The Psychological Impact of Recognition and Appreciation on Job Satisfaction and Job Performance among IT Employees: Review

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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 aims 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.

Key words: Recognition, appreciation, self-esteem, job satisfaction, job performance, telecom it employees, psychological effect

INTRODUCTION

The ability of any organization to achieve their set objectives depends to a large extent such organization motivate its employees. Since, management is all about getting things done through people and reward (Follet, 1918). Thus, this studyaims to explore IT employees in Melaka perceptions of recognition and appreciation and the psychological impact it has on their job satisfaction, job 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 (Manoko, 2011). This is suggesting 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 Masraure *et al.* (2014). These researchers 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, 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.

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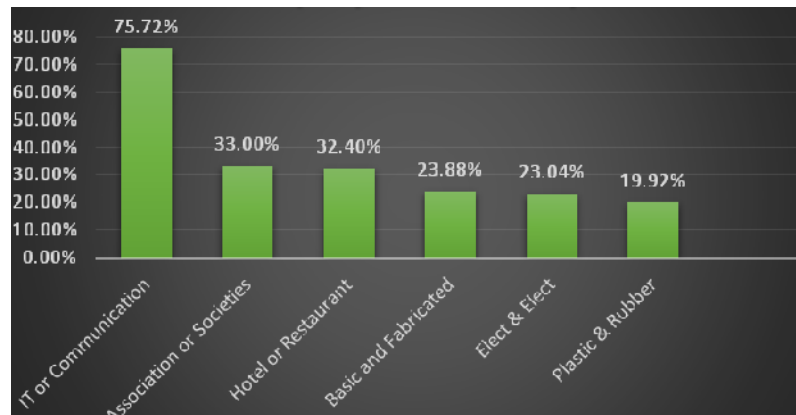
Fig. 1: Employee turnover chart

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 >10,000 business units and >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 (Fig. 1). It was informed by Nurul and Sia, according to Malaysian Employers Federation and Ministry of Human Resource (MoHR, 2013), "that Malaysian companies are seeing a 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".

According to Fig. 1, the analysisexposed 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 and Fabricated Metallic Products sectors at 23.88%, follow by the Electrical and 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. Thus, it is evidence according to the data that IT sector facing the highest employee turnover rate in Malaysia.

Purpose of the study: The focus of this study is centered on Telecom Malaysia employees in Melaka Malaysia. The purpose of this study is to examine the influence of recognition and appreciation on job satisfaction and performance of IT employees. It is based on perspective that effective reward systems could lead to employee empowerment and motivate employees to show commitment to their work and positively influence the performance of their organizations. This study is important as it will highlight factors that IT employees view as enhancing job satisfaction and job performance within their organization.

Objectives of the study: This research is basically aimed at exploring the psychological influence of recognition and appreciation on job satisfaction and performance of IT employees. Likewise, this survey shall review the innumerable motivational tools being used in improving retention and reducing IT employee's turnover most especially in the telecommunication industry.

Fig. 2: Herzberg motivator factors and maslow self esteem leading to job satisfaction and performance

Motivation theories: This study will anchor on Herzberg's Two-Factor theory as the main theory as well as Abraham Maslow (1943) hierarchy of needs. These two theories explain the effect of employees' intrinsic motivation and its psychological outcome.

Research theoretical framework: 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, 1960). However, this present study assumed that the presence of Herzberg motivator factor will boost employee's self-esteem according to Maslow higher human need which may eventually lead to job satisfaction, performance and commitment of the employees whereby creating a win win atmosphere for both employers and employees (Fig. 2).

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. 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 (Schouten, 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.

Employees recognition and job satisfaction and performance: Research done by previous researchers (Mussi *et al.*, 2013; Cenzo and Robbins, 2010; Haile, 2009; Severinsson and 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). 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 (Adler and 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 (2007), Kreitner (1995), Buford *et al.* (1995), Higgins (1994) and 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 researcher 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 (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: Rafique *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 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 and Kent (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 described 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, 1968). They can thus be equated to what Kallerberg (1977) termed intrinsic job satisfaction.

MATERIALS AND METHODS

Proposed research method: In this study, an exploratory and descriptive design will be used. According to Sekaran and Bougie (2010) and Spector (2007), 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 job performance 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:

- H_1: recognition influence employee job satisfaction and job performance
- H_2: appreciation influence job satisfaction and job 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 follow with presentation of the inferential statistics based on examination of each hypothesis formulated for the research.

RESULTS AND DISCUSSION

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.

Gap in literature: Based on the previous literature exploration, it was revealed that knowledge is deficient on the subject of recognition and appreciation on job satisfaction and job performance with particular focus on the employees of Telecommunication Malaysia, Melaka. Additionally, previous studies have not utilized appreciation as a form of endogenous factor for reward and motivation among information technology employees generally, thus creating a gap that need to be filled by means of empirical study.

CONCLUSION

Considering that this is the first study on information technology employees' intrinsic motivation in atelecommunication environment of Telekom Malaysia (TM) in Melaka. The study anticipated that the fieldwork outcome can offer TM blueprint fordeveloping an appropriate intrinsic rewards system for its employees and also serve as guidelines for information technology organizations in general.

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