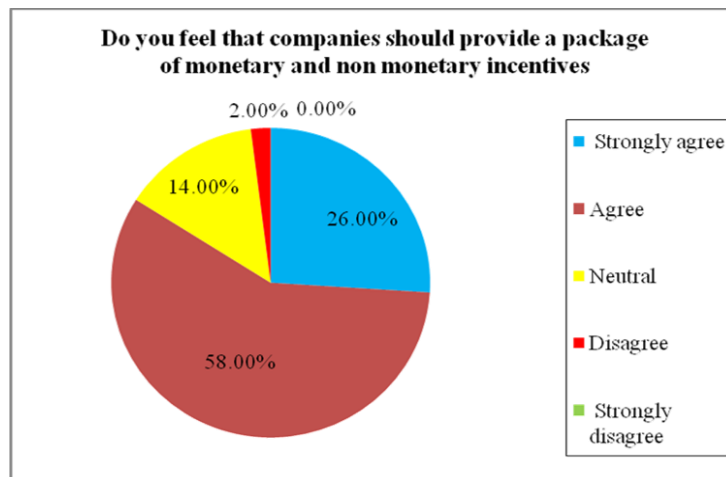


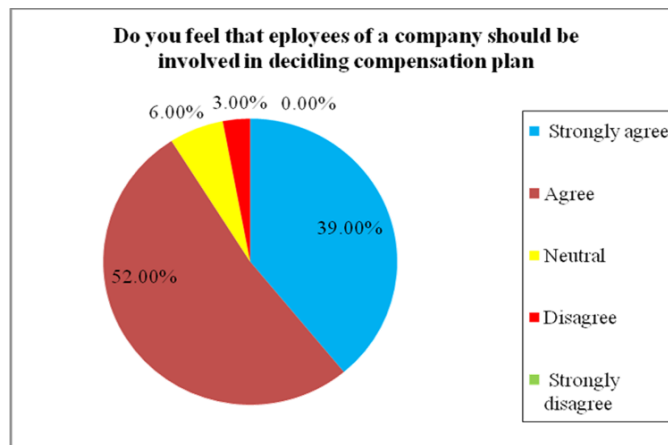
Table 4: Feedback on how employees engage with a company's compensation plan

Number	Responses	Number of Responses	Percentage of Responses
1	Strongly agree	39	39
2	Agree	52	52
3	Neutral	6	6
4	Disagree	3	3
5	Strongly disagree	0	0
6	Total	100	100

Inference

It can be inferred from the above table that the 91% of the employees feel that in an organization they need to be involved more in deciding their compensation. The organizations can offer various choices and the employee's can pick and choose them according to their needs. This further shows the need to maintain flexibility; this is necessitated by the unique motivational needs peculiar to each individual.

Chart 4



Conclusion

Organizations must develop a reward strategy that defines their policies and processes to create a mutually beneficial arrangement for both employees and the organization. These rewards should motivate construction workers according to their individual needs while aligning with business objectives. Research indicates that employees require ongoing opportunities for skill development to avoid monotony and maintain motivation in applying their competencies. Motivation is influenced by multiple factors, not solely financial rewards; the nature of the job is also critical. Therefore, organizations should provide challenging opportunities that meaningfully engage Expatriate laborers.

Additionally, prioritizing work-life balance through flexible working arrangements and remote work options enhances employee satisfaction.

Establishing a clear link between pay and performance is a significant motivator. When employees understand and value the rewards associated with their efforts, their performance levels tend to increase. Transparency is essential for this approach to be effective.

Recognition serves as a critical component of motivation, as employees need to know that their contributions are acknowledged. Non-monetary incentives can enhance motivation, especially when integrated within a comprehensive reward system.

Recognizing that individual needs vary, organizations should encourage employee participation in shaping their compensation structures. Viewing employees as stakeholders in the development of reward policies fosters a sense of equity and fairness.

In addition to financial benefits, employees value recognition, promotional opportunities, increased responsibilities, stock options, bonuses, family vacations, and the ability to choose project assignments. They also prefer greater involvement in policies that affect their work experience.

Hypothesis Testing

H₀: Incentives fail to impact employee motivation.

H₁: Incentives significantly enhance employee motivation.

Analysis results concluded that:

- H₁ is Accepted
- H₀ is Rejected

References

1. Alilabouni, N., Painting, N., Ashton, P., Dainty, A. (2020). 'Factors affecting employee productivity in the UAE construction industry'. Procs. 25th Annual ARCOM Conference. 7–9 September, Association of Researchers in Construction Management, Nottingham, UK, 555-564.
2. Albaloushi, H., Skitmore, M. (2023). 'Supply chain management in the UAE construction industry'. *International Journal of Construction Management*. 8, 1, 53-71
3. Butcher, D.C.A., Sheehan, M.J. (2010). 'Excellent contractor performance in the UK construction industry'. *Engineering, Construction and Architectural Management*. 17, 1, 35-45
4. Cheung, S.O., Wong, P.S.P., Lam, A.L. (2012). 'An investigation of the relationship between organizational culture and the performance of construction organizations'. *Journal of Business Economics and Management*. 13, 4, 688-704
5. Hellriegel, D., Jackson, S.E., Slocum, J.E. (2007). *Management: A Competency-Based Approach*. 10th ed., Kundli Haryana, India:South-Western, Sanat Printers
6. Liao, C.W., Chiang, T.L. (2020). 'Designing of dynamic labor inspection system for construction industry'. *Expert Systems with Applications*. 39, 4, 4402-4409
7. Miner, A.G., Glomb, T.M. (2010). 'State mood, task performance, and behavior at work: a within-persons approach'. *Organizational Behavior and Human Decision Processes*. 112, 1, 43-57
8. Proverbs, D.G., Holt, G.D., Olomolaiye, P.O. (2019). 'The management of labour on high rise construction projects: an international investigation'. *International Journal of Project Management*. 17, 3, 195-204 41. Wells, J. (1996). 'Labour migration and international construction'. *Habitat International*. 20, 2, 295-306
9. Yang, H., Yeung, J.F.Y., Chan, A.P.C., Chiang, Y.H., Chan, D.W.M. (2010). 'A critical review of performance measurement in construction'. *Journal of Facilities Management*. 8, 4, 269-284
10. Yu, L., Kim, K., Jung, Y., Chin, S. (2022). 'Comparable performance measurement system for construction companies'. *Journal of Management in Engineering*. 23, 3, 131-139.

