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**THE METHOD OF MANAGING EMPLOYEE MOTIVATION IN  
ISLAM: ANALYSIS ON REWARD METHODS**

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***Abstract***

Rewards are in the form of wage, payment or compensation. In the management of an institution, rewards are among the methods used in managing employee motivation. Motivated employees are important to an institution because they are one of the success factors of institutions including Islamic institutions. However, failure of managers in providing rewards will bring about several problems, for example, employee dissatisfaction which finally will lead to the employee turnover. To reduce these problems, managers have to motivate workers through various forms of rewards. However, two questions arise. First, what are the forms of rewards that have been given by managers at Islamic institutions for their employees? Second, what kind of rewards exist in Islam in the effort to manage employee motivation? This paper is written with two objectives. First, to determine the form of rewards that have been applied by managers. Second, to analyse methods in managing employee motivation through reward methods based on Islamic perspective. The analysis is done using qualitative method through document study. Based on the analysis, two main types of rewards are found that is financial rewards and non-financial rewards. Besides, there is also a bigger reward according to Islam to increase employee motivation that is the reward of heaven. Having answered all questions raised, it is hoped that the findings of this study can give added value to the field of knowledge on employee motivation and also able to provide additional information to managers in institutions especially Islamic institutions in managing employee motivation.

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**Keywords:** Method of managing employee motivation, islamic motivation, manager, reward.



## **1. Introduction**

Motivation can be defined as something that encourages and moves people to do something (Islam & Ismail, 2008; Amin, 2012). The method of managing employee motivation in this paper refers to any methods, steps, techniques and ways used by managers to increase employee motivation (Iseri-Say, Toker, & Kantur, 2008). Motivated employees are seen as very important in the development of an institution. Hence the managers have put a lot of efforts in order to motivate the employees and giving them a reward is one of the efforts (Safiullah, 2014; Diankenda, 2015; Liu & Li, 2017; Taba, 2018). A reward can be defined as a gift, compensation or perk given for one's services (Ismail, Abdullah, Wahid, & Shariff, 2010; Azmi, 2013; Castro, Neto, Ferreira, & Gomes, 2016). In the context of this paper, a reward is a compensation system that aims to motivate employees by attracting and propelling them to have good work performance (Salim, Roszaide, Ismail, & Yusoff, 2015). This will then indirectly improve the performance of an institution.

## **2. Problem Statement**

Various issues and problems can arise due to lack of self-motivation among employees, for example not producing quality and excellent work, working half-heartedly and having no interest in task given, no sense of responsibility to perform given task, little cooperation at work, frequent absence from work, late in completing specific tasks, always displaying dissatisfaction and complaining and frequently opposing suggestions from others without valid reasons (Hamed, 1999). Based on the problems that arise due to employees' lack of self-motivation, managers as the ones responsible towards employees have to overcome these problems by applying suitable methods of managing motivation. One of the methods used by managers is through rewards. This is because employees nowadays are seen as being easily motivated by rewards especially financial rewards. For example, according to Rajkumar (2014), the level of income and other benefits are the most important rewards for employees. So the aim of the study is to analyse method of managing the employee motivation that exist in Islam and will focus on the reward methods.

## **3. Research Questions**

This study is aimed to answer these research questions:

- What are the forms of rewards that have been given by managers at Islamic institutions for their employees?
- How does reward method is seen in Islamic perspective?

## **4. Purpose of the Study**

The purpose of this study is:

- To determine the types of rewards that have been applied by managers
- To analyse rewards method in managing employee motivation based on Islamic perspective

## 5. Research Methods

This paper is a conceptual paper. The data collection method used in this paper is through document study. All the data are collected through document sources such as the Quran, Tafsir Ibn Katsir (interpretation book of the Quran), journals, books, thesis and various other relevant document sources. Those collected data are analysed by using content analysis method.

## 6. Findings

Rewards are one of the important factors in motivating employees so that they are able to contribute the best results in improving the performance of an institution. (Aktar, Sachu, & Ali, 2012). Besides that, rewards also can help the management to retain an efficient and experienced employees in their institutions (Zakaria, 2015). Based on the analysis, rewards can be divided into two main forms which are financial rewards and non-financial rewards. According to Burton (2012), financial rewards are an amount of money given to employees. However, financial rewards are temporary in nature and will soon be forgotten. Besides this, financial rewards are also tied to the budget of an institution and in the event of a recession, it will be difficult to use financial rewards. This will affect the motivation of employees who have become accustomed to being motivated through the method of financial rewards. Examples of financial rewards are wage, bonus, allowance, incentive, insurance, promotion and pay increase, commission, gift, medical fee and job security (Hamed, 1999; Aktar, Sachu, & Ali, 2012, Safiullah, 2014; Bussin & Toerien, 2015; Kathombe, Kipchumba, & Kirui, 2018).

Non-financial rewards are rewards that are not in any monetary form but more geared towards employees' emotions and sentiments (Burton, 2012). This type of reward will not directly increase employee's financial position but will ensure their job to be more attractive (Safiullah, 2014). This method requires more time, attention and creativity on the part of managers as they have to think about what specifically can motivate employees. This way, employees will feel more appreciated and feel that the rewards have sentimental value. Therefore, this method is able to give long term impact towards employee motivation. Examples of non-financial rewards are thanking employees, assigning challenging tasks, showing care, flexible working time, access to latest technology, job enrichment, employer-selected training programmes and also job rotation (Hamed, 1999; Aktar, Sachu, & Ali, 2012; Safiullah, 2014, Bussin & Toerien, 2015; Kathombe, Kipchumba, & Kirui, 2018).

Managing employee motivation through effective rewarding will enable employees to become motivated to improve their work performance and thus move towards achieving the goals of the institution (Njanja, Maina, Kibet, & Njagi, 2013). This is because, under normal circumstances, when people are given rewards, they would try to improve their performance so that they will continue to be valued. Therefore, Njanja, Maina, Kibet and Njagi (2013) suggest that employees be given rewards after they have achieved or surpassed targets set by managers as a symbol of appreciation towards them. Employees should also be given rewards if they work overtime, come up with other initiatives at work, are able to work in a team, are always present at work, have received positive feedbacks from customers, hand in assignments on time and show increased performance.

Following this, the effect of applying reward methods on employee motivation has been examined. Studies on several institutions outside and within the country have shown that employee motivation method through reward methods can have positive effect. These effects are shown in the Table 1:

**Table 01.** The Effects of Rewards Towards Employees at Institutions

Examples of Rewards	Effects of Rewards	Sample of Studies
Cash bonus	Employees are consistently present at the work place, achieve the set target, produce quality work and are more productive	68 informants from Kenya Power and Lighting Company Ltd, Kenya (Njanja, Maina, Kibet, & Njagi, 2013).
Financial incentives, opportunities for advancement on the job, end of year bonus	Increased motivation and performance of employees	45 informants from Yola Electricity Disribution Company, Nigeria (Achie & Kurah, 2016).
High salary, bonuses, allowances, health insurance	Financial rewards increase work performance and non-financial rewards increase the morale of employees	25 informants from Astro Films Plastiflex (PVT), Lahore, Pakistan (Yousaf, Latif, Aslam, & Saddiqui, 2014).
Basic salary, performance bonus, recognition, learning opportunity, challenging work and career advancement	Increased work performance	180 informants from Commercial Bank of Bangladesh (Aktar, Sachu, & Ali, 2012).
Salary and promotion	Increased performance and commitment towards work	92 informants from The Local Authority of Sarawak, Malaysia (Ismail, Abdullah, Wahid, & Shariff, 2010).
Bonus, salary, leave, allowances and appreciation	Employees' increased level of commitment towards given task	356 informants from one of the headquarters of public organization at Kuala Lumpur, Malaysia (Yahya, Johari, Adnan, Isa, & Daud, 2008)
Salary	Increased in job performance and level of motivation	104 informants from hospitality industry in Klang Valley, Malaysia (Ng & Arumugam, 2017)

Based on Table 1, it can be summarised that managers who use reward method have successfully increased the motivation of employees especially in increasing performance and commitment towards work. Among these rewards are salary, bonus, allowance, paid leave, appreciation, recognition and promotion. However, rewards given by managers are mostly monetary and several past researchers have also suggested that managers focus more on financial rewards. These researchers are Njanja, Maina, Kibet and Njagi (2013), Yousaf, Latif, Aslam and Saddiqui (2014), Achie and Kurah (2016) and also Ng and Arumugam (2017). For example Achie and Kurah (2016) in their study suggest that managers increase the rate of financial rewards given to employees so that they can further increase their work performance. This emphasis on financial rewards is seen as being in line with standard methods of managing employee motivation that is based on the theory of motivation. According to Ahmad (2008), most Western theories of motivation are material oriented in managing employee motivation. Each of

these theories share the view that employees are more easily motivated through rewards in material form and are temporary in nature. Furthermore, Murphy (2015) himself states that people's material desires are always changing which will make managing motivation through rewards to become more challenging from time to time.

Contrary to the standard method of managing motivation, motivation from an Islamic perspective covers both material and spiritual motivation (Ahmad, 2008). This shows that motivation from an Islamic perspective is more holistic as compared to conventional perspective that are based on theories of motivation which place more emphasis on material rewards. Besides this, the managing of motivation in Islam must be based on Islamic principles and shariah, and cannot be mixed with conventional theories (Mohamed, 2012). Therefore, managers who are managing employee motivation are responsible for using methods that are in compliance with the Islamic Shariah.

Based on literature study, it is found that Islam does not reject the reward methods of managing employee motivation. However, financial rewards cannot become the only motivation in one's intention to work. According to Ahmad (2008), managers need to propel employees to set their intention not to work for only material purposes, rather it is far better to do it for the reward of heaven from Allah SWT. In Islam, motivation to do something starts from an intention whereby the sole intention in Islam is to gain Allah SWT's blessings (Omar, 2014). Therefore, methods that can be used by managers to motivate employees through rewards are by propelling them to receive the reward of heaven from Allah SWT (Hamed, 1999; Ahmad, 2008; Ahmad, 2012; Jabnoun, 2012; Noh, Basir, & Husin, 2014; Anoraga & Prasetyo, 2015). Ahmad (2008) and Amin and Mohiuddin (2016) adds that having the intention to work as a form of obedience to Allah SWT is a motivation with huge impact on employees in the effort to improve their quality and quantity of work. This is because such employees are fully responsible for their work and will put in their best effort in carrying out their given duties. They will give their full commitment even though the material reward given is not enough, work environment is uncomfortable and they face difficulties in carrying out their duties.

Undeniably, one works for money, however employees cannot set their goal and intention to work for money only (Rahman, 1997; Utz, 2011; Anoraga & Prasetyo, 2015). Rather, it would be better for employees to make it their intention to obtain wealth that is halal to provide for the family and receive Allah SWT's blessings through their work which is a form of obedience to Allah SWT. Employees with these intentions will diligently perform the duties entrusted upon them (Ahmad, 2008). This is because they have faith that each task being carried out will be rewarded by Allah SWT.

After being motivated by the rewards from Allah SWT, employees will be propelled to devote themselves to Allah SWT through virtues as well as avoiding vices (Hamed, 1999). Besides this, employees who place hopes on Allah SWT's rewards will also be more confident in doing their jobs well because they believe that Allah SWT always gives rewards that commensurate with their efforts (Jabnoun, 2012). Proof of this is found in several verses of the Quran for example in surah *an-Nisa* (4:124), *al-Ankabut* (29:7), *al-Ankabut* (29:58) and *as-Sajadah* (32:19). Those verses are as follow:

“And whoever does righteous deeds, whether male or female, while being a believer - those will enter Paradise and will not be wronged, [even as much as] the speck on a date seed.”

(Q4:124)

“And those who believe and do righteous deeds - We will surely remove from them their misdeeds and will surely reward them according to the best of what they used to do.”

(Q29:7)

“And those who have believed and done righteous deeds - We will surely assign to them of Paradise [elevated] chambers beneath which rivers flow, wherein they abide eternally. Excellent is the reward of the [righteous] workers.”

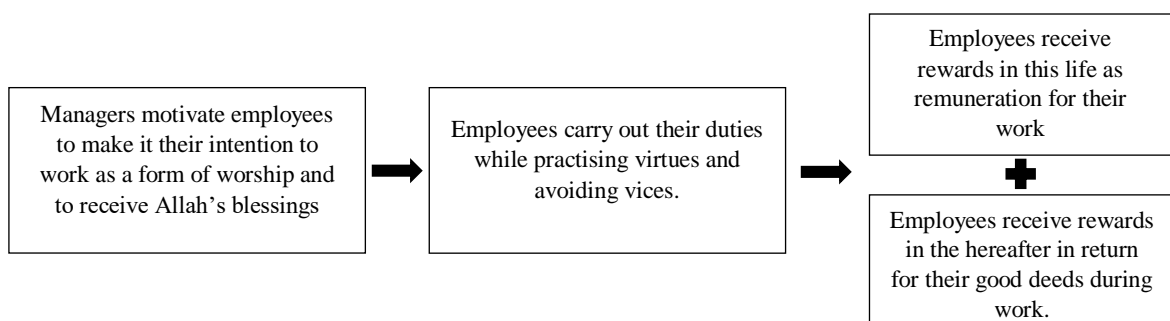
(Q29:58)

“As for those who believed and did righteous deeds, for them will be the Gardens of Refuge as accommodation for what they used to do.”

(Surah *as-Sajdah*, 32:19)

An analysis of the tafsir Ibn Katsir (2016) shows that these verses explain that each good deeds done by mankind will be taken into account and given reward by Allah SWT with no reductions. Therefore, this should propel employees to become more motivated in performing their duties to Allah SWT in the form of their occupation and work. According to Bhatti, Aslam, Hassan and Sulaiman (2016), the rewards for doing good deeds, will not only be given in this world, but definitely will be given by Allah in the hereafter.

In relation to this, managers need to take the initiative in managing employee motivation by propelling them to set their main intention to work as an act of worship and receive the blessings of Allah SWT. Managers then have to instil faith in employees that each work done with the intention to worship Allah SWT will not only be given material rewards in this life, but also rewards of heaven in the hereafter (Ahmad, Rofie & Salim, 2016; Bhatti, Aslam, Hassan, & Sulaiman, 2016). This responsibility to motivate employees is huge one for managers because in Islam, a good leader is a leader who is capable of motivating workers to do good (Mohamed, 2012). Figure 1 below shows the method that can be used by managers to motivate employees.



**Figure 01.** Method of Managing Employee Motivation In Islam Through Reward Method

Based on Figure 1, the main thing that needs to be done by managers in motivating employees is to help them make good intentions for work. The intention for work in Islam is to worship Allah SWT

and to receive Allah SWT's blessings. Through this intention, employees will be more motivated to work because they have faith that work as a form of worship will be rewarded by Allah SWT. Through the intention to worship too, employees will be more motivated to work while practising virtues and avoiding vices. Following this work practice, employees will be rewarded in this life by managers and in the hereafter by Allah SWT.

## 7. Conclusion

As a conclusion, managers need to be aware that employee motivation determines the performance of an institution. Therefore, managers need to be more alert towards situations and problems involving motivation because they hold the important responsibility of managing employee motivation. One of the methods for motivating employees is through giving rewards whether in financial or non-financial form. Islam allows both forms of rewards however, employees cannot make it their main intention to work for financial rewards that is temporary in nature but have to make an effort to obtain rewards from Allah SWT. Therefore, managers need to play a role in motivating employees by propelling them to obtain the reward of heaven from Allah SWT through making it an intention to work as a form of worship and hope for the blessings of Allah SWT.

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