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The Psychological Influence of Recognition and Appreciation on Job Satisfaction and Performance among IT Employees

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ABSTRACT

Recognition and appreciation which can also be refer to as intrinsic ways of getting employee motivated has become an essential phenomenon. Affirmatively, "intrinsic motivation is experienced when a person is moved to act for the 'fun' or challenge entailed rather than because of external pressures or rewards". Thus, intrinsically motivated employees can be the greatest asset for any organization, especially management, since less supervision will be needed. Conversely, intrinsically motivated employees always deliver their best performance which, in turn, motivates them, whilst the organization enjoys the best outcome. This study aim to explore employees' perceptions of recognition and appreciation among Telekom Malaysia (TM) employees in Melaka and the psychological influence it has on their job satisfaction, performance, productivity, and commitment towards the organizational goals. Research consistently finds that people care about fair treatment. The constructs that will be used in this study will be operationalized using previously-validated and originally developed measures with little or no modifications where necessary to suit the present research context while the primary data of this research will be analyzed using AMOS software.

Keywords: recognition, appreciation, self–esteem, job satisfaction, job performance, IT employees, psychological effect

Introduction

The aim of this study is to explore employees' perceptions of recognition and appreciation among IT employees in Melaka and the psychological influence it has on their job satisfaction, performance, productivity, and commitment towards the organizational goals. Research consistently finds that people care about fair treatment. When individuals perceive that they are treated fairly, they express greater satisfaction with social relationships (Matlala, 2011). This is suggests that organizations and their systems and processes are vulnerable to the power of human perceptions. Considering that human wants and needs are unlimited and insatiable and also putting into consideration that employee motivation is a basic psychological process.

Recognition and appreciation which can also be refer to as intrinsic ways of getting employee motivated has become an essential phenomenon as revealed by (Polite et al., 2014). These authors further affirmed that "intrinsic motivation is experienced when a person is moved to act for the 'fun' or challenge entailed rather than because of external pressures or rewards". Thus, intrinsically motivated employees can be the greatest asset for any organization, especially management, since less supervision will be needed.

Conversely, intrinsically motivated employees always deliver their best performance which, in turn, motivates them, whilst the organization enjoys the best outcome.

According to (Gallup, 2013, 2004; 1999), various exploration, affirmed that appreciation and recognition are indispensable building blocks of a great workplace and significance key to employee retention and productivity. Thus, all employees like to be recognized and appreciated because it is an innate aspiration as well as the need to be recognized as individuals and to feel a sense of accomplishment. There is nothing complicated about recognition, but it is one of the items that consistently receives the lowest ratings from employees. It was affirmed that employee's recognition and appreciation concepts are two critical components for creating positive emotions in any organizations.

In the study of recognition and appreciation of employees at the workplace, Gallup Organization having conducted a comprehensive research on more than 4 million employees globally. Revealed in one of their exploration, which embraces more than 10,000 business units and more than 30 industries, that employees who receive regular recognition and praise:

- Increase their individual productivity
- Increase engagement among their colleagues
- Are more likely to stay with their organization
- Receive higher loyalty and satisfaction scores from customers
- Have better safety records and fewer accidents on the job

However, lack of employees' recognition and appreciation are always synonymous to employees' lack of commitment and turnover. One of the greatest nightmare of employers of many organizations is seeing their best hand showing lack of commitment or probably disengage from the service of such organization. Furthermore, according to the IT sector is said to be confronted mostly with constant mobility of their highly skilled personnel (See Fig.1). It was informed by (Nurul, et al; 2014; Sia, 2012), according to Malaysian Employers Federation (MEF, 2012) and Ministry of Human Resource (MoHR, 2013), "that Malaysian companies are seeing an loss rate of between 9.6% and an incredible 75%, based on its study conducted on executive positions between June 2010 and July 2011, on 143 companies across the various sectors in the country".

The survey shows that the annual average turnover rate for Executives in manufacturing and non-manufacturing industry consists of 18.84% and 22.44% respectively. The report shows that non-manufacturing sector are IT or Communication with highest annual average turnover rate at 75.72%, Associations or Societies at 33%, and Hotel or Restaurant at 32.4%. The manufacturing sector saw relatively lower annual average turnover rates, with the highest being the Basic & Fabricated Metallic Products sectors at 23.88%, follow by the Electrical & Electronics sectors at 23.04%, and Plastic or Rubber sectors at 19.92%. All this amount to additional costs for employers as they have to recruit new staff to replace those who leave (Goh, 2012). Thus, it is evidence according to the data that IT sector facing the highest employee turnover rate in Malaysia (Nurul et al; 2014 & Sia, 2012).
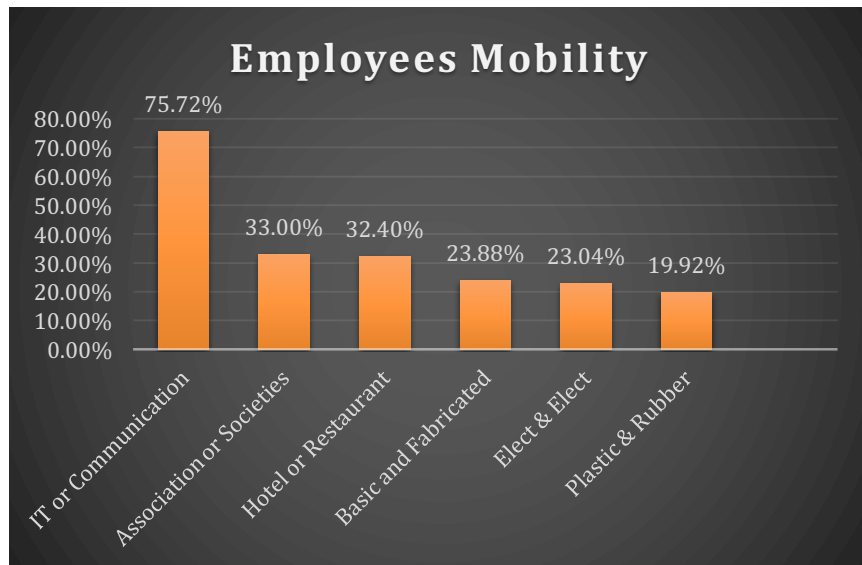
Figure 1. Employee turnover chart (Source: MEF 2012 & MoHR 2013)

Literature Review

Various related and relevant articles, books, magazines and journals that directly or indirectly focus on issues interrelated to IT employees' intrinsic motivation that may lead to job satisfaction and performance will be systematically reviewed. Previous reviews of related past studies on IT employees will be the guide to this present study in terms of constructing ideas and acquiring an overview and some level of conclusion on the issues related to IT employees' job satisfaction that may lead to increase job performance of IT employees in Melaka – Malaysia.

Recognition as a Virtue

It has been affirmed according to its overall prevalence in the past decade that recognition programs continue to hold their place in the total rewards toolkit (World at Work, 2013; 2011). Study revealed that about (86%) organizations have recognition programs in place. Like the popular phrase "*People don't leave jobs or organizations, people leave people.*" The purpose of having a good recognition program in the organization is to retain best talent, boost morale, build confidence, and instil loyalty and strengthening the employee's commitment towards the organization. Thus, organizations that has good recognition program in place seems to have more productivity and profit as it has been empirically asserted that recognition and praise reliably correlate with higher retention, higher customer satisfaction, higher productivity, and higher profits ((Theresa, 2006). Organizations that have reward programs in place show a 109% shareholder return while companies who do not have reward programs show a 52% return (Theresa, 2006; Elton & Gostick, 2002).

Employees Recognition and Job Satisfaction and Performance

Research done by previous researchers (Mussie, Kathryn, & Abel, 2013; DeCenzo & Robbins, 2010; Haile, 2009; Severinsson & Hummelvoll, 2001), found that both financial and nonfinancial rewards impact the job satisfaction and motivation of employees. However, it was affirmed that employees are likely to be motivated to improve their performance with nonmonetary rewards such as employee recognition. Recognition is the acknowledgement, appreciation, or approval of the positive accomplishments or

behaviours of an individual or team (Caligiuri et al., 2010; Nelson, 2005; University of Iowa, 2009). According to Gostick and Elton (2007), refers recognition as praise or a personal note acknowledging achievements including small gestures that are important to employees.

Employee Appreciation as Facilitator of Job Satisfaction and Performance

Past studies theorized that being appreciative facilitates and enhances subjective well-being. Adler (2002), defined appreciation as "acknowledging the value and meaning of something an event, a person, a behavior, an object and feeling a positive emotional connection to it. Appreciation helps people see beyond the immediate task at hand and see the emotional person that is doing the work (Chapman & White 2011; Adler & Fagley, 2005). Chapman and White make a distinct difference between appreciation and recognition. It was explicitly explained that appreciation can be given or done intentionally, for example, you give appreciation when you appreciate someone for whom they are, and so you can intentionally recognize a person's efforts when the situation calls for it.

Psychological Effects of Recognition and Appreciation

Ajang (2010, 2007); Kreitner (1995); Buford, Bedeian & Linder (1995); Higgins (1994); Linder (1998); distinctive motivation as "the psychological process that gives behavior purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, an unsatisfied need, and the will to achieve, respectively. The primary intention for creating psychology as a field, is to identify genius, to heal the sick, and probably to help people live better, happier lives. As depicted by (Akanbi, 2011), the author states that psychological motivations which can also be termed as Intrinsic motivation such as employees having the opportunity their ability, having a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. It was affirmed that employee who is intrinsically motivated are more committed and dedicated to their work to the extent to which the job inherently contains tasks that are rewarding to him or her. It was further suggested that for an individual to be motivated in a work situation (Akanbi, 2011; Ajila, 1997). Nevertheless, there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic.

Intrinsic Motivational Factors

Atif et al., (2014), highlight that most establishments believe and emphasis more on extrinsic rewards overlooking intrinsic rewards which also play significant role in employee motivation. Appreciation and recognition are not just intrinsic rewards but are virtues which motivate employees and increase their performance. Similarly, employee's commitment depends on the rewards and recognition as revealed by Andrew, (2004). The study pointed out that behavior with the human resources measures the prosperity and survival of the organization and thus satisfaction after completing task, gratitude from boss, empowerment are the non-tangible rewards (Lawler, 2003). According to (Ajila and Abiola, 2004), intrinsic motivation is describe as non-monetary rewards as rewards that are inherent to the nature of the job. Intrinsic non-monetary refers to pleasure able emotional state that individual receive against his work (Porter & Lawler, 1968). They can thus be equated to what Kallerberg (1977) termed intrinsic job satisfaction.

Motivation Theories

Herzberg's Two-Factor will be used as the main theory of this study with support of Abraham Maslow hierarchy of needs. These two theories explain the effect of employees' motivation and its psychological outcome.
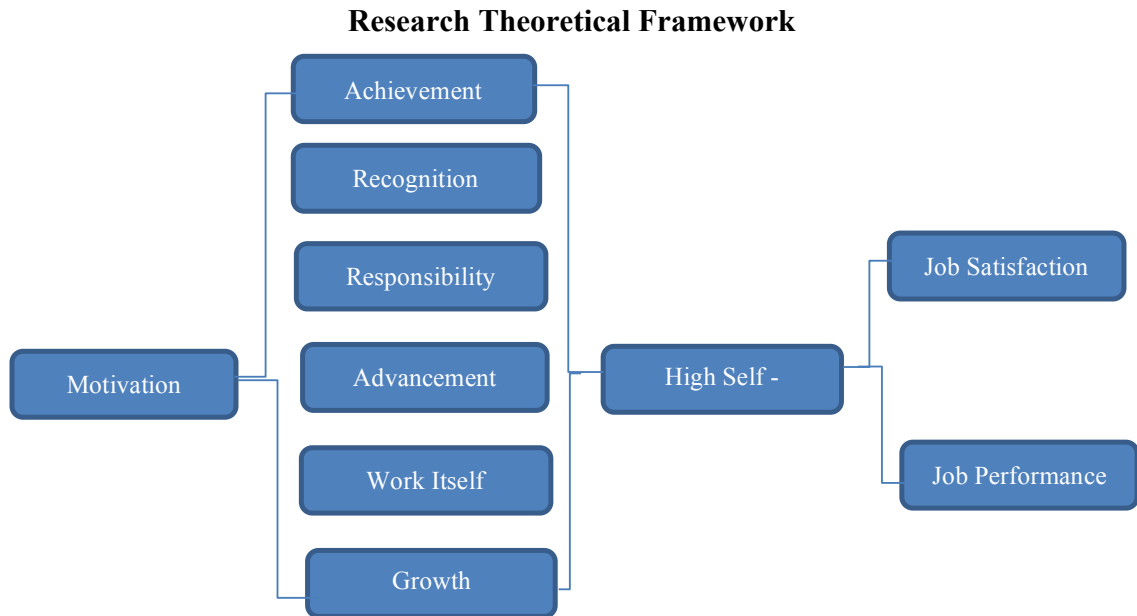
Research Theoretical Framework

Figure 2. Herzberg Motivator factors and Maslow Self – Esteem leading to Job satisfaction and performance

The focal point of this research is on employee motivation. According to Herzberg research which examined the relationship between job satisfaction and productivity among 200 engineers and accountants. The result of the research was Herzberg's motivation-hygiene theory of motivation, which suggests that certain factors (motivator factors) lead to job satisfaction, whereas others (hygiene factors) prevent dissatisfaction but cannot engender satisfaction. Motivator factors are factors that are intrinsic to the job, such as the content of the work itself and the availability of opportunities for responsibility, advancement and recognition for achievement (Herzberg, 1987. 1968). However, this present study assumed that the presence of Herzberg motivator factor will boost employees self - esteem according to Maslow higher human need which may eventually (See Fig 2), lead to Job satisfaction, performance and commitment of the employees whereby creating a win – win atmosphere for both employers and employees.

Proposed Research Method

In this study, cross – sectional study design with an exploratory and descriptive design will be used. According to (Sekaran and Bougie, 2010; Spector, 2007), cross sectional study is a study which data are gather just once (days, weeks or months) to answer the research question. However, exploratory and descriptive designs focus on the occurrence of interest, which according to this study, is to find out whether intrinsic motivational package i.e recognition and appreciation have any psychological influence on IT employees job satisfaction and performance and help in identifying factors that may lead to job satisfaction.

For this study, quantitative survey is chosen because the samples for the study will consists IT employees from Telekom Malaysia in Melaka which will only considered

subset from the total population. Furthermore, the period of collecting data is short, with little or no follow – up activities needed. During the process of conducting the research, questionnaire will be deployed. The questionnaire is aimed to establish the personal background of the respondents with regards to the perceptions on recognition and appreciation and its psychological influence on their job satisfaction and job performance.

Pilot and Hypothesis Testing

In order to determine appropriate question content, response time, and statistical analysis, a pilot study will be conducted. The purpose of conducting the pilot study is to ensure that the respondents are aware of the items in questionnaire as well as to clarify any ambiguities and estimating the amount of time taken by respondent in answering the questions. The respondent will be chosen from TM employees in Melaka. Furthermore, based on the study theories and previous literatures, this present study anticipates to test the following hypothesis accordingly:

Hypothesis One:
Recognition influence employee job satisfaction and performance
Hypothesis Two:
Appreciation influence job satisfaction and performance

Data Analysis Tools

The primary data of this research will be analyzed using AMOS software. The statistical program that will be used for the analyses and presentation of data in this existing research is the Structural Equation Model (SEM – AMOS). The descriptive statistics will be utilized based on frequency tables and graphical illustrations to provide information on key biographical variables in this study. This will followed with presentation of the inferential statistics based on examination of each hypothesis formulated for the research.

Conclusion

The concepts of recognition and appreciation in this study are not just intrinsic motivational factors but are two powerful virtues that are inevitable and critical factors for creating positive emotions in any organizations. According to previous, it has been affirmed that all employees like to be recognized and appreciated. An employee recognition program can be the key to motivating employees and infusing a spirited measure of creativity into an otherwise "stale" corporate culture. Considering that this is the first study on intrinsic motivation and job satisfaction in an information technology environment of Telekom Malaysia (TM) in Melaka. This study anticipated that this present study results can provide guidelines in developing an appropriate intrinsic rewards system for information technology organizations in general as well as providing literatures and making recommendations for future researchers

Acknowledgment

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