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## **APPRECIATION: AN EMPIRICAL REVIEW ON THE COLOSSAL IMPACT ON TELECOM INDUSTRY EMPLOYEE RETENTION IN MALAYSIA**

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## **Abstract**

*The purpose of this study is to examine the colossal impact of appreciation on employees' retention in a telecom industry in Malaysia. A structured Likert questionnaire ranging from strongly agree to strongly disagree will be used for purposes of data collection; while Structural Equation Modeling (SEM-Amos) will be used for the data analysis. Moreover, the respondents will be, employees of Telekom Malaysia in Melaka. Subsequently, this present study having explore various literature that are significant to employee's intrinsic reward and retention aim to provide updated literatures most especially for researchers in the field of industrial psychology and management generally. This study also aim to provide more literature on appreciation as an endogenous and intrinsic motivational factor that can be used in the organization to motivate employees.*

### **Keywords**

Employee Appreciation, Telecom Employees, Telecom Industry, Retention, Malaysia

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## **1. Introduction**

Employee appreciation is not just an intrinsic motivating factor but rather a virtue. When employees feel appreciated and esteemed for their commitments in the work environment, great results take after, including expanded worker commitment (Paul, 2016; Olurotimi, Norida, Rahman and Norhidayu, 2016). Appreciation in an organization is without any doubt, one of the most powerful ways that could lead to increase employee's retention, strengthening relationship within the organization and elsewhere. Every employee likes to be appreciated, because it is an innate desire as well as the need to feel a sense of achievement. According to (Cooper, 2013) it was affirmed that employee's appreciation concept is the critical component for creating positive emotions in any organization.

It is quiet disheartening and unspeakable to see an employee who feels unappreciated leaving an organization for the reason that was never initially stated in their rules of engagement. Appreciation is part of human nature, and thus giving and receiving it is what every human look forward to. However, the organizations that often disremember giving appreciations to their employees can almost have a colossal impact on the employee's increase retention and also reduce turnover.

According to (Kim, 2016), it was opined, that it is the management responsibility to consistently provide appreciation to their employees. This appreciation should be communicative, thoughtful and have driven purpose. Likewise, when an employee also feels that the appreciation given is not genuine, the employee can look for other opportunities elsewhere. Thus, organizations that persistently express purpose driven appreciation to their employees can encourage employee's commitment and increase job satisfaction (Proctor, 2014; Waggoner, 2013).

According to one of the rules in the industrial counselling, "Which state clearly that employee should be positively appreciated immediately whenever they carry-out and accomplish a task in order for them to repeat such behavior (Schultz, 2015)." Another study revealed that showing appreciation in an organization is an indispensable building blocks of a great workplace and significance key to reduce employees turnover, and increase retention and productivity (Gallup 2014; 2013). In other words, employers giving employees sincere appreciation can be transformed into job performance.

## **2. Maslow's Need Hierarchy Theory**

One of the theories that explain the significance impact of appreciation in the organization was Maslow hierarchy of need. According to Maslow's theory there are two types of needs. Lower level and higher level needs which can also be referred to as intrinsic and extrinsic. The lower level needs can be satisfied externally, while the higher level needs can be satisfied internally. It was highlighted that intrinsic rewards are intangible such as recognition, appreciation and praise. Whereas, extrinsic rewards are external and tangible and reflect lower-order human needs such as food. Thus, Maslow in his theory Maslow (1943; 1954) concluded that employees can be motivated by satisfying their needs. Nevertheless, employees are motivated through recognition, an increase in responsibility, high status, appreciation and positive feedback in the organization.

**Table 1: Maslow's Theory of Human Motivation**

Level	Type of Need	Examples
1	Physiological	Air, water, sleep, nourishment
2	Safety	Security, stability, protection
3	Social Needs	Need for friends, Need for belonging, Need to give and receive love
4	Esteem	Self-respect, achievement, Attention, recognition and appreciation
5	Self-actualization	To fulfill one's potentialities, peak experiences

### **2.1 Appreciation as an Inherent Reward for Employee Retention**

There is a rhetorical fundamental question of why employees stay, and what would cause them to leave. This question have steered many organizations to seek out appropriate retention policies and strategies to enhance the productivity and commitment of an employee. The word reward according to (Cooper, 2013; 2012; Agarwal, 1998) is to a certain extent that organizations offer to the employees in response of their performance and effective contributions, and at the same time the desires of employees. Fatima (2011) articulate on various forms of rewards in the business setting of the organization which come in form of cash bonuses, appreciation awards and free commodities. Rewards exerts a long lasting thought on the workers and keeps on demonstrating the worker's opinion that they are appreciated (Madiha, Ayesha, Syed, and Sajid, 2009; Silbert, 2005).

Reward plays a significant role in job satisfaction as they accomplish the basic necessities. The Reward system of any organization affects the employee's performance and their aspiration to stay employed (Bamberger and Meshoulam, 2000, Mac Duffie, 1995). Striking compensation helps to accomplish the financial and substantial desires of an employee, and it is also considered as a means of establishing social networks by employee's ranks and place of authority in an organization. Which is a significant factor of retention? Conversely, retention is fundamentally influenced to an employee, when an organizational reward has a satisfaction-impact on them and they thought it to be costly to leave such a competitive reward, and consider that such rewards will not be found elsewhere, hence they decide to stay. Organizations are attached measurably and psychologically to employees through these rewards (Becker, 1960) and

considering these rewards as a satisfactory form of appreciation, employees will stop thinking about opportunities from other organizations (Foong-Ming, 2008).

## **2.2 Appreciation and its impact on employee's retention**

One of employer's nightmares is losing their professionals to competitors. This has made many organizations to devise innumerable motivating strategy aim in appreciating employee's effort in order to improve retention rates and decrease the associated costs of high turnover (Stella, 2014). A study on the perceived effect of reward management practices on factors influencing employee retention at communications authority of Kenya (Okotoh, 2015) states that employee retention is the ability of an organization to retain its employees. It was affirmed that many organizations focus on the business performance at the end of year results, but forget all the factors that influence employee retention needs to be enhanced for better performance (Achieng, 2011; Nzuve, 1997; Allen, 1992). When an employee feels dissatisfied with his/her job, it can result into labor turnover. (Knudson, 2006).

Armstrong (2006; 1999), said some of the best way for an organization to appreciate their employees is by allowing them to participate in the organization, and to ensure that the employee have a feeling that he/she is appraised fairly. Furthermore, this slogan has been repeatedly affirmed by various authors that "employees don't leave jobs, they leave superiors" (Hodgetts and Hegar, 2008). The study revealed that approximations of 80 percent of turnover is driven by the environment a manager creates for an employee (equated to 20 percent resulting from issues with company culture). The success of any retention strategy is ultimately subject to the line manager's ability to deliver an appropriate motivating reward. Thus, it is significant for organizations to motivate their employees to succeed and grow, rather than just drive performance. Which may in turn increase in employee's retention?

## **2.3 Appreciation and its impact on employee's retention and productivity**

Gallup (2014), affirmed that appreciation is an indispensable building blocks of a great workplace and significance key to employee retention and productivity. Organizations that may possibly be the champions, based on organizational capabilities and organizational competencies, are right kind of human resource. In order to be formed and maintained by organizations as both, need ever more than efficient employees (Fatima, 2011). As maintained by this author, an organization that acknowledges and directs their organizational competencies efficiently competes more productively and effectively. Retaining employees is the key issue in

contemporary corporate setting, devoid of well integrated work force in the organization and placing their paramount effort, success can never be long stint in such organization (Foong-ming, 2008).

There are a comprehensive variation of intrinsic rewards existing which increase satisfaction and overall job related productivity of employees (Mussie, Kathryn, and Abel; 2013; Anchor, 2010). Some of these rewards come in the form of job involvement, participate in decision making, job autonomy, task significance and appreciation. Conversely, these rewards have their merits in creating a highly satisfied workforce, through creation of a positive and cooperative atmosphere within an organization, designing effective compensation package for employees leads to satisfaction, motivation and commitment (Workineh and Shimels, 2010; Gostick and Elton, 2007; Nelson, 2005; Daniels, 1999; Darling, Arm, and Gatlin 1997. Thus, leading to the improvement of overall functioning of an organization.

#### **2.4 Appreciation and its impact on employee's retention and commitment**

Study has revealed that persistent effort always cohorts the organizations towards success, and it is only possible when employees are committed with the organization (Eisenberger and Stinglhamber, 2011; Joo, B. K., and Park, S. 2010). For employee to be committed in an organization, a positive working environment, appreciation of work in terms of incentives, organizational commitment and job involvement are the essence of successful organizations and key factors that enhance motivational level of the employees (Rizwan, Saif and Yasin, 2012; Govaerts, Kyndt, Dochy, and Baert, 2011). Nurturing employee commitment can have a great impact on decreasing turnover rates (Faustina, 2012). Research shows commitment has a positive effect on productivity, turnover and employee's willingness to help co-workers (Anchor, 2010; Bishop, 1997).

In fact, review has shown that increased employee commitment has been shown to improve team performance and productivity and decrease absenteeism, turnover, and intention to quit. 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

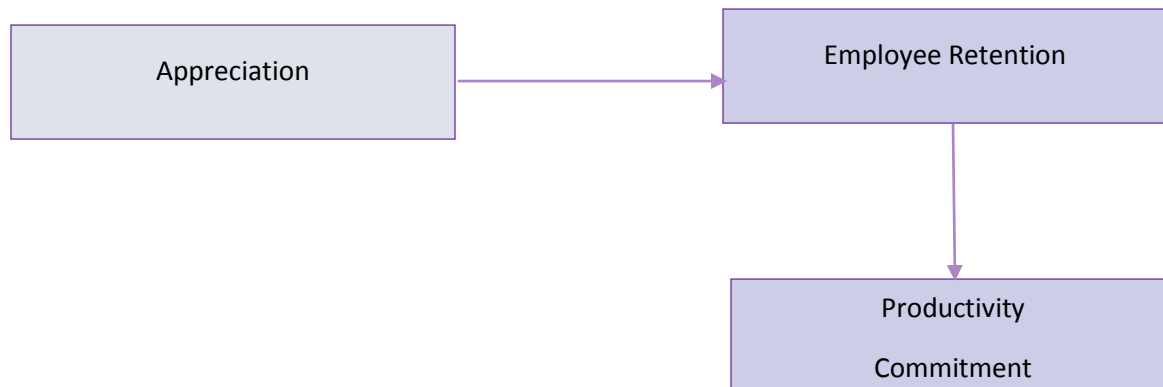
employee motivation is a basic psychological process. Therefore, organization must ensure to implement strong retention strategy most especially factors that are inherent to human nature.

### **3. Background of the Problem**

It was affirmed that the advent of technology has made communication easier than as it was in the past, thus, this has made it easy for migration generally. Coincidentally, same can also be said in telecommunication organization. According to Jordan and Christopher, (2012) airing their view about labor market trends in the information and communication technology, (ICT) field and the ever increased career opportunities that has led to exodus of ICT professionals all over the world, thus, causing a great retention challenge for the organizations that employ these workers.

As a result, research focusing on the retention of employees in the ICT environment has received considerable attention over the past 20 years. In trying to prevent this sudden migration of ICT professionals, organization has come up with different strategies of motivating and retaining their best hands through intrinsic and extrinsic motivation. However, these have not really offered any significant solution yet. Mussie, et al; (2013) shared their own perspective that in preventing the negatives outcome accorded to these exodus, that there is urgent need to find out the factors that influence telecom employees that may leads to their increased productivity and affective commitment in staying with their organization.

### 3.1 Research Gap



**Figure 1:** Source: Author – Diagram showing the colossal impact of appreciation on employee retention

The literature review divulges that there is much theoretical and empirical research on the employee retention in different sectors, but relatively little empirical work has been done on using appreciation as a motivational factor to retain employees in the telecommunication industry.

### 3.2 Hypotheses Development

Motivated on the review of previous research, following hypotheses are derived:

- H<sub>1</sub> Appreciation has colossal impact on Telecom Industry employees' retention in Malaysia.
- H<sub>2</sub> Retention has significance impact on job productivity and commitment among Telecom Industries employees in Malaysia.

### 3.3 Research Methodology

The goal of research process is to produce new knowledge. The general strategy for conducting a research study is by the research design (Norida, 2012). Thus, research design is inevitable and the most crucial part when conducting a research. This involved the procedure of data collection method in a research process (Nachmias and Nachmias, 1992). A structured Likert questionnaire ranging from strongly agree to strongly disagree will be used for purposes of data collection; while SEM-Amos will be used for the data analysis in order to paint a clearer



picture of the respondent's outcome, whereby creating the basis for the development of researcher understanding and to develop motivation to conduct further research. Consequently, the respondents will be employees of Telekom Malaysia in Malaysia. Though, there are other telecommunication companies in Malaysia. However, the researcher select Telekom Malaysia as it is unarguably, the best sought after internet service provider in Malaysia.

#### **4. Conclusion**

Appreciation is a form of reward to retain employees in an organization. The increase in productivity and commitment towards the organization goals is perhaps the most fundamental reward an employee can offer to their employer. The present study having explore various literature that are significant to employee's intrinsic reward and retention aim to provide updated literatures most especially for researchers in the field of industrial psychology and management. Subsequently, this study aims to provide more literature on appreciation as an endogenous and intrinsic motivational factor that can be used in the organization to motivate employees.

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