

Building Employee Commitments through Social Esteem During The increment of Remuneration, Requirements of Appreciation & the state of Maslow Theory's Self Actualization

Dr. Djoko Soelistya, Ir., M.M.
Faculty of Economic and Business
Universitas Nahdlatul Ulama
Surabaya, Indonesia
djoko_soelistya@unusa.ac.id

Abstract— this research's background is the decline of performance's commitment in employees on the structural position from supervisor to manager position. The research gives input to human resource development theory and contribution for organization leaders in order to strengthen and improve employees' performance commitment. This research used qualitative research method through in-depth interview to 13 informants, participative observation, and documentation in natural setting located in Gresik, East Java, Indonesia. The result of this research does not in line with Maslow's perspective. According to Maslow's perspective on needs the increased of remuneration, recognition and self-actualization needs in material form that has already given to employees will inflict improvement of employees' performance. In fact, the reality said otherwise. It occurs as the consequence of inability to accommodate the social esteem to fulfill non-material needs, such as: (a) unilateral decision and policy from the company, (b) unclear and inconsistent policies that relate to reward policy, pension fund, and career path, (c) unavailable space to express opinion, and (d) the decline of reward for performance improvement.

Keywords—Employees' Commitment Remuneration; Social Esteem; Maslow's Theory of Needs

I. INTRODUCTION

According to Gasperz [1], competitive advantage will be achieved if the management able to manage human resources rightly and correctly, especially the employees. Human resource is basically an important component for the company to create the power to compete, give qualities, and bring more economy benefit. It is also important for stakeholders and clients as a form of company responsibilities.

This research highlights the fourth and fifth needs from Abraham Maslow's Hierarchy of Needs Theory [2] on the relationship between hierarchies of needs with commitment building on structural level. The fourth need is esteem. Esteem includes internal factors, such as respect, dignity, autonomy, and achievement. External factors include status, recognition,

and attention. The fifth need is self-actualization which includes motivation to become who they are able to be, growth, and self-fulfillment. Those needs are required to be fulfilled.

The inconsistency between theories and the reality in the company becomes an interesting human resource development issues to be observed. This phenomenon is unique in a way that it is not being parallel with the existing theories which state that employees' commitment will be increased as facilities and remuneration increased. The existing problems in establishing employees' commitment are: (1) existing condition of employee's needs in the company, (2) decrease of employees' performance commitment at supervisor and manager level when company improve facility and give remuneration, and (3) decrease of employee's commitment is related to the change of needs from the material to non-material needs.

Research on employees' commitment [3] says that employees' commitment will increase if the company has concern, respect, and give them freedom. The commitment also increases when the employees have good communication with their superiors, empathy from their bosses, appreciation for their efforts in achieving company goals, and freedom to participate in the decision-making process. There are also several related theories, prepositions, and concepts linked with employees' commitment. These concepts are described systemically by experts. Those concepts are:

A. Employee Commitment

Employees' commitment is "the extent to which one is committed, dedicated, and loyal to one's organization, supervisor, work, and colleagues" [4]. It is also being stated that employees more committing to the organization have reliable habits, plan to stay longer in the organization, and devote more effort to their works [5].

B. Motivation

Motivation is a process that explains strength, direction, and persistence of a person in an effort to achieve goals. The

three main elements in this definition include (1) intensity; (2) directions; (3) and persistence [6].

The most famous motivation theory is the theory of Abraham Maslow's hierarchy of needs. The theory states that in every human being there is a hierarchy of five needs, they are (1) physiological (hunger, thirst, sexual, and other physical needs), (2) security (the desire to be protected from physical and emotional dangers), (3) social (compassion, ownership, acceptance and friendship), (4) esteem (internal and external reward factors), and (5) self-actualization (growth, achievement of one's potential, and self-fulfillment) [2].

C. Remuneration

Remuneration is incentives received by the employees in return for the contribution they have given to the company [7]. Remuneration has a broader meaning than the salary, because it covers all the rewards, either in the form of money or other materials; either given directly or indirectly; and both routine or not routine. Remuneration is the rewards or benefits, both in the form of financial or non-financial, for the employee's prosperity from the company to employees because of their effort and performance.

D. Social Esteem

Social esteem in Maslow's needs theory includes in self-actualization needs. This need includes 17 meta-needs and 7 meta-pathologies that are not arranged hierarchically but complement to each other. When the meta-needs are not met or fulfilled, there will be meta-pathology such as apathy, boredom, despair, no sense of humor, alienation, selfishness, and loss of desire [2].

II. RESEARCH METHODOLOGY

The research used a qualitative method. The qualitative research used non-numbers through in-depth interview to 13 informants, participative observation, and documentation in natural setting located in Gresik, East Java, Indonesia.

According to Sugiono (2005), qualitative research method is a research method used by researchers on natural setting where researcher is the key instrument to conduct data collection techniques through in-depth interview. Data analysis in this method is indicative. The results of the research emphasize on the meaning of the generalization. To be noted, qualitative research methods do not reject numbers and usage of statistical techniques to present data and its analysis.

Individual interviews are effective for they have advantage of being able to directly interact with informants. Another advantage of the interview is to provide an opportunity to collect whole and deep data.

Participatory observation is the observation to employee behavior after the interview. It is conducted to check whether attitudes and behaviors shown by employees are in accordance with the results of interviews. This technique is used to observe directly the behavior of employees in the research. Observation is also used to watch the process of fulfilling the employees' needs that include working atmosphere, participation, and company activities related to employee commitment.

III. RESULTS AND DISCUSSION

The informants referred in this research are management staffs who are also called structural employees. Employees who have a structural position here is management staffs who already have formal legality and strong working ties with the company. The number of structural employees is less than the daily employees. Selection of these informants is tailored to the purpose of research as the structural employees are people who become the subject of research and serve as data sources.

Commitment is found as a state in which an individual sides with the organization and its goals and desires to maintain its membership within the organization. There is also organizational commitment as degree where the employee trust and willing to accept the goals of the organization and will remain or will not leave the organization.

A. Esteem need

1) The boss treatment is friendly enough, highly appreciative to the employees, and there is no discrimination in treating each section.

2) In terms of employee performance evaluation, the company has done well. The evaluation always takes place every 3 months. The company also has done well in fairness and justice issues. It can be seen from the evaluation process which is held annually. The company uses career achievement assessment to determine the pay rise. These are done fairly and relatively transparent.

B. Self-actualization need

1) The company provides opportunities to develop each of its employees' capabilities while organizing and performing their duties in the company. The opportunity is given to anyone with no exception in order to develop the abilities and skills of the employees.

2) The positive responses and good efforts made by the company when realize the great potential of its employees has caused high satisfaction on 'esteem need' of each employee. The company often provides the proportional duties and greater responsibility to the employees who are considered having great potential. However, The company has not yet designed and undertaken a career path for its employees.

IV. CONCLUSION

The company has met the needs of its employees. The esteem needs to the needs of self-actualization have been adequately fulfilled. Since the last 5 years the company has given enough attention or commitment to improve the welfare of employees through remuneration policy, the payroll system over regional minimum wage, and increasing prosperity with diverse means. To improve human resources, an assessment system and remuneration to fulfill the needs of employees has been implemented.

The decrease in employee performance commitment remain occurs even though the company has improved the facilities and has provides remuneration at the supervisor and manager level. This circumstance occurs because the

supervisor and manager level employees have no more expectance for their career. The company still cannot accept employees as part of a large family of companies. The declining in commitment and performance of employees occurred at the time of issuance of the facilities improvement and remuneration policy. It is influenced by several things, among others (1) the process of rewarding and remuneration is inconsistent and the policies are often fluctuated that cause confusion among the employees; (2) The company is managed under family management. It makes the employee lost their interest for achieving higher career, because the decision is always determined by the head of the family; (3) The policy does not accommodate the employees wishes. The policy making is often unilateral, non-transparent, and inconsistent; (4) there is boredom, laziness, unclear satisfaction, obscure career path, and obscurity toward retirement; and (5) the lack of space to express an opinion.

REFERENCES

- [1] Gasperz V. GE Way and Malcolm Baldrige Criteria for Performance Excellence. Jakarta: PT. Gramedia Pustaka Utama; 2007.
- [2] Maslow A. Motivation and Personality. New York: Harper & Row; 1954.
- [3] Desai M, Bishaka M, Ganapathy PP. A Study on Employee Engagement in Two Indian Businesses [Internet]. Asian Journal of Management Research. 2010 [cited 2015 Jun 20]. Available from: md@iimshillong.in
- [4] Marciano P. Carrot and Sticks Don't Work: Build a Culture of Employee Engagement with the Principles of RESPECT. New York: McGraw Hill; 2010.
- [5] Griffin RW. Manajemen. Jakarta: Erlangga; 2004.
- [6] Robbins PS, Judge AT. Perilaku Organisasi. 16th ed. Jakarta: Salemba Empat; 2015.
- [7] Surya M. Psikologi Pembelajaran dan Pengajaran. Bandung: Pustaka Bani Quraisy; 2004.