



## The impact of non-financial rewards orientated HRM practices on employee's performance in public and private Health sectors in Sulaimani City

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### Abstract

Acknowledging the importance of employee motivation beyond financial incentives, this research examines the understudied impact of non-financial rewards (NFRs) in the Sulaimani city healthcare system. The primary objective was to assess the influence of specific NFRs namely recognition, feedback, and work-life balance on employee performance in the public and private health sectors within Sulaimani City. A quantitative methodology was adopted, utilizing a structured questionnaire featuring fourteen 5-points Likert-scale items as the primary data collection tool to measure the core variables. Data were gathered from a sample of 70 employees distributed across two public (Shar and General) and two private (Farwq and Anwar Shekha) hospitals in Sulaimani City. Statistical analysis, including correlation and multiple linear regression performed via SPSS Version 27 and JMP-Pro Version 17, revealed that recognition, feedback, and work-life balance all significantly and positively enhance employee performance. Feedback demonstrated the strongest association, followed by recognition, and then work-life balance. The research adds to the body of knowledge about the importance of non-financial motivational schemes to employees' performance improvement in Iraq. Such findings clearly provide evidence that health sector organizations in the country and perhaps in practically other contexts should adopt and have robust non-financial reward systems to ensure the performance of their employees.

**Keywords:** Non-financial rewards, Recognition, Feedback, Work-life balance, Employee performance.



## أثر ممارسات إدارة الموارد البشرية القائمة على المكافآت غير المالية على أداء الموظفين في القطاعين الصحيين العام والخاص في مدينة السليمانية

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### ملخص البحث

إدراكاً لأهمية تحفيز الموظفين بما يتجاوز الحوافز المالية، يدرس هذا البحث تأثير المكافآت غير المالية التي لم يتم دراستها بشكل كافٍ في نظام الرعاية الصحية في مدينة السليمانية. وكان الهدف الأساسي هو تقييم تأثير المكافآت غير المالية المحددة وهي التقدير والتغذية الراجعة والتوازن بين العمل والحياة الخاصة على أداء الموظفين في القطاعين الصحيين العام والخاص في مدينة السليمانية. تم اعتماد منهجية كمية، باستخدام استبيان منظم يضم أربعة عشر بنداً من مقياس ليكرتي المكون من 5 نقاط كأداة أساسية لجمع البيانات لقياس المتغيرات الأساسية. جُمعت البيانات من عينة مكونة من 70 موظفاً موزعين على مستشفيات حكوميين (شار والعام) ومستشفيات خاصين (فروق وأنوار شيخة) في مدينة السليمانية. كشف التحليل الإحصائي، بما في ذلك الارتباط والانحدار الخطي المتعدد الذي تم إجراؤه من خلال الإصدار 27 من برنامج SPSS والإصدار 17 من برنامج JMP-Pro، أن التقدير والتغذية الراجعة والتوازن بين العمل والحياة الشخصية كلها تعزز أداء الموظفين بشكل كبير وإيجابي. وقد أظهرت التغذية الراجعة أقوى ارتباط، يليها التقدير، ثم التوازن بين العمل والحياة الشخصية. يضيف البحث إلى الأدبيات حول أهمية الخطط التحفيزية غير المالية في تحسين أداء الموظفين في العراق. وتوفر هذه النتائج بوضوح دليلاً على أن مؤسسات القطاع الصحي في المحافظة، وربما في سياقات أخرى عملياً، يجب أن تتبنى أنظمة مكافآت غير مالية قوية لضمان أداء موظفيها.

**الكلمات المفتاحية:** المكافآت غير المالية، التقدير، التغذية الراجعة، التوازن بين العمل والحياة، أداء الموظفين



## 1. INTRODUCTION

Employee performance is a critical determinant of organizational success, particularly within demanding environments like the health sector where service quality directly impacts patient outcomes. Human Resource Management (HRM) employs various strategies to improve high performance, with reward systems serving as a fundamental tool for employee motivation (Armstrong & Taylor, 2019). While financial rewards (e.g., salary, bonuses) are commonly used, there is a growing body of research highlighting the significant, and sometimes distinct, impact of non-financial rewards (NFRs) on employee engagement, satisfaction, and eventually, performance (Barends et al., 2022; Mamun & Khan, 2020). NFRs, encompassing elements such as recognition, constructive feedback, opportunities for growth, and work-life balance policies, appeal to intrinsic psychological needs beyond monetary compensation (Yousaf et al., 2022). However, despite theoretical support and empirical evidence from various global contexts (e.g., Manzoor et al., 2021; Ibitomi et al., 2022), the understanding and application of NFRs can vary significantly across different cultural and economic settings. In emerging economies and specifically within the Iraqi context, traditional management approaches may still disproportionately emphasize financial incentives. This leads to a critical knowledge gap regarding the genuine effectiveness and relative importance of NFRs within specific local sectors. Cost-effective motivators like recognition, feedback, and work-life balance in the health sector of Sulaimani City, Iraq, represents a significant research problem. Overlooking these NFRs could mean missing vital opportunities to enhance employee performance, job satisfaction, and overall healthcare service quality.



Therefore, the primary purpose of this research is to systematically investigate and quantify the impact of specific non-financial rewards namely recognition, feedback, and work-life balance on the performance of employees working within the public and private health sectors of Sulaimani City. This study aims to provide empirical evidence specific to this under-researched geographical and sectoral context. The findings are intended to offer practical insights for hospital administrators and HRM professionals in Sulaimani and potentially similar settings, informing the design of more effective, general reward strategies that influence the power of non-financial incentives to drive employee performance and organizational success.

### 1. 1 Research Problem:

The main problem of this research is limited understanding of the effectiveness of non-financial rewards (NFRs) in motivating employees and enhancing performance within the health sectors of Sulaimani City, Iraq. While conventional management practices often prioritize financial incentives, particularly in emerging economies, there remains a lack of knowledge about how NFRs, such as recognition, feedback, and work-life balance, influence employee performance in this distinct context. As a result, health organizations in Sulaimani may overlook opportunities to improve performance through cost-effective and psychologically rewarding incentive strategies.

### 1.2 The objectives of the research

The literature asserts that non-financial rewards have an essential impact on raising employees' performance. The purpose of the present research is to find out to what extent non-financial rewards impact on employee



performance, in both context public and the private health sector in the Sulaimani city as a part of Iraq.

### 1.3 Importance of Study:

1. This research contributes empirical evidence to human resource management and organizational behavior, focusing on the role and impact of non-financial rewards. It presents valuable data from a relatively unexplored geographical of Iraq, which may challenge or validate motivational theories primarily developed in Western environments.

2. The findings provide practical insights for hospital administrators and HR managers in the health sector of Sulaimani city. They present evidence-based reasons for implementing or enhancing non-financial reward systems, including structured feedback mechanisms, recognition programs, and supportive work-life balance policies. These strategies can effectively boost employee performance and enhance overall organizational efficiency and service quality within the health sector.

### 1.4 Research Questions:

The main research question is to what extent do non-financial rewards (specifically recognition, feedback, and work-life balance) impact the performance of employees in the public and private health sectors of Sulaimani City? In other words, the specific research questions are:

1. Does employee recognition, as a non-financial reward, significantly improve employee performance in Sulaimani's health sector?
2. Does providing feedback as a non-financial reward significantly improve employee performance in Sulaimani's health sector?
3. Does work-life balance, as a non-financial reward, significantly improve employee performance in Sulaimani's health sector?



4. Among recognition, feedback, and work-life balance, which non-financial reward demonstrates the strongest association with employee performance in this context?

### 1.5 Research hypotheses

1. Recognition as a non-financial reward has effects on raising employee performance.
2. Feedback as a non-financial reward has effects on raising employee performance.
3. Work-life balance as a non-financial reward has effects on raising employee performance.

## 2. LITERATURE REVIEW

This study examines the relationship between non-financial rewards (NFRs) and employee performance, providing the theoretical and empirical foundation for this study within the specific context of the Sulaimani city health sector. NFRs encompass a broad category of non-monetary incentives that organizations provide to motivate and retain employees, distinct from direct financial compensation, such as salary or bonuses (Armstrong & Taylor, 2019; Hamzah & Matkhairuddin, 2023). Rooted in motivation theories like Herzberg's Two-Factor Theory, which distinguishes between hygiene factors (like salary) and true motivators (like achievement and recognition), NFRs are often linked to intrinsic motivation, satisfying higher-order psychological needs for autonomy, competence, and relatedness (Yousaf et al., 2022; Barends et al., 2022). While financial rewards remain important, over-reliance on them can sometimes lead to pressure and decreased autonomy (Olafsen et al., 2018). Consequently, a growing body of research emphasizes the critical role of NFRs in driving



sustainable employee performance and fostering a positive work environment (Mamun & Khan, 2020). This theoretical grounding underscores the selection of recognition, feedback, and work-life balance as key NFR variables in the present study, as they directly address the essential motivational needs highlighted by motivation theories and offer alternatives to potentially pressure-inducing financial rewards.

A prevalent assumption amongst managers, particularly in emerging markets, is that employees are primarily motivated by extrinsic rewards such as pay and promotions (Sayed et al., 2021). However, research across diverse sectors, including tourism (Malek et al., 2020; Aljumah, 2023) and multinational companies (Manzoor et al., 2021; Ibitomi et al., 2022), consistently challenges this view. These studies demonstrate the importance of intrinsic rewards and NFRs like recognition, constructive feedback, and work-life balance in enhancing employee motivation, which, in turn, significantly contributes to improved job performance. This perspective is particularly relevant for organizations seeking to boost performance without substantial financial expenditure (Manzoor et al., 2021; Ibitomi et al., 2022). This consistent finding across diverse industries strengthens the rationale for investigating whether these NFRs hold similar potential for cost-effectively enhancing performance within the unique operational and cultural environment of the Sulaimani health sector, where traditional emphasis might lean more heavily on financial incentives.

Recognition, defined as the acknowledgment and appreciation of employee contributions and efforts, is a potent, though frequently underestimated, NFR (Robbins, 2019). It directly addresses employees' psychological needs for



esteem and validation, fostering a sense of value and belonging (Ali & Anwar, 2021). Effective recognition, often integrated into constructive performance appraisal processes that promote open communication, is vital for motivation and reinforcing desired behaviors and standards, thereby leading to subsequent performance improvement (Montani et al., 2020). Research suggests that a culture embedding recognition contributes to trust and fairness, reducing work-related stress and enhancing engagement, which is directly linked to enhanced performance (Montani et al., 2020; Ali & Anwar, 2021). Therefore, investigating the extent to which recognition practices are implemented and perceived in Sulaimani hospitals, and how this correlates with employee performance, becomes crucial for understanding its potential as a motivating factor in this context, this concept serves as a fundamental hypothesis for the research.

Feedback, particularly when specific, timely, and constructive, is another crucial NFR directly impacting performance. It provides employees with essential information regarding their current performance levels against expectations, clarifies goals, and identifies specific areas for development and skill enhancement (Shannon & Anderson, 2019; Michael et al., 2023). By facilitating learning and adjustment, feedback empowers employees to modify their efforts effectively, ultimately improving their knowledge, skills, and job performance (Wang & Zhang, 2022; Xiaotao et al., 2021). Studies consistently show a strong positive relationship between robust feedback mechanisms and higher employee performance (Malek et al., 2020; Aljumah, 2023). Given its established role in guiding employee effort and skill development, examining the effectiveness and perceived impact of



feedback mechanisms within the sampled Sulaimani hospitals is central to assessing its contribution to overall employee performance.

Work-life balance (WLB), referring to the effective management of professional responsibilities and personal life, is increasingly recognized as a critical component of NFR strategies influencing performance. By enabling employees to meet demands both inside and outside of work, effective WLB policies can reduce stress, prevent burnout, and enhance overall well-being (Casper et al., 2023). This improved well-being can translate into increased focus, energy, and commitment at work, positively affecting employee performance (Yadav & Sharma, 2021). While the strength and nature of the WLB-performance link can be complex and influenced by individual and organizational factors (Johari et al., 2018; Haar et al., 2019), its inclusion in NFR packages is consistently identified as important for sustaining long-term performance (Malek et al., 2020; Aljumah, 2023).

Within the specific context of Iraq, the research underscores the importance of adapting HRM practices to local conditions (Sultan et al., 2019; Irshad et al., 2021). For instance, research in the KRI has shown how factors like development opportunities (an NFR) can significantly impact job satisfaction, particularly varying by employee background (Sultan et al., 2019). This highlights the need for tailored NFR approaches. However, limited research explicitly investigates the differential impact of NFRs like recognition, feedback, and WLB on employee performance within the Iraqi health sector (Irshad et al., 2021). This indicates a significant knowledge gap, underscoring the need for context-specific studies that consider unique cultural dynamics, potential influences of family structures, and societal



norms on the effectiveness of different NFR strategies in enhancing performance.

### 3. METHODOLOGY

The primary purpose of writing this paper is find out to what extent non-financial rewards impact on employee performance, in both context public and the private health sector. Thus, the population of the research was employees in government and private health organizations in the city of Sulaimani. Then a questionnaire with two main sections was used to collect 70 samples of data from four hospitals exist in the city, two public (Shar and General) and two privates (Farwq and Anwar Shekha). The first section includes (Age, Gender, Education levels, and Service years) and the second section includes fourteen-item questions about (Recognition, Feedback, Work-Life Balance, and Performance). Furthermore, a five-point Likert scale was used to evaluate the responses to the questions, from the lower weight of the phrases to the higher weight of the phrase, in which we coded for Strongly Disagree "1", Disagree "2", Neutral "3", Agree "4", and Strongly Agree "5". SPSS version 27 and JMP-Pro version 17 were used as statistical tools to analyze the data. Frequency Distribution, Descriptive Statistics, Linear Regression Model, One-Way ANOVA, and Correlation Coefficient were used.

#### 3.1 Research Population and Sample

The target population for this investigation consisted of all employees engaged in the healthcare sector of Sulaimani City, Iraq. This population included individuals employed by public and private health organizations within the city. For data collection, a specific sample was drawn from this broader population. Seventy employees were randomly selected to



participate in the study. Participants were chosen from four major hospitals: two public hospitals, Shar Hospital and Sulaimani General Hospital, and two private hospitals, Farwq Hospital and Anwar Shekha Hospital. This approach enabled the capture of diverse perspectives from different organizational contexts within the city's healthcare sector.

#### 4.RESULTS

Table 1: Frequency distribution table for age of the employees

	Frequency	Percent
Less than 25	24	34.3
25 - 34	34	48.6
35 and more	12	17.1
Total	70	100

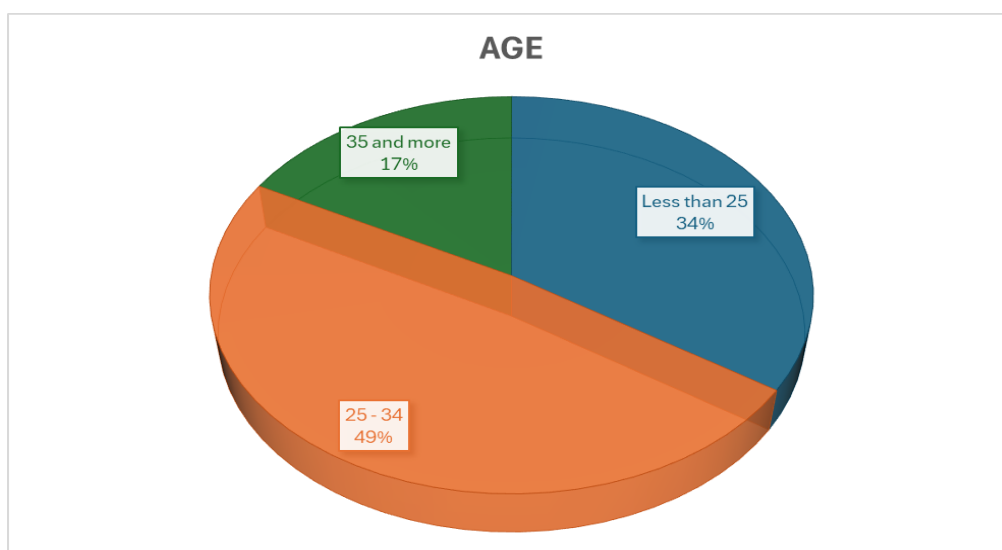


Figure 1: Pie chart for age of the employees

Table 1 and Figure 1 show the number of responders based on the age, and it is clarified that the number of responders from the 25 – 34 of ages is 49% employees, less than 25 of ages is 34%, and from the 35 years and older is the 17%.



Table 2: Frequency distribution table for gender of the employees

Gender	Frequency	Percent	Cumulative Percent
Female	26	37.1%	37.1%
Male	44	62.9%	100%
Total	70	100%	

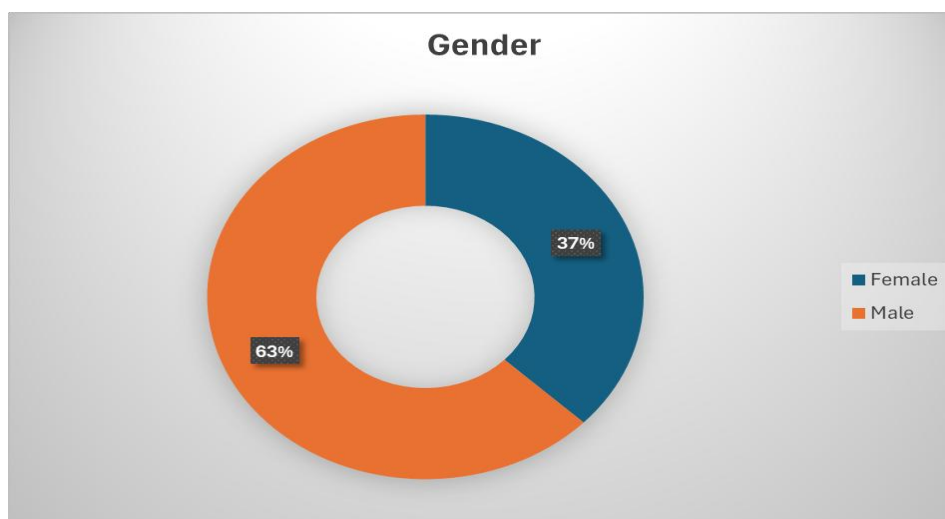


Figure 2: Pie chart for gender of the employees

Table 2 and Figure 2 show the number of responders based on the gender, and it is clarified that the number of female responders is 26 (37%) employees and males are 44 (63%).

Table 3: Frequency distribution table for education levels of the employees

Education Level	Frequency	Percent	Cumulative Percent
PhD	2	2.8	2.8
MSc	7	10	12.8
BSc	45	64.3	77.1
Diploma	7	10	87.1
High School	9	12.9	100
Total	70	100	

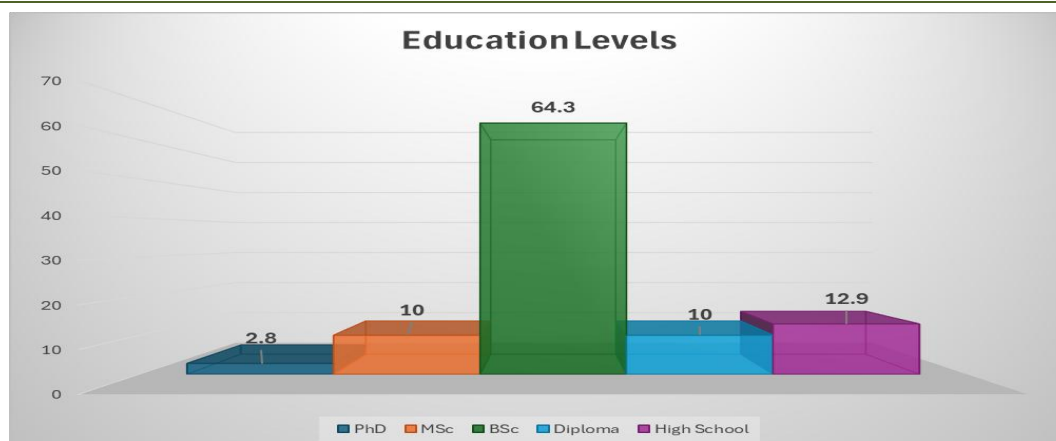


Figure 3: Bar chart for education levels of the employees

Table 3 and Figure 3 show the number of responders based on the education levels, and it is clarified that most employees had BSc degree 64.3%, following that is High School which is 12.9, the holders of the MSc and Diploma are equal among the employees 10%, and the PhD degree among employees is at the lowest level 2.8%.

Table 4: Frequency distribution table for service years of the employees

Service years	Frequency	Percent	Cumulative Percent
1 - 3	12	17.1	17.1
4 - 10	22	31.4	48.6
More than 10	36	51.4	100.0
Total	70	100.0	

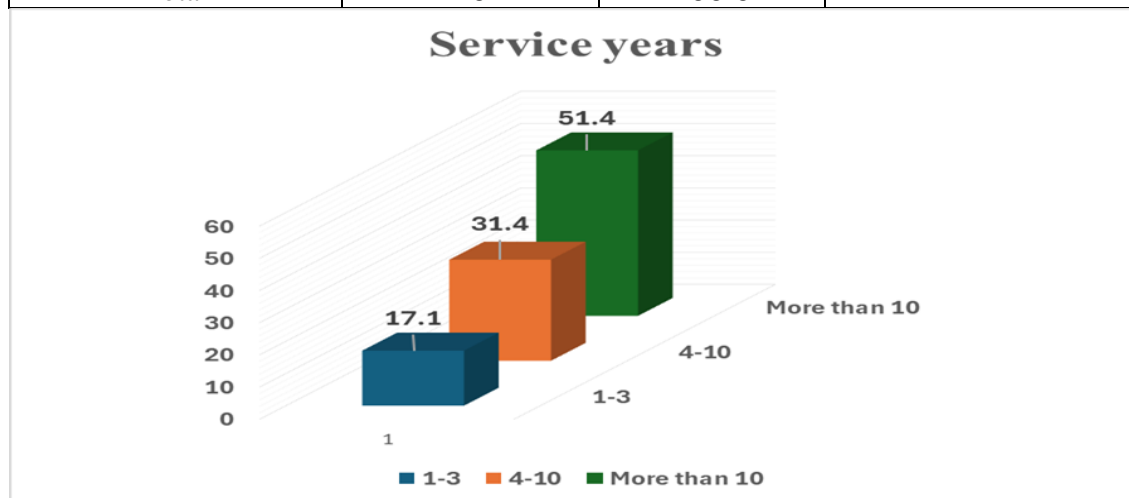




Figure 4: Bar chart for service years of the employees

Table 4 and Figure 4 show the number of responders based on the service years and it is clear that the number of responders having 1 – 3 service years is 17% employees, 4 – 10 of service years is 31%, and for the more than 10 years of service is the 51%.

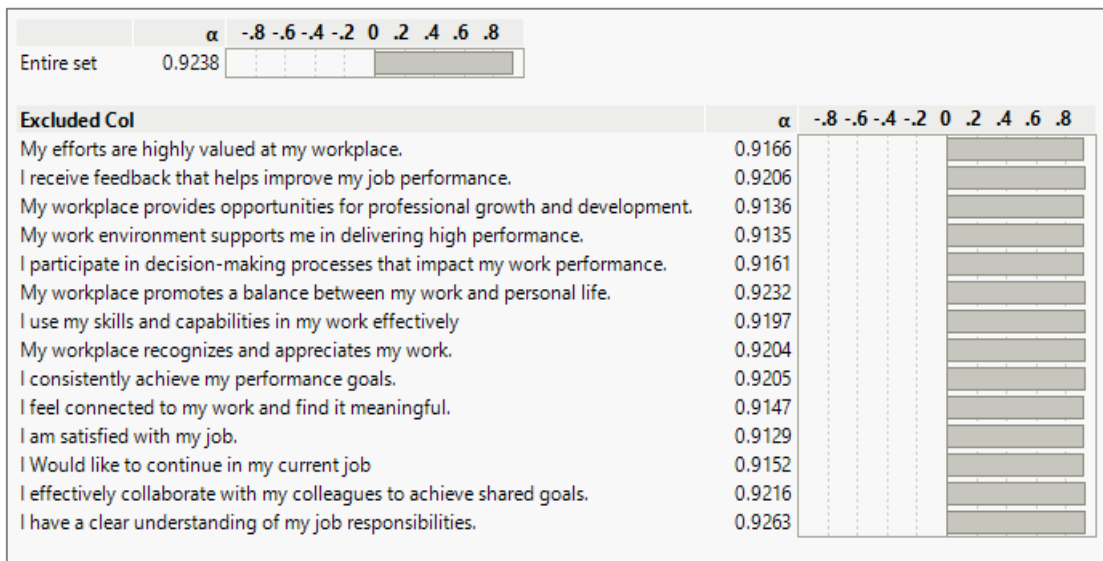


Figure 5: The value of the reliability coefficient for the internal consistency of each variable

Figure 5 shows Cronbach's alpha values which measure the reliability of a data set in such a way that, as the Cronbach alpha is closer to one, it shows higher internal consistency reliability. To see whether a data set is suitable for statistical analysis, the reliability coefficient of all data scales should be 0.70 or higher, which is considered acceptable (Mahmood et al., 2019). As the results show, the Cronbach's values for the overall score and all individual scales were more than 0.70, which for all the item questions are between (0.9129 – 0.9263) and for entire set is 0.9238, suggesting that the items have perfect internal consistency. In other words, the reliability



coefficients for all research dependent and independent variables are accepted, and the data is possible for statistical analysis and scientific research.

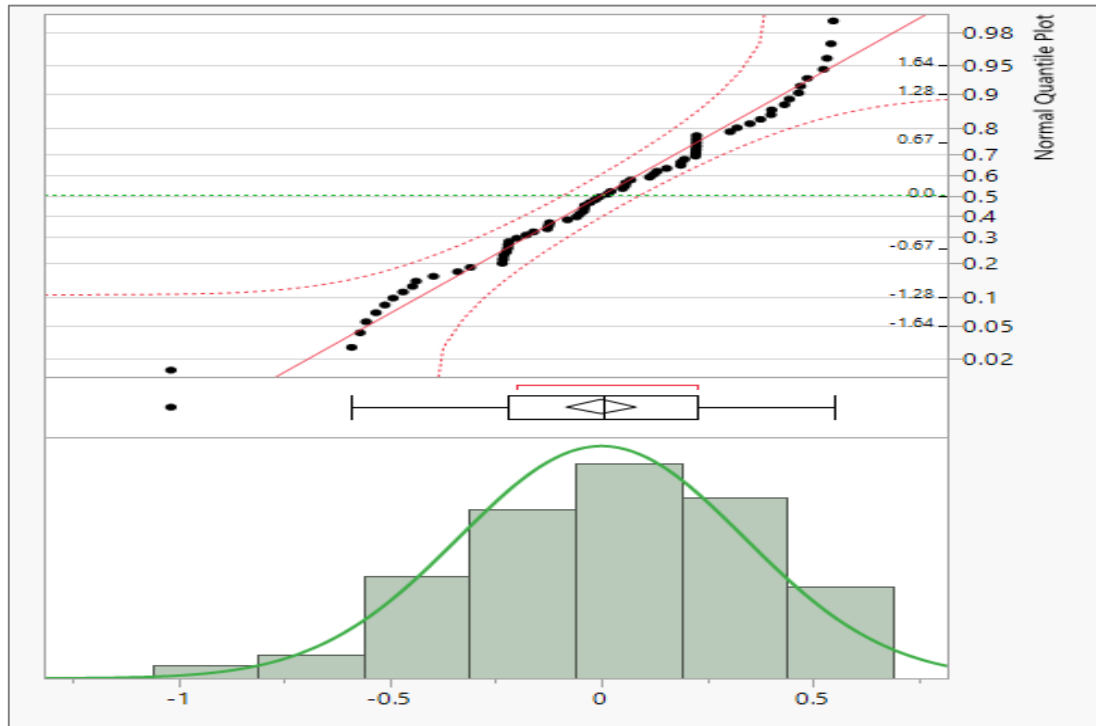


Figure 7: Normality and Normal Quantile Plot

Figure 7 shows that the normal-quantile plot and the histogram have a normal distribution. Each data point in the quantile plot fits nicely between two red lines with no outliers. The data are also normally distributed because the histogram of the residuals looks like a symmetric graph. However, as shown below, a goodness-of-fit test can help determine if our data comes from a normal distribution (Mahmood et al., 2022).

Table 8: Goodness-of-Fit Test

Shapiro-Wilk	W	P-value
	0.9721637	<b>0.1208</b>
Anderson-Darling	A2	P-value
	0.3844827	<b>0.4012</b>

$H_0$ : The data is from the normal distribution

$H_1$ : The data is not from the normal distribution



Based on both tests in Table 8, the p-value of the Shapiro-Wilk test is 0.1208, and the p-value of the Anderson-Darling test is 0.4012. Since the p-values are more than  $\alpha = 0.05$ , there is no evidence to reject the null hypothesis, which says that the data are normal. Thus, the fit of the response variable (Performance) comes from normal data. In order to explain how strong pairs of variables are related to each other, the correlation coefficient of the performance within each independent variable of recognition, feedback, and work-life balance, which is a statistical technique, was used.

Table 9: Correlation Matrix between variables

	Performance	Recognition	Feedback	Work-life balance
Performance	1	0.7870	0.7948	0.6853
Recognition	0.7870	1	0.7265	0.7155
Feedback	0.7948	0.7265	1	0.5600
Work-life balance	0.6853	0.7155	0.5600	1

According to the results in Table 9, performance strongly positive correlates with the Recognition (0.7870). In the same way, there is a strong positive relationship between performance and Feedback, which is 0.7948. Likewise, there is an intermediate positive correlation between the performance of the employees and Work-life balance, which is 0.6853.

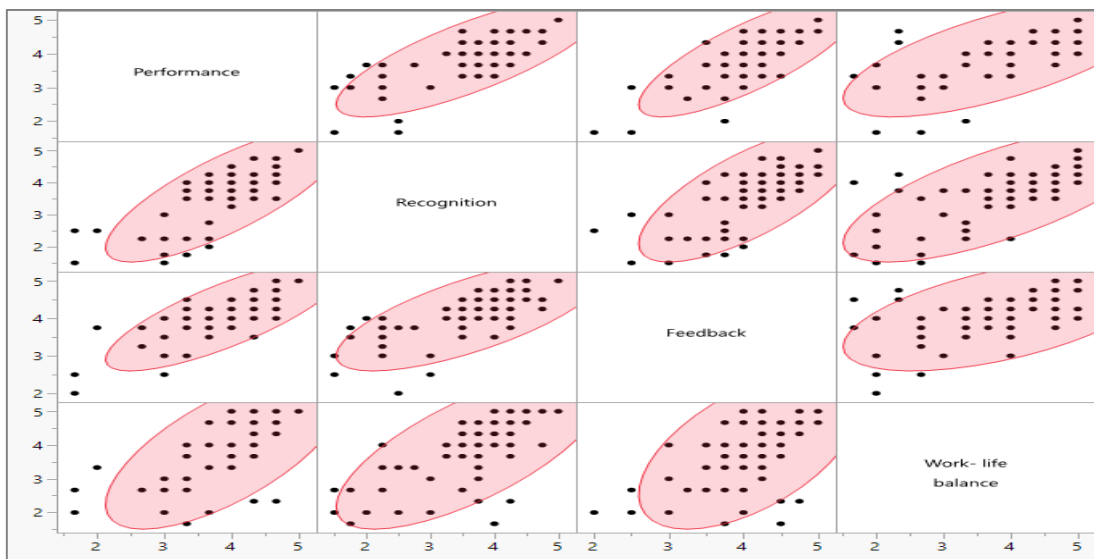




Figure 9: Scatterplot Matrix of the Correlation Between the Predictor and Response Variables

Data from Figure 9 shows the correlations between the response variable, performance, and each of the independent variables of recognition, feedback, and work-life balance on the one side, and between the independent variables on the other side. Since the data points plot in the direction of the base point, it depicts a positive correlation between pairwise variables.

Table 10: Pairwise Correlations

Variable	by Variable	Correlation	Signif Prob	-0.8 -0.6 -0.4 -0.2 0 .2 .4 .6 .8
Recognition	Performance	0.7870	0.0001*	
Feedback	Performance	0.7948	<00001*	
Work- life balance	Performance	0.6853	<00001*	

Table (10) shows the pairwise correlation values between the variables. Since the p-values of all the pairwise variables (recognition, performance), (feedback, performance), (work-life balance, performance) is smaller than 0.05, there is evidence that their correlation is statistically significant. In other words, there is some linear correlation between these pairwise variables.

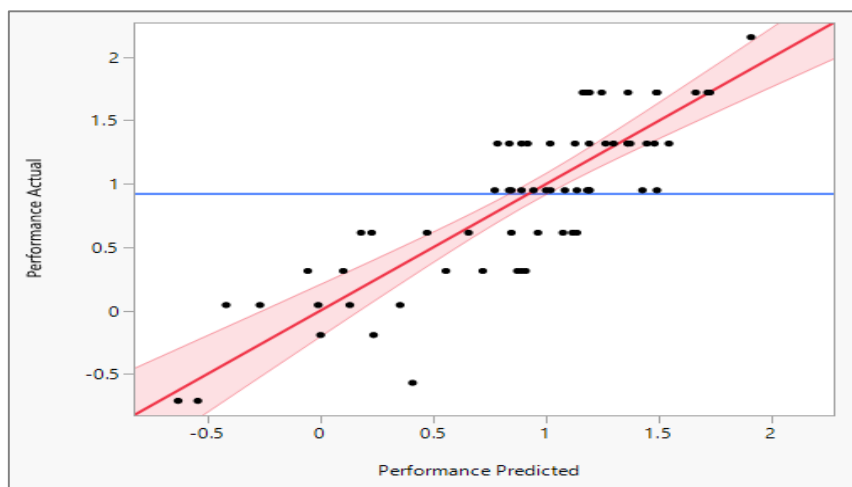


Figure 6: Actual by Predicted of response variable (Performance)



Figure 6 shows the association between the predicted and actual values of the response variable (performance). It shows that feedback, recognition, and work-life balance are all related to performance in a straight line or linear relationship.

Table 5: Summary of Fit

R-square	0.749567
R-square Adj	0.738184
Root Mean Square Error (RMSE)	0.344494
Mean of Response	0.928663
Observations	70

Table 5 presents the R-square value, which indicates the proportion of variation in the response variable that can be attributed to changes in the covariates. To summarize, we find that the factors of feedback, recognition, and work-life balance explain for 73.82% of the total variance in the performance. The remaining 26.18% of the variation in the response variable can be related to randomness or other unrelated factors to this research. Besides root mean square error (RMSE = 0.344494), showing that within every gathering of these predictor variables, the standard deviation of the performance is 0.344494. Furthermore, the average mean of the response variable is 0.928663, and the total number of observations is 70.

Table 6: Analysis of Variance (ANOVA)

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	23.443661	7.81455	65.8478
Error	66	7.832614	0.11868	Prob > F
C. Total	69	31.276275		0.0001*

Table 6 shows the analysis of variance, which is used to test whether or not the means of the predicted variables (feedback, recognition, and work-life balance) are equal to zero. The null hypothesis for an ANOVA shows no



difference between the independent variables. The alternative hypothesis says that at least one predicted variable is not zero or has affected the speaking grades.

$$H_0: \mu(\text{recognition}) = \mu(\text{feedback}) = \mu(\text{work - life balance}) = 0$$

$$H_1: \text{at least one of the means is not equal to zero}$$

Since the P-value is less than 0.05, the mean scores of the variables are not equal, which indicates that at least one variable has affected performance.

Table 7: Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob> t
Intercept	-2.531957	0.288715	-8.77	<b>0.0001*</b>
Recognition	0.2558803	0.083877	3.05	<b>0.0033*</b>
Feedback	0.4686451	0.100282	4.67	<b>0.0001*</b>
Work- life balance	0.1630476	0.062758	2.60	<b>0.0116*</b>

In Table 7, the P-values of the independent variables (recognition, feedback, and Work- life balance) are 0.0033, 0.0001, and 0.0116, respectively, and all the p-values are less than 0.05. Indicating that these three variables are statistically significant, and they all have some effect on the response variable, which is the performance. It also illustrated that the Recognition variable is significant because of its small p-value of 0.0033, and its estimated beta of 0.2558803 indicates the positive relation between (Recognition) and (Performance). In other words, with every one-level increase in recognition for employees, the performance increases by 25.59 %. Likewise, the variable of feedback is statistically significant due to its small p-value (0.0001) with an estimated beta of 0.4686451. Thus, there is a positive association between feedback and performance. In other words, with every increase of one level in the feedback, the performance of the employees increases by 46.86%.



Furthermore, the work-life balance variable shows positive statistical significance with a p-value of 0.0116 and an estimated beta of 0.1630476. This means that if the work-life balance of an employee goes up by one level, their performance goes up by 16.30 percent.

Then, the linear regression equation is as follows:

$$\text{Performance} = -2.532 + 0.2559 (\text{Recognition}) + 0.4686 (\text{Feedback}) + 0.1630 (\text{work-life balance}) \quad (1)$$

As a result, it be explained that Feedback accounted for the most effective variable of the employee's performance compared to other variables.

## 5. DISSCUSION

This research investigated the impact of non-financial rewards, namely work-life balance, feedback, and recognition, on the performance of employees inside public and private sector institutions in Sulaimani City. The findings provide robust empirical support for the positive influence of these non-financial factors within this specific context.

The primary quantitative results revealed a strong and statistically significant relationship between the selected non-financial rewards and employee performance. The linear regression model was highly significant (ANOVA F-test, p-value < 0.0001), indicating that the combination of recognition, feedback, and work-life balance reliably predicts variations in employee performance. Notably, these three factors collectively explained a substantial portion of the variance, accounting for 73.82% (Adjusted R<sup>2</sup>) of the observed differences in performance levels. This high explanatory power underscores the critical importance of these NFRs as drivers of employee effectiveness in the sampled healthcare organizations. This aligns broadly with human



resource management literature emphasizing the relevance of non-financial motivators (Armstrong & Taylor, 2019; Barends et al., 2022).

Delving into the individual contributions, the regression analysis (Table 7) confirmed that each of the three non-financial rewards investigated recognition, feedback, and work-life balance demonstrated an independent, statistically significant, and positive impact on employee performance.

Feedback emerged as the most influential factor ( $\beta = 0.4686$ ,  $p\text{-value} < 0.0001$ ), suggesting that clear, constructive communication about performance is perceived as highly impactful by employees in this setting. This finding is consistent with studies highlighting the crucial role of feedback in guiding effort, developing skills, and enhancing overall job performance (Shannon & Anderson, 2019; Wang & Zhang, 2022; Michael et al., 2023; Xiaotao et al., 2021). The strength of this finding emphasizes the practical need for robust, regular feedback mechanisms.

Recognition also showed a strong, significant positive relationship with performance ( $\beta = 0.2559$ ,  $p\text{-value} = 0.0033$ ). This confirms its importance as a motivational booster, validating previous research on the positive impact of acknowledging employee contributions on motivation and productivity (Robbin, 2019; Ali & Anwar, 2021; Montani et al., 2020). Employees in Sulaimani's health sector, like elsewhere, appear to respond positively to having their efforts valued and appreciated.

The work-life balance, while having a smaller relative impact compared to feedback and recognition, was nevertheless found to be a statistically significant positive predictor of performance ( $\beta = 0.1630$ ,  $p\text{-value} = 0.0116$ ). This indicates that policies and practices enabling employees to manage work and personal life demands contribute positively to their performance,



even if other factors are currently perceived as more dominant. This resonates with literature suggesting the WLB-performance link can be complex and context-dependent, influenced by various factors (Johari et al., 2018; Haar et al., 2019; Casper, 2023), but its significance here confirms it should not be overlooked in comprehensive reward strategies.

The practical implications arising from these results strongly suggest that healthcare institutions in Sulaimani should move beyond a purely financial focus and actively implement or enhance NFR systems. Establishing structured feedback processes, fostering a culture of recognition, and providing supportive work-life balance initiatives appear to be effective strategies for boosting employee performance in this context [Yadav & Sharma, 2021].

Yet, the research has some limitations. The sample size (n=70), although statistically adequate for the analyses performed, might limit the generalizability of the findings. Future studies with larger, more diverse samples across different regions or industries in Iraq could provide broader insights. Furthermore, the cross-sectional design only captures associations at one point in time; longitudinal research could better establish causality and track the long-term effects of NFR implementation. The focus on these three specific NFRs also leaves room for exploring the impact of other factors like development opportunities or autonomy.

## 6. CONCLUSION

This research investigated the impact of non-financial rewards on employee performance in the public and private health sectors in Sulaimani city. The results verify that feedback, recognition, and work-life balance all have a substantial and positive influence on employee performance. Precisely,



feedback was recognized as the most powerful aspect, suggesting that regular, constructive communication about performance is highly valued and impactful. Recognition also showed a strong positive relationship with performance, underscoring the motivational power of acknowledging employee contributions. Work-life balance, while statistically significant, had a relatively smaller, yet still positive, impact compared to feedback and recognition in this sample.

These outcomes contribute empirical evidence to the human resource management literature regarding the effectiveness of non-financial rewards, particularly within the under-researched context of the Iraqi health sector. The study verifies that moving beyond purely financial incentives and focusing on psychological and supportive rewards can be a powerful lever for enhancing employee performance in both public and private healthcare settings in Sulaimani.

## 7. RECOMMENDATIONS

Healthcare organizations in Sulaimani should enhance employee performance by focusing on effective non-financial reward systems. It is essential to implement structured feedback mechanisms, provide manager training, and establish formal and informal communication channels. Comprehensive recognition programs should also be developed, including public acknowledgment and fair rewards based on achievements. These initiatives should prioritize work-life balance and be incorporated into a cohesive strategy communicated throughout the organization to motivate employees effectively.

Future research should expand its scope by using larger, diverse samples across various healthcare settings in Iraq. Longitudinal designs and mixed-



methods approaches will offer deeper insights into the impact of non-financial rewards on employee perceptions. Additionally, exploring other non-financial rewards, such as development opportunities and autonomy, is necessary. Investigating mediating factors like motivation and engagement and moderating influences like demographics will further clarify the relationship between non-financial rewards and performance.

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