Impact of Reward and Recognition on Employee Motivation in Local Creative Industry

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ABSTRACT

The aim of this project is to explore the impacts of reward and recognition towards employee's motivation in the creative industry. It focuses on two dimensions: to see if employee motivation in the creative industry is driven by rewards and recognition and to identify what employees consider the most beneficial reward and recognition that motivates them. This project will firstly look at the type of motivation in an employee as well as whether it is sustainable with rewards and recognition. The insight toward rewards and recognition and its corresponding impact towards motivation of employees working in the creative industry of Malaysia will be explored through a dedicated questionnaire towards people working in the creative industry. These respondents would be comprised of people ranging from managerial position who are overseeing a group of employees to employees working in an organization. The outcome of this project would be that the impact of reward and recognition will prove to be beneficial towards the improvement of employee motivation in the creative industry. It would be seen that the most beneficial type of reward and recognition sought after by employees in the creative industry differs to those of other industries. Finally, if the management understands employee's need and desire as well as understanding the effort it takes to motivate an employee to excel, a positive and mutual working environment can be achieved resulting in positive yield and progress.

Keywords: Reward and recognition, employee motivation, workforce, creative industry, management.

I   INTRODUCTION

Employee motivation is one of the driving forces behind any organizational success where the human capital within said organization would be able to function at its best. "Rewards, in principle, are intended to encourage positive behaviour. For management, reward policies are utilized to motivate employees to achieve a high standard of performance that supports the organizational strategy" (Jelavic & Salter, 2014). Thus, the question most organization asks is that what must it do to motivate its employees? It all falls down to how an organization can motivate its employee towards the organizational goal.

There are a lot of ways to motivate employees, it goes from monetary rewards to recognition and awards. Turner (2006) stated that in his paper that when he was studying factory workers, he found out that the relationship between financial rewards and performance was not significant but when the same study was done on service businesses, the results turned out to be positive and significant. Since motivation is one of the driving forces behind employee performance, it is safe to say that when it comes to the link between rewards and motivation or performance, it is not a "One-size-fits-all" issue. It is often the case where organization offers up rewards and recognition to bolster the motivation of its employees towards the organizational goal. "Motivated employees are needed in our rapidly changing workplaces. Motivated employees help organizations survive. Motivated employees are more productive" (Devi, 2004). This is crucial for any organization because the core purpose of any organization or businesses is to survive. To survive, you would need more motivated employees to adhere to the organizational goals.

Employees who are not motivated towards their job would be a liability to the organization because it would simply be the fact that the organization is not at its level best in terms of using all the resources that it has to the upmost potential. To have a fully motivated team of employees would mean to utilize the company's resources at its best. With that in mind, the issue is to identify what motivates an employee in the creative industry in Malaysia. As stated previously, reward systems could cost the organization thus it would be beneficial to know how to structure the rewards beforehand, to avoid wasting resources.

The significance of this study is to further understand the relationship between reward and recognition and its impact towards motivation of creative employees. It is often tricky to determine what is more beneficial towards motivating creative employee, but having a basis of those uncertainties would definitely be an advantage for organizations. It would also be beneficial to understand what type of rewards or recognition would prove best in terms

of cultivating motivation within creative employees.

The objectives of the research: (1) To investigate how reward and recognition pose an impact towards employee's motivation; (2) To identify what type of reward and recognition would be deemed most beneficial towards increasing employee's motivation in creative industry .The research questions: (1) does reward and recognition promote motivation in employee of the creative industry in Malaysia?; (2) Which type of reward and recognition would be most effective in bringing out the best motivation in creative industry employees in Malaysia?

II   LITERATURE REVIEW

Generally, one would want to be able to utilize to the fullest extent of what resources an organization has. "Motivated employees are needed in our rapidly changing workplaces. Motivated employees help organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform" (Lakshmi Devi, 2004). Generally, a motivated employee is a vital aspect of any organization. "If they are dynamic, motivated and up to date their company will receive higher prosperity due to their innovations and successful performance" (Memary & Wong, 2009). In the ever growing creative industry in Malaysia, the need for employee motivation to increase productivity as well as the employee retention is increasingly important. With the tight deadline and production schedules, employees are needed to be motivated to push themselves towards achieving the targeted goal, whether with or without external influences. Motivation could be broken down into three key elements, which are effort, organizational goal and needs.

Motivation itself can be categorized into two elements, namely, intrinsic motivation and extrinsic motivation. Intrinsic motivation is a type of motivation that comes from the individual or employee themselves, not influenced by any external elements or forces. "Intrinsic motivation includes self-determination, competence, task-involvement, curiosity, and interest" (Hirakimoto & Watada, 2012). Extrinsic motivation on the other hand is motivation that is influenced by external forces such as monetary rewards, promotion, materialistic items as well as recognition.

The world in the creative industry is slightly different from other industries. Employees are often more unique and challenging due to the fact that artists have always deemed themselves as free spirits. The creative industry spans from those doing design works, advertising, film production, animation production and even game production. "Creative employees like scientists, inventors, and designers are not always attracted by traditional incentives as titles and promotion. They seek creativity, freedom to innovate, and recognition for their breakthrough innovation. Furthermore, they are apt to be more committed to their particular discipline than to any particular firm" (Gupta, 2009). It would seem that the need of creative employees differs from the norm of other employees when compared into theories like Abraham Maslow's hierarchy of needs. It was further assessed by Gupta (2009) that, for a creative person, several elements are put into play such as interest, passion, devotion and love for what their job scope is, as well as having the right environment to foster creativity. Several researchers concurs that to achieve high level of creativity, intrinsic motivation is one of the core elements (Chen, Hung-Hui, & Ya-Yun, 2009; Dewett, 2007; Shin & Zhou, 2003).

Several researches have noted and concluded that money is one of the most important types of extrinsic rewards that a firm or organization can reward its employee to increase their motivation (Gohari, Ahmadloo, Boroujeni, & Hosseinipour, 2003; Rynes, Gerhart, & Minette, 2004; Zani, et al., 2011). Monetary value as a source of motivation in employee is possible due to the fact that they are able to fulfil their personal goal or desires to satisfy themselves. Even though money seems to be the primary source of employee motivation, it is not the only one and not the best one. "Most managers think money is the top motivator – it's not. What employees really want is to be valued for a job well done by those they hold in high esteem" (Nelson, 2004). In addition to that, Nelson (2004) also states that while compensation is important, employees generally think of it as an exchange for the job that they are doing.

There is more than one way to motivate an employee, ranging from monetary rewards, incentives, promotions, to recognition or a well-deserved thank you. It could also be seen that different type of rewards and recognition would impact an employee on a different level. "The best way to motivate employees is to use non-financial incentives such as praise and recognition where it is believed to have a significant intrinsic value to the employees." (Zani, et al., 2011). Different research has concluded with their varying differences between which seems to be the best way to motivate employees to achieve organizational goals. The perfect balance between rewards and recognition should be achieve in the efforts to motivate employees to push themselves to the

fullest. "As long as recognition and reward, and the corresponding motivational processes, are treated as a single phenomenon, advancement in employee motivation will not be forthcoming. We will continue to be distracted by debates over pay versus recognition that compares apples and oranges" (Hansen, Smith, & Hansen, 2002). While having rewards for employee means that it would increase their motivation to work, it should not be forgotten that recognition or non-financial rewards also can give a huge positive impact towards employee motivation.

There are other factors that can be included into the equation of how to motivate an employee. While taking the motivation theories of Maslow, Mcgregor, Herzberg, Mclelland and Vroom into account, it could be seen that there is an increase in terms of elements available towards motivation of an employee. An example would be in Herzberg's two-factor theory where an employee's job difficulty would be of interest to the employee to further excel themselves. In turn fuelling motivation thus performing better. "The results of the statistical analysis for the relationship between rewarding elements and employees' performance indicate that there is a significant positive relationship between pay, bonus, fringe benefits, promotion, appreciation, empowerment, and delegation in one hand and employees' performance on the other hand" (Gohari, Ahmadloo, Boroujeni, & Hosseinipour, 2003).

A blend of reward and recognition would be the best option towards organization's effort to motivate its employee, where managers must be able to discern between the needs of the employee to have its beneficial impact towards the organizational goal. While taking into account all the variables that promotes or contributes towards motivating employees. It would seem that motivation in an employee and how to influence them is a mixture of myriad of elements which work hand in hand to further increase employee motivation. An example would be monetary reward, incentives, bonuses, recognition, working environment, job difficulty or even appreciation. With the elements of past motivation theories, the value of motivation in an employee would be something to strive for, regardless of the organization or industry. All of this would prove to be beneficial towards the organization because a motivated employee can be seen as a valuable asset to the organization due to the fact that they are more satisfied towards their work thus will put their best efforts forward. "An internally satisfied, delighted and motivated worker or employee is actually a productive employee in an organization which contributes in efficiency and effectiveness of

organization which leads to maximization of profits" (Matthew, Grawhich, & Barber, 2009). Motivation of employees in any firm or organization would differ, as to a one-size-fits-all program could not be formulated. Managers must be able to personally cater to the need and from there forth, formulate a plan towards motivating employees. (McLeod, 2007).

III   RESEARCH METHODOLOGY

This research will be accompanied by a questionnaire where a quantitative approach was used. "quantitative approach may be described in general terms as that approach to research in the social sciences that is more highly formalized as well as more explicitly controlled, with a range that is more exactly defined" (Mouton & Morais, 1992). A quantitative approach is favorable for the study to obtain information concerning the factors that contributes to employee's motivation in the creative industry. The participants for this research will only be consists of the workforce in the Malaysian creative industry. This is not limited by gender or level of expertise as well as their qualifications. The only restriction on the target population is that they have to be still working in the creative industry in Malaysia. Duration for the data collection will be approximately 6 to 8 weeks long. The questionnaire has been broken up to five (5) sections: (1) The General information (2) Current satisfaction (3) Current environment (4) Motivating elements (5) Organizational motivation. Each section is thematic in nature as it only has questions that more likely to be in the same group of reasoning and theme.

IV   DATA ANALYSIS

With respect to "General Information", the biggest group of participants were between the age of 26-35 at 45 percent and 18-25 at 41 percent. Participants are the age of 36-45 are at 12 percent while only 2 percent constitutes the age of 46 and above as per Figure 1.
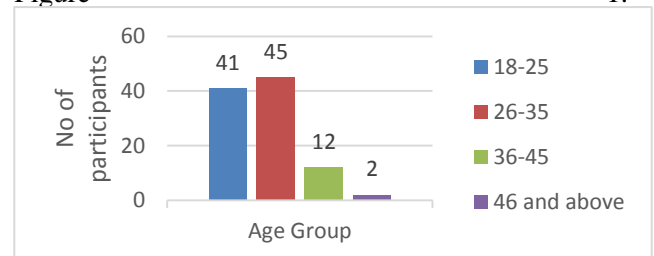

Figure 1. Age group

Figure 2 shows that the largest participants, which makes up 49 percent came from a company that has between 11-30 employees while only 22 percent came from a company that has 31-50 employees. 13 percent came from a company that has 51-100 employees while only 6 percent came from big

creative company that has more than 101 employees. Only 10 percent of the participants came from a small start-up or small studio of less than 10 employees.
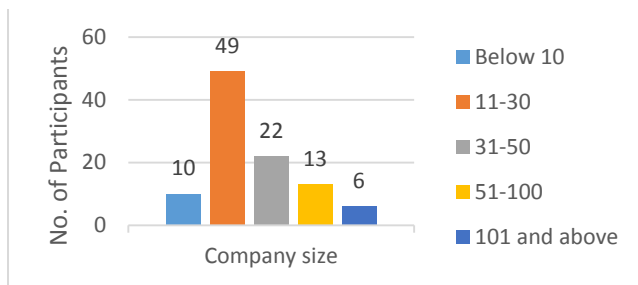

Figure 2. Company Size

The highest participants as in Figure 3 ranking at 35 percent are senior staff members while second highest ranking job level at 22 percent are normal staff. At 14 percent are participants who are entry level as well as supervisors. Followed by trainees at 9 percent and managers at 6 percent.
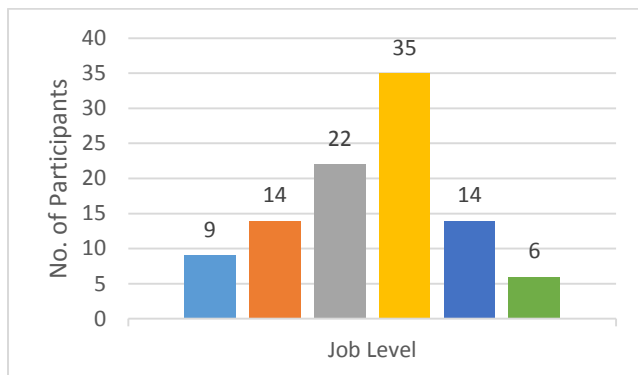

Figure 3. Position in Company

The analyzed data will be represented by a calculated confidence interval with a confidence level of 95percent. Confidence interval is added into this analysis to find the true value lies within the Likert-type questions. Confidence interval is calculated with the formula as seen below; where $\bar{X}$ is the mean, Z is the confidence level, s is the standard deviation and n is the sample size which is 100.

$$\bar{X} \pm Z \frac{s}{\sqrt{(n)}}$$

Confidence interval formula (Mathisfun.com, 2016)

The summary for all the confidence interval data gathered from the Likert-type questions can be seen in Table 1.

Table 1. Confidence interval summary (95% confidence)

Current Satisfaction	Standard Deviation	Margin of Error	Confidence Interval between (95% confidence)		
Salary	1.0626	0.2125	2.3975	to	2.8225
Position	0.8992	0.1798	2.6802	to	3.0398
Responsibility	0.6989	0.1398	3.2802	to	3.5598
Current Challenges	0.8420	0.1684	3.2416	to	3.5784
The company	Standard Deviation	Margin of Error	Confidence Interval between (95% confidence)		
Good working environment	0.9148	0.1830	3.3570	to	3.7230
Provide training for skills	1.0347	0.2069	2.7931	to	3.2069
Right resources available	0.7555	0.1511	3.9189	to	4.2211
Encourage problem solving	1.1849	0.2370	3.2630	to	3.7370
Motivation at Work	Standard Deviation	Margin of Error	Confidence Interval between (95% confidence)		
Money	0.7555	0.1511	4.2789	to	4.5811
Workplace Challenge	0.8726	0.1745	2.5155	to	2.8645
Involvement in decision making	0.8187	0.1637	3.4163	to	3.7437
Recognition for achievement	0.7017	0.1403	4.1097	to	4.3903
Responsibility	0.9331	0.1866	2.7234	to	3.0966
Sense of important	0.8087	0.1617	4.0883	to	4.4117
Personal Growth	1.0294	0.2059	3.2641	to	3.6759
Job security	0.8217	0.1643	3.2957	to	3.6243
Good working environment	0.8516	0.1703	3.4397	to	3.7803
Organization Motivation	Standard Deviation	Margin of Error	Confidence Interval between (95% confidence)		
Provides rewards and recognition	0.9878	0.1976	2.5924	to	2.9876
More effort in providing rewards and recognition	0.5945	0.1189	4.3711	to	4.6089
Managers should motivate staff	0.6989	0.1398	4.2802	to	4.5598
Worth the effort of motivation staff	0.7437	0.1487	4.2013	to	4.4987
All staff should be motivated by the same method	1.3142	0.2628	2.2472	to	2.7728

The satisfaction rate of creative employees within the given criteria. In terms of salary, one third of the sample feels that they are dissatisfied with their current salary, with the confidence interval of 2.39 to 2.82. When asked what their satisfaction rate in terms of position was, more than half stated neutral with the confidence interval of 2.68 to 3.03. In terms of responsibility, almost half of the respondents stated that they are neutral with their scope of responsibility in the organization, with a smaller group of half stating they are satisfied, with a confidence interval of 3.28 to 3.59. Lastly, when asked about their satisfaction of daily challenges at the workplace, majority of respondents stated that they are either neutral or satisfied with it.

Half of the respondents stated that they are in agreement to the statement that their company provides them good working environment with a confidence interval of 3.35 to 3.72. While a large number of respondents stated they are neutral to whether their company provides them training for the skills they needed to complete their task. Majority of the sample noted that their company have the right resources for them to complete their task at hand with a confidence interval of 3.91 to 4.22. Majority of the respondents stated that they are in agreement or strong agreement when asked if their company encourages them to think outside of the box for problems that they faced at work with a confidence interval of 3.26 to 3.73.

Section four of the survey covers the motivational elements that aims to identify that elements that motivate the employee at work. More than half of the sample size deemed that money is one of the most motivating or motivating element with a confidence interval of 4.37 to 4.58., while workplace challenge is a neutral or demotivating element with a confidence interval of 2.51 to 2.86. More than half of the sample size noted that it is motivating to be involve in decision making made by the company. While almost all of the respondents are in agreement or strongly agreeing that recognition of achievements done by employees are highly motivating. Responsibilities of the employee in a company has been indicated as neutral by almost half by the respondents, with almost one fifth of them stating it as demotivating. The sense of importance of an employee in the company has been rated as motivating or highly motivating by more than half of the respondents with a confidence interval of 4.08 to 4.41. Personal growth however has been indicated as neutral by almost half of the sample size. Job security has been labelled the same as personal growth at neutral with a confidence interval of 3.29 to 3.62. Majority of the same size noted that good working environment is either neutral or motivating to them in the organization.

A mixture of respond was captured when ask if their company provides reward and recognition for achievement done by employees, one third of the sample size disagrees and are at neutral while less than the other one third stated in agreement, the confidence interval for this question was at a value of 2.59 to 2.98 meaning a true value would be at disagreement. When asked if the sample size wanted the company they are in to do more than what they have now in terms of providing reward and recognition for achievement done by employees, a predominant answer of in agreement and in strong agreement was received. Almost all of the respondents stated that superiors should motivate their staff more at work. With a confidence interval of 4.2 to 4.49, a huge percentage of employees thank that motivating staff is worth it due to its results. Lastly, a predominant response of disagreeing to the statement that all staff would be motivated by the same method, while a quarter remained neutral to this statement. The confidence interval of this question is at 2.24 to 2.77 putting it as a disagreeing value.

V CONCLUSION

Answering Research Question 1: The first research question in this study was to find out whether reward and recognition promotes motivation in employee of the creative industry in Malaysia. According to the results from the study, it would be the case that it does promote motivation albeit it being myriad of causes across the board for different people. Different employees are motivated by different elements of reward and recognition. Both normal employees as well as employees who manages other employees agree that not everyone in the workforce can be motivated by the same things, albeit seeing a landslide victory for money as a motivating element. However, this two questions did not contradict each other, it just unearths the fact that a lot of people would pick money as an element that motivates them but it is not at a 100 percent value. The research believes that if it has been the case that someone already attains financial security, whereby money will no longer be an issue. That said employee would be harder to motivate at work with money as the element. This belief is founded on the 3 basis, which is not everyone chose money as an element that motivates them, there are people who are very satisfied with their salary at the point of the survey, and lastly, Maslow's pyramid of needs.

Answering Research Question 2: Research question 2 aims to identify these elements that could very well be the key factors that promote motivation in employees in the local creative field. After conducting the data analysis as well as the confidence interval for all the motivating elements, it would seem that the most motivating element based on the confidence interval would be as follows. The top three most motivating element would be money, recognition of achievement done, and sense of importance in the company. These three elements are the key motivating element that could very well push an employee forward to strive and do the best they can in an organization.

The main purpose of this study is to identify the motivating elements that could motivate employees to do their best. It is worth to note that even though the research results show only three main motivating factors, but employees in the creative

line believes that companies should do more or do better at what they currently have in terms of motivating employees and most of them believe that motivating employee is worth it to an organization. Whereby, it would help the organization or company to further achieve its goals. In the future, the author hopes that this research could be the basis of research or point of reference for employee motivation in the creative industry. The author notes that it would be exciting to know the co-relation between employee satisfaction in an organization and how it would affect their motivating elements. Due to the fact that if they are satisfied with what they have, would it still pose as an element that motivates them to strive for the best in an organization.

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