Chapter 6
Discussion

The outcome of any serious research can only be to make two questions grow where only one grew before- Thorstein Veblen

The primary objective of the study was to identify the factors that impact the value of recognition for employees. As such, individual and organizational variables were analyzed in the light of the plausible impact made on how employees perceive recognition. The study also aimed at analysis of sector and organization wide differences in employees' perception of recognition. The chapter thus discusses the results in sections as per the objectives of the study and relates with existing literature in the field to develop a comprehensive understanding of the phenomenon.

6.1. Individual variables

It was hypothesized that analyzing individual differences would lead to a better understanding of employee perception of recognition. The proposition was however negated with the results which indicated a miniscule role of individual factors in determining the value of recognition for the individual.

The results of the study evidently point towards the insignificant role played by the individual demographic factors. Other studies also report similar findings; Mottaz 1988 asserted the insignificant effect of demographic factors on organization commitment. Age was found to have obvious correlation with years of experience (r=.959, p<.01) and career stage (r=.383, p<.01). Past experiences with non-monetary recognition were also found to be influenced with age
(r=.099, p<.05), that is to say, as an individual matures, one's opportunities to witness recognition would also be more and consequently one's perception would be affected. It is however important to note that age did not correlate with an individual's self belief about recognition; it was the years of experience (r= .104, p<.05) and career stage(r=.105, p<.05) which showed significant correlations with self belief about non-monetary recognition. This is understandable as age alone may not lead to an individual's beliefs, it is the life experiences that may give shape to beliefs and in the present research context it is the number of years spent in an organization setting which may provide the opportunities to witness recognition and consequently help develop employee beliefs and perception.

Another significant correlation was found between age and organization recognition score (r= -.145, p<.01). That is to say, with increased age employees tend to perceive organization recognition practices as negative. This was further supported through the negative correlation between years of work experience and organization recognition score (r= -.166, p<.01). Career stage also showed negative but insignificant correlations with organization recognition score and top management belief (p>.05). A likely explanation of the findings could be that with more years of experience and at matured stage, one can be more vocal about the organizational reality. Younger employees at the start of their career could be more apprehensive to voice their feelings and as such their responses might be colored.

Cron and Slocum (1986) may give a still better account for the finding with their work on career stage according to which at the last stage of one's career or the 'disengagement stage' people tend to psychologically separate themselves from
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their work. (Cited in Pappas and Flaherty 2005) That is, with increased age and at the last stage of one's career employees tend to disassociate themselves from the organization and likewise their feelings and perception of the organization are affected. The literature on age as a determinant of employee perception and choices is however divided. Meudall and Rodham (1998) report of significant differences in employee choices with respect to age; Bassy (2002) reports of higher satisfaction with intrinsic work rewards with increasing age; Sonawane (2007) and Mottaz (1988) suggest an inconsequential role of age in determining employee choices of non-monetary rewards and organization commitment respectively.

Gender differences in employee perception of recognition were found to be insignificant. An individual's psycho-social beliefs and perception of other organizational factors were also independent of the gender; this finding is supported by the existing knowledge in the field. Other than Hickson (2003) who found women to be more satisfied with their pay than men, most of the literature reports of insignificant gender differences. (See Mottaz 1986; Sonawane 2007; Meudall and Rodham 1998; Bassy 2002)

The results of the study also point towards the insignificant role played by individual functional variables in impacting the dependent variable employee recognition value score. Years of experience, career stage and functional area were found to be insignificant in determining the employees' perception of non-monetary recognition. The literature also suggests the trivial impact of individual functional variables in determining work related aspects. Although job tenure's impact on organization commitment (Mottaz 1988) and career stage's relevance
for motivation levels of sales persons (Pappas and Flaherty 2005) are established; Kominis and Emmanuel (2005) and Sonawane(2007) report of career stage, functional area and years of experience as of no consequence in determining employees' preferences for rewards. Partial correlation analysis also indicated the insignificant role of individual demographic and functional factors in impacting employee recognition value score with respect to individual psycho-social variables.

The findings of the study highlight the significant part played by the individual psycho-social variables. An individual's work locus of control was found to be negatively correlated to the individual's recognition value score ($r=-.383$, $p<.01$). That is to say that an externally oriented person would not value recognition as much as an internally oriented person. This finding corresponds to the theory of locus of control according to which internally oriented people would feel in control of their environment and as such their 'expectancy' (belief that an act will be followed by the outcome) would be much higher than those with an external locus of control. Likewise the recognition they receive would be meaningful to them and hence more valuable than externals. The finding is also substantiated by existing literature; Gupta (1980) found that individuals with an internal locus of control consistently had a higher level of satisfaction with performance contingent rewards than individuals with an external locus of control.

It was also noted that an individual's WLOC was independent of one's demographic and functional factors and was correlated with other psycho-social and organizational factors. Significant negative correlations were established with an individual's self-belief about non-monetary recognition ($r=-.334$, $p<.01$);
top management belief ($r = -.298$, $p<.01$); senior's belief about non-monetary recognition ($r = -.245$, $p<.01$); relations with senior ($r = -.260$, $p<.01$) and organization recognition score ($r = -.240$, $p<.01$). These values point towards the impact made by an individual's WLOC on her/his perception of recognition. The negative correlation indicates that externals do not believe in recognition and are also skeptical of the beliefs shared by others (i.e. the top management and the superior). The negative correlation of WLOC with employee recognition value score is also explained by the negative correlation with organization recognition score. That is to say that since externally oriented individuals do not perceive the recognition practices as meaningful they consequently do not value the recognition bestowed on them. The findings thus illustrate the relevance of an individual's locus of control which impacts the individual's self-beliefs and perceptions and also about the environment.

However when the impact of WLOC on the dependent variable employee recognition value score (effect size= 14.5%) was assessed with other individual factors partialled out, the impact was substantially reduced. The partial correlation between WLOC and employee recognition value score with past experience partialled out was significant: $R_{\text{partial}} (400) = -.33$ with $p<.01$. Likewise the partial correlation for WLOC and employee recognition value score when controlled for self-belief was also significant: $r_{\text{partial}} (400) = -.327$, $p<.01$. When self-belief and past experience were controlled together, the correlation between employee recognition value score and WLOC was reduced significantly implying the role of the two variables. From $r = -.383$ at $p<.01$, the correlation was reduced to $r = -.302$ at $p<.01$. The given statistics suggests that it is the other variables and
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not the WLOC that is more significant. Regression analysis of the psycho-social variables indicated a large (10.9%) effect on WLOC on account of an individual's self-belief about non-monetary recognition and a relatively small effect (6.6%) on WLOC by an individual's past experiences with non-monetary recognition. It was also found that an individual's past experiences with non-monetary recognition determined one's self-belief about non-monetary recognition to a fairly large extent (effect size= 10.8%).

![Diagram showing interaction between self-belief, past experience, and WLOC](image)

**Figure#6.1**
Interaction between individual psycho-social variables

That is to say that an individual's past experiences is a critical factor as it leads to a large effect on self-belief which in turn impacts the WLOC.

Analysis of the variable 'past experiences', revealed some important points for discussion. Significant negative correlation (r= -.262, p<.01) is noted between past experience and WLOC which implies that as an individual's past experiences with non-monetary recognition increases there is a shift in one's locus of control. This finding however needs to be viewed with caution as there is not sufficient literature to substantiate it.
Past experience was found to have an influence on employee recognition value score and sex of the respondent remained insignificant in determining one's past experiences with non-monetary recognition. No gender differences were observed across any of the individual or organizational variables. The trivial role played by sex in determining an individual's perception of recognition may thus said to be indicative of the uniformity of recognition programs and distributive justice across the organization.

![Figure 6.2](image)

Influence of Individual Psycho-social Factors on ERVS

Other important results are the correlation between an individual's past experiences and self-belief about non-monetary recognition ($r = .331$, $p < .01$); correlation with top management's belief ($r = .252$, $p < .01$) and superior's belief ($r = -.383$, $p < .01$). These findings may be explained through the basic tenets of the social learning theory. It may be inferred that as one's positive experiences with
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non-monetary recognition are enhanced, one tends to believe in the power of recognition and also perceives the significant others in the environment (the top management and the superior in the research setting) to be sensitive towards it. This may also be elucidated that one's positive experiences with non-monetary recognition lead to a positive perception of organization recognition practices (r=.350, p<.01) which in turn influences the employee recognition value score (r=.283, p<.01). The relevance of past experience implies that an organization needs to provide for more opportunities for employees to experience recognition such that their perception is influenced and they may value the recognition received.

6.2. Organizational variables

The important findings as regards the organization variables were the correlation between the top management's belief in recognition and senior's belief (r=.644, p<.01), organization recognition score (r=.702, p<.01), and relations with the superior (r=.376, p<.01). It is understandable that as the managers at top echelons of organization believe in recognition their beliefs and philosophy is cascaded down to all levels and as such influences the organization by permeating into the organization culture. Other managers tend to believe in recognition if top managers communicate their beliefs with active participation in recognition programs and make it a part of everyday work-life. The correlation between top management's beliefs and organization recognition score is comprehensible since top management's focus is a prerequisite for the establishment of any organization practice. Once the top managers' belief in
recognition is reflected through their active participation, it gets transformed into setting up of recognition systems and practices.

Further analysis indicated the relevance of all the organization variables in influencing the employee recognition value score. It was however noted that when the effect of top management's belief in non-monetary recognition was controlled for the impact made on employee recognition value score, the correlation of other organization variables with the dependent variable was substantially reduced. The correlation between organization recognition score and employee recognition value score and that of senior's belief with employee recognition value score is notably reduced with the effect of top management's belief partialled out. This illustrates the significant role played by top management in influencing the organization practices and also senior's belief. The influence of senior's belief on the dependent variable employee recognition value score was however largely reduced when the effect of top management and organization recognition score was partialled out. It is thus implied that the value that an individual attaches to the recognition received depends primarily on the top management in the organization and the organization recognition practices.

The important role of relations shared with the superior was also revealed through the partial correlation analysis; it was found that the correlation between senior's belief and employee recognition value score (from r= .472 to r= .318 at p<.01) and, the correlation between organization recognition score and employee recognition value score (from r= .516 to r= .302 at p<.01) was significantly reduced when controlled for relations shared with the superior. That is to say that
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for an employee to value recognition it is imperative that she or he shares good relations with the superior. Senior's belief about non-monetary recognition was the least significant in influencing employee recognition value score and was hence excluded from the regression model.

Further analysis of organization variables presented some more interesting findings; regression analysis of the variables indicated that top management's belief had a 49.1% effect on the organization recognition score while the senior's belief had 45.9% influence. Regression model with organization recognition score as the dependent variable and other organization variables as predictors suggested the importance of top management and senior's belief about non-monetary recognition in determining the organization's recognition practices.
'Relations with senior' was understandably excluded from the regression model as it was not relevant in influencing an organization's recognition practices.

Another important finding was the independent role of individual's self-belief in determining the perception of significant others in the environment (that is the top management and senior). It was conjectured that one's belief may color one's perception of the environment and as such the results related to the organization variables may be deceptive. However partial correlation analysis indicated no influence of individual self-belief about non-monetary recognition in determining the correlations between top management's belief, senior's belief, organization recognition score and employee recognition value score.
6.3. Combined effect of individual and organization variables

The main intention of the study was to identify the individual and organizational factors that impact the value of recognition for employees. The regression analysis as discussed above and in the earlier chapter indicated the inconsequential role of individual demographic and functional factors. The individual psycho-social and organizational factors were however found significant; it was found that the most important variables that made the significant impact (effect size= 40.3%) were Top Mgmt belief about non-monetary recognition, Individual's WLOC, Organization Recognition Score, Self Belief about non-monetary recognition and Relations with senior. The stepwise regression model excluded an individual's past experiences with non-monetary recognition as an important variable impacting the dependent variable employee recognition value score. It however needs to be mentioned that past experiences had emerged as a significant factor when the impact of individual psycho-social factors on employee recognition value score was assessed. Controlling for past experiences had significantly reduced the impact made by other psycho-social factors on employee recognition value score. Thus it may be said that although the regression model with the combined effect of individual and organizational factors, does not illustrate the significance of individual's past experiences, it must be considered as an important variable impacting employee recognition value score. Individual's past experiences shape one's beliefs which impact the perception. Moreover an organization may not shift one's WLOC, but the chances of positive experiences with recognition may
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definitely be controlled by the organization. Figure 6.5. depicts the important variables that influence the dependent variable employee recognition value score.

Findings of the study are supported by the literature; role of top management has been explored and evidences from literature indicate the positive impact of top management's involvement in the work life of employees. Clive 2007 reports of 'Positive visibility' of senior management as a 'high level satisfier'; Brian P Niehoff et al (1990) report the influence of top management's actions on organizational commitment of employees. Gupta (1980) reports of an association between internal locus of control and higher level of satisfaction. Jones and Lloyd (2005) assert through illustrations from leadership theories that an individual's motivation depends upon the nature of his/her relationship with the leader, that is to say that relations shared with one's superior is an important factor in the work-life of employees. Self-belief and past experiences with non-monetary recognition are found in the study as critical factors in determining how employees value recognition; they however do not find any evidence from literature but are derived from the social learning theory which asserts the significance of internal processes and their interaction with the environment in shaping one's perception. Social learning happens through the experiences that one has in the environment which consequently moulds one's beliefs.
6.4. Intra-Organization Differences

The seven organizations included in the study were analyzed on the basis of the recognition practices and corresponding employee perception. The analysis revealed important points for discussion. It was found from the correlation between organization recognition score and employee recognition value score of the seven organizations that as the value for organization recognition score increases there is a subsequent rise in the value associated to recognition by employees. However, after reaching an optimum point the employee recognition value score starts decreasing with a further increase in organization recognition.
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Score and thereafter remains static. (See Figure 6.6) This stationary level for employee recognition value score is however lower to the optimum reached earlier.

The important implication from this finding is that organizations need to be conscious of the recognition practices and must not be overzealous in doing them.

Excessive recognition practices may dilute their own relevance and as such the value that an individual may attach to it may be subsequently reduced. This
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finding is an important contribution for the human resource managers in charge of rewards and recognition practices. Unnecessary recognition practices may appear phony to employees would be less effective and would not produce enough return on investment. The study suggests keeping a track of organization's recognition practices, it is however inept at suggesting the limit level. Identifying the optimum level of organization recognition practices, for maximizing the value associated by employees, transcends the scope of this study and warrants another research endeavor.

Further comparative analysis of organizations corroborates the earlier correlation results of the organization variables. It was noted that the organization with the highest values for top management belief and organization recognition score also had the highest employee recognition value score. The vice-versa was also found to be true. The FMCG organizations were found to have the maximum values for organization recognition score while the public sector companies recorded the lowest levels. The rationale for this result could be the differences in the philosophy of the organizations. Indian organizations are found to have a limited structure of rewards and recognition programs compared to their foreign counterparts (Sonawane 2007).

6.5. Sector-wise differences

The study reported significant differences in employee perception of recognition across public and private sectors of India. Statistically significant differences were found in the employee recognition value score and other organizational variables. Private sector organizations were found to have better values for the
dependent variable employee recognition value score and other independent variables like organization recognition score, top management belief, senior’s belief and relations with the senior. The rationale for the higher values of organizational variables lies in the correlation results of the study that is to say that if top management belief is high so will be the values on other variables. Since other organizational variables show significant correlation with top management belief it is apparent to have higher values. The matter of discussion however is why the private sector organizations reported higher values for top management belief?

The discussion on differences across the two sectors of Indian economy may be initiated with the rationale of philosophical and value based differences across the two sectors. The challenges faced by the organizations in the two sectors are poles apart and so are the opportunities. Public sector organizations have limited competition but are restricted by government rules and regulations. The competition and resources available to private sector companies are far different than that of public sector organizations. These differences may set the stage for further differences in the perception of managers at the top echelons of organizations. Top managers from private sector organizations may have higher accountability of organizational performance and consequently they would keep a check on the practices at work. Revision of systems and process may be more often a phenomenon in case of private sector organizations than public sector companies. In totality the overall difference in the work environment of the two sectors may create differences in top management beliefs about work related issues. Consequently the top management belief about non-monetary recognition
could be different across the two sectors. This may lead to further differences like that across organization recognition practices and senior's belief about non-monetary recognition. Finally, as suggested by the quantitative analysis, differences across organizational variables will result in differences for employee recognition value score. If the top management belief and organization recognition practices are different so will be the value that an employee attaches to recognition.

6.6. Delivery of recognition

The final objective of the study was to identify the elements in delivery of recognition that are important to employees and are the most preferred by them. It was conjectured that individual differences will emerge in choices regarding delivery. The chi-square test of association however supported the earlier findings of correlation and regression analysis stating no relevance of individual demographic and functional variables. Majority of the respondents supported similar structure of recognition programs; respondents reported a liking for 'formal' setting, 'written' form, 'public' forum, 'monetary' token, given by 'senior' and given 'after achievement'.

These choices made by respondents may be discussed in the light of the recognition as a basic psychological need of human beings and also the profit maximizing character of humans. It must be acknowledged here that recognition as a phenomenon has relevance for internal processes of human beings and also the outside interaction with the environment. The need for self-determination may be satisfied through an informal chat or words of praise behind closed doors.
However the need for acceptance from the environment is satisfied in a public forum. The formality of the setting raises the perceived value of recognition. Furthermore the significance of the 'person' giving recognition is obvious. The recognition provided by team or peers develops camaraderie, leads to employee engagement and may be a feel good factor. While recognition given by seniors or other top level managers enhances one's self-esteem and also acts as a communicator of one's potential to higher authorities in the organization which in turn may have positive consequences. The written form of recognition may although have more memory value; its worth may be seen in its ability of endorsing one's capabilities in future. That is to say that written form of recognition (certificates of achievement etc.) may be used for seeking better job opportunities and hence may be the more preferred form than verbal recognition. The most preferred timing of recognition is after achievement and the token preferred is monetary.

It is important to accept at this juncture that the method of forced ranking may not have captured the truest response of employees. A five-hundred rupee worth plaque if conferred in a way so as to enhance one's self-esteem may perhaps be as valuable as a five thousand rupee gift cheque. It must be noted that as hedonistic individuals people tend to opt for the obvious choice available and consequently they chose the 'monetary' option in case of forced ranking. Similarly the importance of a praise or pat on the back during the process of achieving performance target cannot be trivialized; respondents however chose for the option of recognition after achievement primarily because the context was not easily comprehended. These findings may thus be attributed to the weakness of
the method and cannot be generalized. However other than timing and token of recognition, other elements of delivery of recognition have been elucidated and may be accepted for generalization to other contexts.

The most important point that emerges from the discussion on delivery of recognition is that the debate on tailor making recognition programs may be put to an end. Since employees across all career levels, function, age and sex have similar perceptions and prefer similar elements of delivery, it can be suggested that organizations present universal platforms for all employees.

The following chapter will present the concluding remarks, the recommendations, implications for practice and the future research concerns as regards non-monetary recognition.