

UDC 005.32:331.101.3]-057.16:303.725.3
005.32:331.101.3]-057.87:303.725.3

IMPORTANCE OF THE MOTIVATIONAL FACTORS: EMPIRICAL ANALYSIS OF STUDENTS AND EMPLOYEES

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Abstract

The degree of the workforce motivation is crucial for organizations in achieving organizational goals. But what are the most important factors that motivate employees? In this respect, compared with the theoretical postulates of the theories of motivation, this paper conducted a survey designed to determine the motivational factors that the students of the last academic year of study as future employees have recognized as influential for better work performance and to assess whether the factors change by changing the environment and the employment status by determining the motivational factors that improve the work performance recognized by the current employees with different demographic characteristics.

Key Words: workforce motivation, theories of motivation, motivational factors, work performance, students, employees

JEL Classification: O15

1. INTRODUCTION

One of the most important drivers of success of an organization, whether it is a public or privately owned, is the degree of workforce motivation in achieving organization goals. This is confirmed by the organizational structure of today's corporations in which the human resource sectors are presented as a major "core" function of the companies. Many corporations believe that human resources are their most important value, competitive and strategic advantage. But how can the companies exploit this strategic advantage effectively and

efficiently? Companies and their managers must understand and try to fulfill the factors that motivate their employees to perform their duties. Highly motivated employees are the reason for high levels of productivity and consequently higher profits for the organization. But the next question that arises is what factors motivate employees?

Numerous studies on employees motivation that have been conducted in the past and still are endless source of discussion and consideration, had a single common goal to provide more of evidentiary information for determining the factors that motivate employees as an important segment in the creation of environment which positively influences the motivation of employees. In this regard, in this paper we conducted a quantitative research to determine the motivational factors that students as future employees have recognized as important for better work performance, compared with the motivational factors recognized by employees of different age, education and gender groups. Through research, we conclude that the factors of motivation for the new employees change over time by changing the environment and their needs, compared with the theoretical background and findings of research in this area.

2. LITERATURE REVIEW

In general, motivation is more or less affected by factors or events that move, lead and guide human behavior at specific times and in specific conditions. It is not a permanent condition and it is strongly influenced by the personal changes and changes in the environment such as personal, psychological, social and financial factors and organizational factors. From the multitude of definitions in the literature for the concept of motivation, for purposes of this paper we use the definition set by Greenberg and Baron (2003) which is easy to understand because it relates to the individuals and their behavior. These authors define motivation as a "set of processes that arouse, direct, and maintain human behavior toward attaining some goal." (Greenberg et al, 2003, p190).

2.1. THEORIES OF MOTIVATION

To understand what motivates employees and how to motivate them is a subject of many studies that follow after the results of Hawthorne studies conducted by Elton Mayo from 1924 to 1932. These studies found that employees are not motivated solely by money and employee behavior is linked to their attitudes. The studies also showed that the work performance of employees depends on social factors and job satisfaction. Financial incentives and better working conditions are generally less important to improve employee productivity than the fulfillment of personal needs, desire for belonging to a group and involvement in decision-making (Dickson, 1973).

In order to understand the theoretical tenets of motivation, in this article we explain the theory of Maslow (Maslow, Need theory, 1943), Clayton Alderfer's ERG (existence - relatedness - growth) theory (Alderfer, ERG theory, 1969), Vroom's Expectancy theory (Vrooms, Expectancy theory, 1964), John Adams's Social Equity theory (Adams, Social equity theory, 1965), Herzberg's Two Factor theory (Herzberg, Two Factor theory, 1959), Daglas McGregor's theory "X" and theory "Y" (Mac Gregory, theory X and Y, 1960), and Skinner's Reward theory (Skinner, reward theory, 1953).

According to Maslow, employees have five levels of needs (Maslow, 1943): physiological, safety needs, social needs, esteem needs and self-esteem and self-actualization needs. He argues that low-level needs must be satisfied before higher. Clayton Alderfer's ERG (existence, relatedness, growth) theory (Alderfer, 1969) states that employees needs can be satisfied in any order. According to him, not only unsatisfied, but satisfied needs motivate human behavior. Vroom's theory is based on the belief that effort leads to employee productivity and productivity leads to rewards (Vroom, 1964) which can be positive or negative. Positive rewards affect greater employees motivation in terms of negative. Adams's theory states that employees strive for equality between them and the other workers. The equality is achieved when there is a balance

between the worker's contribution and reward and the contribution and awards to other employees (Adams, Social Equity Theory, 1965). Frederick Herzberg's Two Factor theory (Herzberg, Two Factor Theory, 1959) establishes that there are factors at work that cause satisfaction (motivators) and others that cause dissatisfaction (hygiene factors). According to him, if the motivators are fulfilled, the employee becomes more motivated and contributing. Hygiene factors are associated with satisfying the biological needs and are corresponded to Maslow's physiological and safety needs. Theory "X" theory "Y" (McGregor, Theory X and Y, 1960) generally provides that there are two groups of workers - lazy employees and ambitious employees. Lazy workers are represented by X theory which has the characteristics of an authoritarian style of management and leads to direct regulation and strong control. Ambitious employees are represented by Y theory that leads to a democratic type of regulation by delegation of powers, enriching the content of the work and improve relations. Skinner's Reward theory (Skinner, Reward Theory, 1953), simply suggests that the behaviors that lead to positive results will be repeated in the future, and the behaviors that lead to negative results will be repeated only if the management positively encourages employee behavior that leads to positive results.

2.2. REVIEW OF RESEARCH FINDINGS ON MOTIVATIONAL FACTORS

Despite the motivational theories, recent researches in economic literature and psychology have shown that employees are not solely motivated by financial benefits from the workplace, but they are also motivated by other non-financial factors that play a significant role for better work performance. Grant et al. (2008) conducted a field research on motivational factors of fundraising agents who work on collecting donations. The findings suggest that task significance may play an important role in increasing job performance and productivity of agents for 100%. There are also similar techniques associated to non-financial incentives in form of publicly announced ranking employees according to their individual performance (Blanes i Vidal and Nossol, 2011) or public recognition of work performance by selecting the employee of the month or the year (Markham et al. 2002; Kosfeld and Neckerman, 2011) that significantly influenced increasing work productivity of employees. A recent study conducted by Kosfeld, Neckerman and Yang (2016), examined the impact of "meaningful work" in combination with various financial and non-financial motivators and shows that the employee who is familiar with his importance in the overall project is more productive versus the employee who had been told that his work role is not that important. The results coincide with the findings of other studies. This research proves that financial motivators are stable and have a positive effect on productivity, regardless the information about the importance of employee's work role, while non-financial motivators, such as *meaning of work* and *public recognition* have a positive impact on the employees whose job wasn't rated as very important (Kosfeld et al. 2016).

Although there are numerous studies that try to give solid foundations and ranking of the primacy of motivators by introducing advanced econometric tools, the common argument is that the motivational factors are the same as those given in the theoretical postulates of many years ago, but their meaning is different, depending on the environment, the characteristics of business processes and the individual characteristics of employees.

3. AIMS AND METHODOLOGY OF THE SURVEY

3.1. AIMS OF THE SURVEY

This survey aims to determine the motivational factors recognized as influential for better work performance by the students of the last academic year of education as future employees, compared with the motivational factors recognized by current employees with different demographic characteristics (gender, education, age) and allows two-way analysis. The results of the students can be used as a documentary evidence which may be useful for companies in future employment of the graduates. On the other hand, the introduction of the target group - existing employees of different gender, age and educational structures will outline whether

the importance of each motivational factor remains stable or is it individually changing due to employment status and other demographic characteristics of the respondents (gender, education and age).

This quantitative research will further try to perform a ranking of the primacy of motivators that affect better work success in correlation with the findings set out in the classical theories of motivation and with the findings in the scientific researches.

3.2. METHODOLOGY OF THE SURVEY

The quantitative research was done by conducting a questionnaire via electronic service for collecting and analyzing data research - *Survey Monkey*, which was sent to 150 respondents. The questionnaire contains questions that determine the demographic characteristics of the respondents such as age, gender, employment status and education level of the respondents who were employed and ten motivational factors that the respondents rated by level of importance on a scale from 1 – 5, where **1** is least important and **5** is most important. The determination of the motivational factors which were involved in the questionnaire is in line with the findings in the theories of motivation and numerous economic studies and researches in the field of psychology:

- a) **good working conditions** and **good wages** refer to the first and the second level of Maslow's theory of needs or the *physiological* and *safety* needs (Maslow, Need theory, 1943) and *existence* of ERG theory (Alderfer, ERG theory, 1969).
- b) **fixed working time** and **flexible working hours** (or the opportunity for flexible organizing 8 hours - day working time), refer to the third level of Maslow's hierarchy of needs – *the social needs* (Maslow, Need theory, 1943) and *relatedness* of ERG theory (Alderfer, ERG theory, 1969). These two factors are set out in this group because recent findings of many studies show that the organization of working time has an impact on increasing the possibility of work-life balance, social life and communication (ILO, 2007). Working time with a fixed beginning and end, which is the most frequent form of working time in Macedonian companies, provides an opportunity for predictability of the work obligations, but it can cause a work stress because of the inability to complete the obligations or satisfy the needs related to the family and social life. Conversely, the possibility of flexible organization of working time through various forms, such as compressed working time - staggered 40 hours a week, i.e four days per nine hours a day, and on Friday four hours a day, indicates a better chance of work-life balance, social life and communication (ILO, 2007).
- c) **job satisfaction, advancement in the organization, recognition and respect by superiors, teamwork, management / organizational styles** and **fulfillment of the organizational goals** refer to satisfying *social needs, esteem, self-esteem* and *self-actualization needs*, i.e third, fourth and fifth level of Maslow's hierarchy of needs (Maslow, need theory, 1943) and *growth* of ERG theory (Alderfer, ERG theory, 1969). **Recognition and respect by superiors** can be compared with Adam's social equity theory which indicates that if the employee feels that there is a lack of recognition and respect for his work performance by superiors over another worker, it can cause a feeling of inequality and discouragement (Adams, Social Equity Theory, 1965).

We used the statistical software SPSS for the calculation of the results.

4. RESEARCH RESULTS

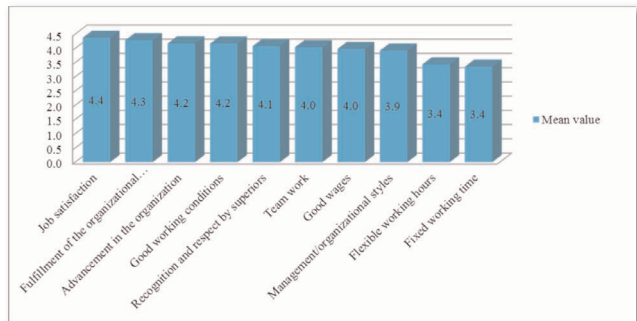
4.1. FINDINGS ON MOTIVATIONAL FACTORS FOR ALL RESPONDENTS

The analysis of the average/mean value of the respondents' answers which is done in order to rank the motivational factors by importance, finds out that *top five factors* that have an impact on better work performance recognized by all respondents are (Chart 1):

1. Job satisfaction
2. Fulfillment of the organizational goals
3. Advancement in the organization
4. Good working conditions
5. Recognition and respect by superiors.

Chart 1:

A rank order of 10 motivational factors by importance (mean value) – all respondents



We found that the motivational factor which concerns the work-time organization regulations - *fixed working time* and *flexible working hours*, is ranked ninth and tenth place by importance by all of the respondents. This finding suggest that satisfying the social needs, expressed by the way of work-time organization in order to establish a better work – life, social and collective balance, is not recognized by level of importance as the most important or very important motivational factor.

It is also important to emphasize that the motivational factor - *higher salary* which refers to satisfying the physiological needs, is not ranked among the top five motivators.

If we analyze the obtained results by gender, we find that there are differences between the male and female respondents. These top 5 factors remain the same for the female respondents, while on the other hand, the males recognize the following *top five factors of motivation*:

1. Fulfillment of the organizational goals
2. Advancement in the organization
3. Team work
4. Job satisfaction
5. Good working conditions.

The results suggest that *teamwork* is a significant *top five motivational factor* for men. This can be explained by the traditional fact that male population from an early age is often included in collective sports, which determine their propensity to collectivization, hence, they also emphasize the team work and collectivity as significant in work placements.

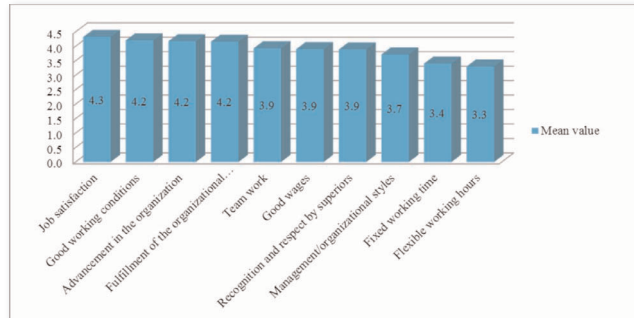
4.2. FINDINGS ON MOTIVATIONAL FACTORS - STUDENTS

Analyzing the results by target groups, we found that students of the last academic year of study, as future employees, consider that satisfying the esteem, self-esteem and self-actualization needs, expressed by the way of a *job satisfaction*, *the opportunity for an advancement in the organization* and *the fulfillment of the organizational goals* and the safety needs expressed through *better working conditions*, are important moti-

vators that improve the work performance. *Good wages*, in point of satisfying the basic physiological needs, is recognized as an important motivational factor, although it is ranked lower on the ranking scale. Among young people, or those without family responsibilities, *fixed working time* is selected before *flexible* because it allows a better predictability and opportunity to plan the social life after their working hours. Also, we assumed that *fixed working time*, in most cases, is the first choice in the organizations in Macedonia because it is actually a long practiced *work - time organization* in our country. The reason refers to the incomprehension of the different forms of flexible organizing 40 working hours per week, hence, in the selection the known always prevails over the unknown (Chart 2).

Chart 2:

**A rank order of 10 motivational factors by importance(mean value)
– target group: students**



If we analyze the results by gender, we prove that the male students as future employees, ranked the *team-work* as a very important motivational factor in the workplace, while for the female students, *job satisfaction* is considered as the most important motivational factor to step up the labour productivity.

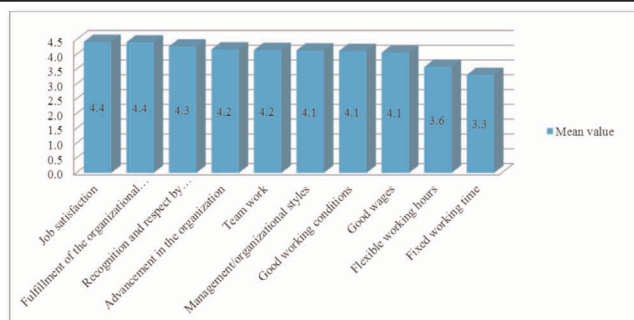
Considering the working time preferences the male students consider both types of working time, flexible and fixed, as equally important. The female students on the other hand prefer the fixed working time and the same is recognized as a better opportunity for a family balance since in Macedonia we are still witnessing the traditional form of understanding family way of life where the women have certain obligations in the household. Shared responsibility or shared parenting is still not widely accepted.

4.3. FINDINGS OF MOTIVATIONAL FACTORS - EMPLOYEES

The analysis of the mean value of the employees' answers indicates that *job satisfaction*, *fulfillment of the organizational goals*, *recognition and respect by superiors*, *opportunity for an advancement in the organization*, *teamwork*, *management/organizational goals*, *good working conditions* and *good wages* are equally important motivational factors for the employees. This target group also don't recognize the *work-time organization* as the most important motivational factor (Chart 3).

Chart 3:

**A rank order of 10 motivational factors by importance (mean value)
- target group: employees**



Based on the same methodology and criteria, on this category of respondents additional observations were made by gender and by their level of education. Employees with higher level of education / MSc / PhD, find the same mentioned above motivational factors as most important. Some changes appear in the results of the employees with secondary and lower education according to which *recognition and respect by superiors*, *job satisfaction* and *teamwork* are equally ranked on the first place in the rank order as the most important motivators for a better work performance. In this target group there is a difference which refers to *work-time organization*, compared with the results of the students. This motivational factor is recognized as a very important factor and on the same level with the importance of the *good wages*.

All that is mentioned above, leads to the conclusion that people with lower levels of education are usually assigned to different work positions on the lower levels and feel that management does not always appreciate and recognizes their work and considers their contribution to the company is limited. Also, it can be concluded that people with lower levels of education are mostly involved in a team way of working, but they believe that the individual recognition in a collective action can strongly motivate them. These individuals often work in jobs in which the organization includes a shift work or night shift, just as production, work desk etc., which could have a strong impact on satisfying their need for work – life and collective balance.

Concerning the gender differences in choosing a motivating factor the same findings are again confirmed as in the student target group that was divided according to gender. There is a shift in female employees concerning the organization of the working time or in, other words, the fixed working time is considered very important compared to the flexible working hours which has a medium importance. The orientation towards fixed working time can be assigned to the influence of the family obligations and the creation of family-working balance.

5. CONCLUSION

Regarding the whole sample, the findings showed that satisfying the esteem, self-esteem and self-actualization needs are very important and they are set on the highest level of the ranking scale of motivational factors. The following factors of motivation by importance are satisfying the physiological needs, safety needs and last, satisfying the social needs expressed by forms of work – time organization. This finding differs from Maslow's theory in which Maslow stated that the needs are satisfied by moving upwards on the pyramid, and it is closer to Alderfer's ERG theory which finds that the need can be satisfied in any order and at any time. This finding also coincides with Herzberg's theory which suggests that for the purpose of achieving a real job satisfaction as a basis of motivation for a better work performance, managers should create conditions that lead to satisfaction of the higher levels of the hierarchy.

Following the findings of the target group - students from the last academic year of study as future employees, we come to the conclusion that the new employees will be motivated if they are satisfied with the job, if they have good working conditions, if they have the opportunity for an advancement in the workplace and if they fulfill the organizational goals. However, it is important to point out that the male students strongly prefer the teamwork, while the female students give a higher importance to the work – time organization and they prefer fixed working time.

Against the students, the current employees believe that the job satisfaction, the fulfillment of the organizational goals, the recognition and the respect by their superiors, the opportunity for an advancement in the organization, the teamwork, the management/organizational styles, good working conditions and the good wages are all equally important motivational factors. The same are only differentiated among the people with lower than university education. Those employees are connected with Adams's theory of equality which shows that if the employee feels a lack of recognition and respect of their work success by their superiors in comparison with other workers it can lead to a feeling of inequality and demotivation. The students ranked the management/organizational styles approximately at the end of the ranking scale, while the employees recognized this motivational factor as very important for increased labor performance, which coincides with Douglas's McGregor theory Y (1960) which stated that individuals are encouraged to take a greater responsibility for planning and appraising their own contribution to organizational objectives, and the accompanying effects on egoistic and self-fulfillment needs are substantial.

This target group also doesn't put high importance to *working time* in its both suggested forms as a significant motivational factor. Still, when compared to the student target group the chart shows that the current employees appreciate more flexible forms of organizing the working time which confirms that this factor is changing due to the surroundings. Namely, in this case we presume that the employees are mostly people with families and therefore they recognize this form as more appropriate compared to the fixed working time. It is again in order to provide working-family balance.

Guided by the above given conclusions this research paper can serve as a starting point in Macedonian companies in their understanding of students' needs as future employees. Furthermore, through including the already employed as a research target group we have proved that the motivational factors are not stable, in other words, they change according to the surrounding, the characteristics of the working processes as well as the employees personal traits.

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