

## IMPACT REWARD AND RECOGNITION TOWARD JOB SATISFACTION

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### Abstract

The involvement of motivation and job satisfaction can make the organization more valuable and profitable besides it will retain the efficiency of the performance in an organization. Moreover, it can help employees to increase their motivation in work and result in them performing well in the organization and eventually increase their job satisfaction. The researcher wants to study the relationships between rewards and recognition towards job satisfaction and motivation within one of the logistics company located in Malaysia.

**Index Terms**-- Job satisfaction, reward, recognition

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### INTRODUCTION

The aim of this study was to determine the effects of rewards and recognitions to the motivation and job satisfaction of employees in the organization. Motivation is one of the basic psychological processes. According to Sahitoet al., 2017, this model relies on all explored areas from the logical comparison of content and process theories to understand the phenomenon of job satisfaction and motivation of employees.

Nowadays, work is important because to earn our daily lives. Therefore, the attitude of the individual who will determine that he was an excellent worker or not, it because workers who have high motivation will cause her to have the power generator to perform daily work diligently.

### PROBLEM STATEMENT

Among the problems that are often associated with the field of work is the absence of work, this causes an individual's work performance has deteriorated and causes in disrupted quality of work. Shaabanet al., (2018) stated that, to reduce employee absenteeism from work is to pay bonuses and rewards and other benefits to employees.

The reward has been said to represent anything that an employer is willing to give or offer to an employee in exchange for his or her contributions to the organization (Chiang and Birtch, 2008).

This indicates that workers expect a reward from their employer after tired doing the work; they will be more motivated if the employer gives a reward to employees. According to Bustamamaet al., 2014, an unpleasant environment will be created if there is lack of rewards, thus this can contribute to diminish of employees' work efforts and it may cause them to withdraw from their jobs.

To encourage employees to engage in employment, the employer must provide rewards or recognition to employees so that they are more active and healthy competition while performing a given task. This will enhance the quality of work and also performed better quality results and quality.

### RESEARCH OBJECTIVES

The objectives of this research are:

RO1: To identify impact factor for reward and recognition towards employee job satisfaction.

RO2: To examine the relationship between impact factor for reward and recognition toward job satisfaction.

RO3: To suggest and recommendation about how to motivate employee.

### LITERATURE REVIEW

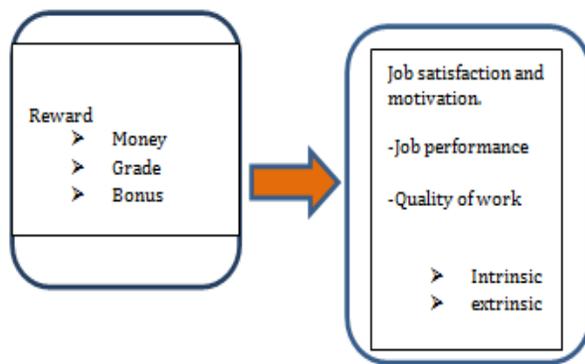
Employees want to get a reasonable wage, because money is the most important thing when, speaking about the effect (Robescuet al., 2016). Financial rewards have the ability to retain and motivate individuals toward higher performance, especially subordinates, employees can use the money to meet their needs and fulfill their needs and desires.

Therefore, salaries have a great impact in creating perseverance and commitment, as a key driver for the workers. However, studies have shown that the salaries are not increased productivity in the long run and the money does not improve performance (Muslimet al., 2016).

In addition, only focus on this aspect can worsen the attitude of the workers, because it can only pursue financial gain. However, there are other non-financial factors that have a positive effect on motivation, such as rewards, social recognition and performance feedback.

Workers can also be encouraged through proper leadership; leadership is all about getting things done the right way. To achieve this, leaders need to gain the trust of employees and make them follow it. However, to make them believe him and complete their tasks properly for the organization, employees' needs to be motivated (Muslimet al., 2016).

According to the importance of each job, the performance of individual allowances and privileges. Workers can also be encouraged through proper leadership; leadership is all about getting things done the right way. To achieve this, leaders need to gain the trust of employees and make them follow it. However, to make them believe him and complete their tasks properly for the organization, employees' needs to be motivated (Kuranchie-Mensahet al., (2016).



**Figure 1.** Impact reward toward job satisfaction and motivation

### 1.1 Reward

Rewarding approach aim to strategically designing ways to compensate employees for their work efforts and contribution towards the organization they enrolled in. The rewards can motivates employees by fulfilling their desire for monetary gain. This allows employees to receive a share in the financial gains such as bonuses from the profit made by the organization through their contribution.

In any organization, reward plays an important role in developing and maintaining commitment among employees who ensure a high standard of performance and stability of the labor force (Wang 2004). Whereas, Lawler (2003) argues that there are two factors that determine how many exciting reward, the first is the amount of consideration given and the last was weighted to reward specific individuals. This means that the amount of reward to be received by employees is based on their own efforts; if they do work or perform well at work then they are eligible for compensation from the employer.

Employees must be closer to the organization and they do a better job when they receive their reward in the organization healthy. Rewards will enhance the efficiency and performance of employees at work and in the decision to increase the success of the organization. Maliket *al.*, (2016) advocated that there needs to be an effective reward system for maintaining high performance within an organization and the consideration to be related to their productivity.

This is because employees will be more motivated to do the job when they are rewarded by the employer and it will encourage them to do the job more seriously as a reward to encourage them to be more motivated when they are at work and building. (Bamberger and Levy, 2009) states, reward systemis likely to have a direct impact or direct effect on the direction of employees' individual attention and effort.

In addition to that, (Shaabanet *al.*, (2018) states, the structure and allocation of rewards may affect the motivation of each individual among team members, and the inclusion of rewards is central to many models of work group effectiveness. However, (Mahaney and Lederer, 2006) states, intrinsic and extrinsic rewards offered by organization to employees or members for the purpose of improving human resource outcomes.

This is because the reward is divided into two as to make it easier for managers to decide whether to choose intrinsic reward or extrinsic reward. Kuranchie-Mensahet *al.*, (2016) examine that intrinsic rewards are rewards within the job itself like the satisfaction of completing a task successfully, appreciation from the boss, autonomy, while extrinsic rewards are tangible rewards like pay, bonuses, fringe benefits, and other promotions.

### 1.2 Job Satisfaction

Job satisfaction is the extent to which employees feel positive or negative about aspects of the work such as working conditions, time, structure, compensation, job, and relationships with colleagues and responsibility (Omme et al., 2009). Job satisfaction is very important to ensure that employees will be eager to perform daily tasks and can achieve high quality work when given a task. Pay is thought to be a key factor behind job satisfaction besides promotion, recognition, job involvement and commitment. Beside that according to (Kamal & Hanif, 2009) Job satisfaction is a feeling of an employee about his job. When each task performed rewarded it will encourage workers to be more eager to do work and can reduce absenteeism employee. According to (Robescuet *al.*, 2016) state that, job satisfaction can be a predictor of absence of work. This suggests that should the workers have no job satisfaction will influence their arrival.

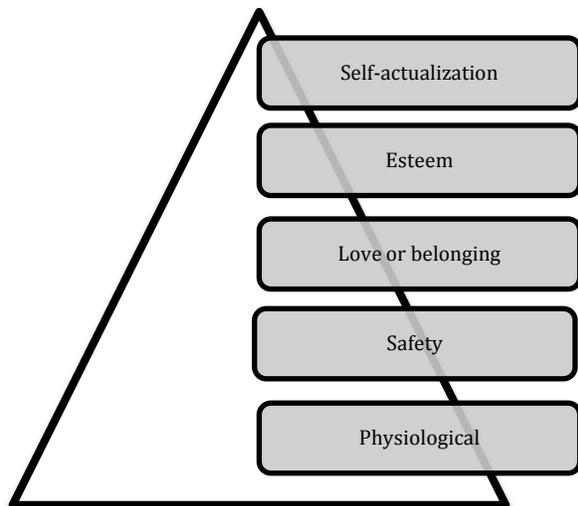
Ability supervisors to provide strong leadership has an impact on employee job satisfaction (Morris, 2004). The supervisor can be a guide to the employee because the supervisor will lead the workers to do a job properly; if the employee lead workers well then it will lead to job satisfaction of employees. Job satisfaction and productivity of the employees can be influenced by the manager's leadership behavior.

Leadership behaviors are defined as a pattern of behavior that leaders prefer to use in leading their employees (Robescuet *al.*, 2016). While, (Mosadegh, 2003) states, leadership behavior is a series of attitudes, characteristics and skills used by a leader or manager in different situations in accordance with individual and organizational values. However, Maliket *al.*, (2016) state that, studies show that there is a positive correlation between leadership and employee job satisfaction. It is said that leadership is an important indicator or determinant of organizational effectiveness and employee job satisfaction.

### 1.3 Employee Motivation

As usually everyone wants to have something desirable and trying to get it, as well as an employee who wants to reach the level of job satisfaction and try to do something to ensure the quality of work produced and can improve the quality of work. This may occur because driven by several factors such as reward, gift, bonus or otherwise. Employee motivation is one of the basic management works to improve the effective management of the workers in the organization (Shaabanet *al.*, (2018). This is because, every company wants to ensure that all business can run smoothly without any problems or due to carelessness or errors occur because workers lack the skills. The employees should be careful when doing work and mistakes to be avoided in order to avoid complaints from customers related to services rendered dissatisfaction.

Every worker must have the motivation to work and work to ensure that the principles in their work with better quality and can increase productivity and improve the quality of services provided. Research by Jungert *al.*, (2018) consistently found that intrinsic motivation is conducive to producing creative work, while extrinsic motivation is unfavorable to producing creative work. High intrinsic motivation has been linked to higher achievement (Ibrahim *et al.*, 2015). Intrinsic motivation is defined as the doing of an activity for its inherent satisfaction rather than for some separable consequence. Where intrinsically motivated, a person is moved to act for the fun or challenge entailed rather than because of external products, pressures or reward. Whereas, extrinsic motivation is most often associated with the engagement in activities because they lead to desirable consequences, separate from the activity such as tangible rewards. Hence, the behavior is a means to an end and not involved in for its own sake (Ibrahim *et al.*, 2015).



**Figure 2.** Hierarchy of human needs according to Maslow's hierarchy of human needs.

Every person have the capability and has the desire to climb up the hierarchy from physiological level to self-actualization level. Unfortunately, progress is often disrupted due to failure in meeting lower level needs. Experiences in human life, such as divorce, abusive parents, and job been terminated may cause a person to fluctuate between levels of the hierarchy. According to Maslow (1943) noted only one in a hundred people become fully self-actualized because our society rewards motivation primarily based on esteem, love and other social needs.

To measure the relationship between reward and recognition, researchers use Abraham Maslow theory of motivation. This theory has five levels, namely, physiological needs, safety needs, love and belongingness needs, esteem needs, and self-actualization needs. This measure can be used to see the relationship between reward and recognition toward job satisfaction and motivation.

#### **i. Physiological needs**

Physiological needs are the physical requirements for human survival. If these requirements are not met, the human body cannot function properly and will ultimately fail. Physiological needs are thought to be the most important; they should be first. This is because; requirement met the basic needs of human life. For human, the basic requirement needed for survival is air, water, and food. In addition, clothing and shelter will provide the necessary protection for human survival.

#### **ii. Safety Needs**

Once the physiological needs are satisfied, the needs for safety and security become important. It shows that based on Maslow's hierarchy, after one needs is satisfied, people or human will climb up the hierarchy and try to achieve the upper needs. Safety needs can be in term of physical safety such as natural disaster, family violence, childhood abuse or in term of economic safety such as during the economic crisis people being terminated from their current job, they have less social stability and lack of job opportunities. Other than that, it can also be in term of savings accounts, insurance policies, and reasonable accommodation disability. Besides, people also require security when doing a task and safe working environment.

#### **iii. Love or belonging**

The third level of human needs involves feelings of belongingness. In this need, the interpersonal relationships can motivates individual behaviors. For a child, this need is stronger

and can overrule the need for safety, this can be seen in children who still have bond to abusive parents. Deficiencies in this level of Maslow's hierarchy can be due to the experience of being neglected and exclusion from a society or group. These can impact the person's ability to form and maintain emotionally significant relationships such as, family, friendship, and intimacy.

According to Maslow, as humans, there is a need to feel a sense of belonging and acceptance among their social groups, regardless whether it is a large or small group of people. In example, some groups may include large social clubs, co-workers, professional organizations, and sports teams. Some examples of small social connections include school friends, family members, husband or wife, mentors, colleagues, and confidants. Many people become prone to loneliness, anxiety disorder, and clinical depression due to the absence love or belonging element. This need for belonging may overcome the physiological and security needs, depending on the strength of the peer pressure.

#### **iv. Esteem**

Esteem is the fourth level of needs in Maslow's hierarchy. All humans have a need to feel respected. Self-esteem needs portray the typical human desire to be valued and accepted by other human beings. People often involve in a profession, networking, and hobby to gain recognition. These activities give the person a sense of contribution. Low self-esteem or an inferiority complex may result from the imbalances during this level of hierarchy. People with low self-esteem often need to feel respected by others in their circle or surrounding, they may feel the need to seek for fame or glory. At this level, an individual require the need to be awarded and recognition, it may be associated with an award given by their organization in result of high quality of work done by the employees, this will increase the motivation of employees and eventually increasing their job satisfaction.

#### **v. Self-actualization**

This are the highest level of need based on Maslow's hierarchy. It refers to the realization of a person's potential, self-fulfillment, the need of personal growth and experiences. Maslow describes this level as the desire to accomplish everything that a person can do at the most. Individuals may perceive or focus on this need very specifically. For example, someone wants to succeed by trying to achieve is to meet him in life or someone trying to get a job or work.

### **CONCLUSION**

This chapter shows the important role of research design in conducting this research. The main function of a research design is to ensure that the evidence obtained from the research enables researcher to answer the initial question as apparent as possible. Obtaining relevant evidence require specifying types of evidence needed in answering the research questions, testing a theory, evaluating a programmed or to accurately describe some phenomenon. In addition, the design research is a proof that the researcher used to evaluate his or her evidence that has been obtained and collected from the start.

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