Employee Motivation During the Economic Crisis. Schematic Presentation

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ABSTRACT

One of the first studies on motivation in the workplace is the work of Frederick Taylor (1911) and his collaborators that resulted in the development of the Scientific Management theory. In the 1950s, many new models of employee's motivation emerged, while in the mid-1960s, a new approach to studying work motivation emerged, that focused on outlining the processes that could explain job motivation. During the period of 2008-2017 the work environment in Greece changed in a great number of organizations due to the devastating outcomes of the financial crisis. This sudden change of organization, in political and economic contexts generated new topics in the field of organizational research.

To look into that concept, an empirical research was conducted within the Greek structural design Engineers. The aim of this paper is to investigate the motivation process at the workplace during the economic crisis.

The current research focuses on the in-depth analysis of a small group of employees (qualitative research) in a workplace with a strong influence from the current crisis. Based on the outcome of the above research, the previous motivation surveys and the existing theories, the motivation mechanism is highlighted during the economic crisis and a schematic presentation is given.

Keywords: Motivation, Economic crisis, Greece, Motivation, schematic presentation, HR management.

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INTRODUCTION

The motivation is a force which acts in each man making him acting in one way or another. Different assumptions have as result various motivation theories, although classic motivation theories in the management context are American (Maslow, McClelland, Herzberg etc.).

These theories reflect the culture in which they were developed. The American motivation theories reflect the cultural environment of the United States of that period. Most of the theorists were middle-class intellectuals, so their theories reflect the national intellectual middle-class culture background of 19th and 20th century. This period covers a period of rapid economic growth (1865-1928), the Wall street crash (1929), the Great Depression period (1930-1940), the First World War (1940-1945). The second half of the twentieth century was a time of high economic growth (1945-1964), sexual freedom and drugs, while the concept of 1980's based on huge consumption of money and goods. In general, it was a period of economic growth and recovery.

In Greece during the current economic crisis, the biggest issue, with no doubt, is the sharp increase in unemployment. The unemployment rate was around 10% in the first half of the

previous decade. In May 2008, the unemployment rate reached the highest level of the last decade (6.6% of the workforce). Then it began to grow as the country plunged into the recession. In May 2013, the number of unemployed was almost 1.4 million and the unemployment rate was 27.5%, while the corresponding rates in the other European countries were much lower: 26.3% in Spain, 17.2% in Portugal, 13.5% and 12.1% in Ireland and Italy respectively (Eurostat, 2013).

MAPPING MOTIVATION RESEARCH

The systematic review of existing literature highlights the different approaches to motivation in the workplace. After carefully studying the research work on motivation and related theories, we have come to the following categorization of the theoretical approaches:

1. Motivation Theories (Content vs. Process theories)

Content theories of motivation are based on the assumption that all people have a similar set of (unchanged) human needs and behave to meet these needs. Meeting these needs is a motivating factor. At the other hand Process theories consider that the behavior of the employees is determined and shaped by both the external environment and the individual. It is the individual who will eventually decide on how to behave and determine the intensity of the effort he will make in his work. Process theories assume that although the needs of individuals are similar, the importance and weight of them are different for the individual (dynamic view), quite subjective and leads to different behaviors.

2. Extrinsic / intrinsic motivation factors

A large part of the literature on work motivation has been developed around the distinction between extrinsic and intrinsic motivation. The external motivation concerns the formation and maintenance of a behavior, linking it to a specific (and desirable by the employee) benefits (Ryan & Deci, 2000). Intrinsic motivation, on the other hand, results from the inner, psychological needs of the individual and their satisfaction through work (Ryan & Deci, 2000). The behavior with intrinsic/internal motivation is observed when there is no apparent reward other than the activity itself (Deci, 1975).

3. The dynamic and multiple character of motivation

Motivation in workplace is one of the most discussed subjects in organizational studies, and more generally in social sciences. As an object in direct relation to human behavior and internal psychological and cognitive processes, motivation is directly influenced by the specific environment in which each person operates (socio-economic environment-work environment). Despite the many related theories and approaches that have been developed, the many studies that have been conducted, no approach about work motivation has so far been able to offer a satisfactory holistic interpretation of the phenomenon (Latham, 2011), in order to develop a unified theory (ground theory). Hitka and Balazova (2015) pointed out in their research that motivation factors vary according to:

- a) human needs
- b) social conditions and lifestyle and
- c) the internal and external environment of the company (Mikro-Makro environment)

MOTIVATION EXTRINSIC / INTRINSIC

Malone and Leper (1987) described the intrinsic motives as “what people would do without external encouragement.” Examples of intrinsic motives are hunger, sense of duty, altruism, and the desire to be appreciated by the others. Exogenously induced behaviors are those in

which the control mechanism is readily perceived (Deci, 1975). Examples of extrinsic motives are money, rules and laws, and the natural environment.

From the various motivation theories that developed, the distinction of external-internal motivation is more closely related to the Two-Factor Theory presented by Herzberg (Herzberg, Mausner & Snyderman, 1959; Herzberg, 1987) that considers two main categories of motivation factors:

1. *Hygienic factors* (external/ extrinsic factors) that do not motivate by themselves, but their absence give rise to negative feelings and, consequently reduced performance and
2. *Motivation factors that create an inner desire and mobilize the individual to make an effort and form a particular behavior – to be motivated.* Their absence does not create negative emotions and does not motivate.

Nujjio and Meyer (2012) classify in the first category as Intristic the motivation factors that are the product of the work itself and the nature of the profession. In this category, an important role plays the way of organizing work and its own characteristics. The above factors belong to non- Nujjio and Meyer (2012) classify in the first class as Intristic the motivation factors that are the product of the work itself and the nature of the profession. In this category, an important role plays the way of organizing work and its own characteristics. The above factors belong to non-monetary agents at a low cost for the company. These factors include:

- Interesting work - meaningful work
- Satisfaction with work
- Personal responsibility for the outcome of the job
- Work that requires skills and skills
- Work that can be fulfilled from start to finish
- Native features / nature of work
- Autonomy
- Importance of work / impact on society

The motivation generally at work as a subject to be studied has been explored by many scholars during the years worldwide. The uniqueness of each employee, his interaction with the working environment and the management team, the social context of each age and the changing needs of the individual in it, make it difficult to find the "absolute" motivation factors, effective for every employee. At the same time above conditions give an interest in any new work, that setting its own research framework (research sample, current socio-economic conditions) illuminates and analyzes another aspect of the "motivation" phenomenon party space.

In the 2010-2015, due to the global economic crisis, studies focus on changes in motivation factors due to this. The need for security that the employees were looking for in the workplace at the time is something that is highlighted in all studies on motivation during the crisis, mainly by the team of Hitka and Sirotiakova / 2011, Bakanauskiene and Ubartas / 2012, Zavadsky et al / 2015, Hitka and Balazova / (2015, Hitka et al (2015) from Slovakia and the Czech Republic. In the work of Hitka et al. (2015) states that employees enjoy the appreciation from the company and that could act as motive. Zavadski et al. (2015) proposed the interaction with the Management team as an alternative way of motivation, while communication within the organization is ranked third.

Hitka et al. (2015) report internal communication as a potential motivation factor (at no cost), that companies should not ignore. Employees are looking for support from the organization

and open communication. They are looking for a leader to inspire them, and together they will go out and out of the crisis. Good relations with colleagues, good working conditions are ranked in high positions among the motivation factors during the crisis (Hitka and Sirotiakova / 2011). In Jelacic (2011, Croatia), the education factor was in the third place between the motivation factors, considering it as a professional asset for the post-crisis era. In several surveys during the economic crisis (Hitka and Sirotiakova / 2011, Hitka and Balazova / 2015, Zavadsky et al /2015) an equity motivation factor and a fair assessment system are highlighted and discussed.

OBJECTIVES

OBJECTIVES OF THE RESEARCH

The subject we are examining and focusing on the wider field of HR management, leadership- employee's motivation and especially in conditions of economic crisis. The research focused on a specific professional team: the Structural Design Engineers and in those who work with a dependent employment relationship within a firm. The current research attempted to investigate the impact of economic crisis on Leadership investing the motivation factors and the working conditions during the crisis.

GENERAL OBJECTIVES

The individual objectives of the current survey are set at two levels. On a first level, an overview of the motivation literature is presented while at a second level, it's tried to investigate the impact of the crisis to the employee motivation factors,, exploring the changes in the content and importance of motivational factors related to the economic circumstances and the employee characteristics of the target population.

METHODOLOGY-EMPIRICAL RESEARCH

The chosen methodology is the combination of two methods: the case study and the construvistic grounded theory (Charmaz 2000, 2006). The placement of this research in the existing research framework and the existing theoretical approaches led us to adopt the dynamic view of motivation in which the importance and the placement of the employee's needs are different for each and quite subjective. In order to introduce the diversity of each employee's needs into our research, we consider, as independent variables (and later thematic units), the particular employee characteristics that highlighted during the interviews. The qualitative method used in the empirical research as it agrees with the objective of this research, the deep understanding, exploring and interpreting the personal perceptions, beliefs and experiences of participants about motivation factors in the workplace.

Interviews and their evaluation by grounded theory (Glaser & Strauss, 1967) were used as a methodology for the empirical part of the paper. Interviews enable us to capture ideas of respondent without biasing them by our own ideas. Grounded theory is a systematic methodology that enables to search for and conceptualize social patterns and structures. It is based on collection of qualitative data in which repeated ideas, concepts and structures are searched for. Grounded theory may lead to identification of new concepts and theories. The collection of data was done by a qualitative research via semi- structured interviews.

The current research explored the employee's motivation considering a dynamic environment, taking into account:

- the specific characteristics of the target population and the its working environment (Greek labor market),
- the work identity of each employee (sample-case studies),

- as well as the socio-economic context in which the research was conducted (economic crisis).

In order to achieve this, a qualitative survey of twelve personal semi-structured interviews was conducted, that led to the creation of equal number case studies. Through that personal interviews explored:

- the social and working image of the employee,
- the needs of the employees,
- behaviors and factors that influence and shape them,
- thoughts (alternatives) about the future and the next steps,
- motivation factors before and during the crisis,
- how the employees perceive the management actions and how they comment on the capabilities of the Company's Management.

Even though grounded theory approach is more complicated in evaluation, we decided for it as we want to capture the reality as it is without influencing respondents by guidelines and our own mental images. The survey with a small number of respondents helps us to capture important patterns concerning motivation of employees and develop the foundations for the future research that we conclude/propose.

GREEK MARKET

The Greek labor market has a peculiarity compared to the labor markets and social structures of the economically developed countries of Europe and America. This feature consists in the existence of both a high percentage of self-employed and a very low proportion of wage earners within the economically active population (TEE, 2008). Greece is characterized by the highest percentage of self-employed (33.1%), the lowest percentage of employees (45.5%) compared to the average for the corresponding period in Europe, which ranged around 85%.

TARGETPOPULATION

As target population was considered the Greek Structural Design (Civil) Engineers. The above-mentioned study population has the following features:

- It has been heavily affected by the financial crisis in Greece.
- In previous years the profession has promoted upward social mobility from lower to middle class.
- The job itself (interesting, with many challenges, with personal responsibility for the result and a job that requires special knowledge and skills) and the nature of work are important factors of motivation.
- It combines an employee role (permanent job, eight hours per day, one employer) with freelance characteristics.
- The employees have a high level of education (five-year studies) and most of them hold postgraduate degrees.

SAMPLE – INDEPENDENT VARIABLES-LATER THEMATIC UNITS

As sample, the employees of two structural design consultancies (Company A, B) were selected in the Athens area. These companies have all the typical features of Structural design companies. Company A mainly deals with private sector business/buildings (hotel units, warehouse, residences commercial developments) while company B mainly deals with infrastructure projects. Company A has a wider range of short-term design projects with smaller budgets and it is dependent on private initiative. Company B, on the other hand, is

fully specialized in its section, has a small number of long duration design projects with greater budget and is fully dependent on the public sector.

In order to introduce the diversity of each employee's needs into the current research, we consider, as independent variables (and later thematic units), the particular work characteristics of the each employee. The following independent variables/thematic units considered during the current research section (eventually grouping the independent variables ended up in the following thematic sections) that characterized each employee:

- Employee financial status
- Current family status.
- Influences from the environment
- Professional choices
- Company type -A or type -B.
- Current professional situation
- Relations with Management
- Economic situation

INVESTIGATED MOTIVATION FACTORS

During the Literature review, a great number of motivation factors are highlighted and during the empirical research investigated and discussed and, such as:

- Job responsibilities and status
- Respect of colleagues
- Working conditions
- Safety at workplace
- Management strategy (salary, rewards)
- Financial remuneration
- Recognition of professional excellence
- The need for "belonging" to a social and working group
- Understanding employee's difficulties and support from Management team
- Communication
- Providing time outside the company
- Sense of social equality
- Autonomy at work

RESULTS -MOTIVATION FACTORS DURING THE ECONOMIC CRISIS

The analysis of Case studies shows that during the period of the economic crisis in Greece, the motivation factors were transformed and adapted to the new needs of the workers. Specifically:

1. The motivation factors of stability and security have been replaced by the satisfaction of the need to belong to a social / working group.
2. The characteristics of the job (interesting job, personal responsibility for the result, which requires knowledge and skills and can be fulfilled from start to finish) continued to motivate the employees but their strength decreased.
3. The characteristics of the good manager (as a motivating factor) have also been modified by a "person responsible and man with knowledge and skills to solve any technical

- problem at work”to“one who will discuss with their employees day to day problems, support them and he is their link with the Management Team.”
4. The need for communication / information from management on the current situation, future actions and plans to exit the crisis has emerged as a key driver of motivation.
 5. Perhaps as the most important motivation factor we can consider a leader with will and ability and skills to cope with and overcome the crisis. Essential feature of that leader will be his reliability and his stability on the way he acts.
 6. A form of social equality / sharing of economic losses will act as a motivation factor. The financial difficulties combined with the reduction of income they face, make them feel socially degraded while at the same time their employers still hold their social position. Employees are looking to see the consequences of economic losses on their employers as well.

DISCUSSION

As an outcome of this long-term analysis and explore of the term “motivation”, based on the results of the current study and as well as on the previous literature review, by compiling and summarizing all the knowledge that was obtained we present the following diagrammatic (Schematic) model on motivation and its factors (See image 2).

A large part of the literature on work motivation has been developed around the distinction between and intrinsic and extrinsic motivation. The first category (**intrinsic**) includes the motivation factors that are the result of the job itself and the nature of the profession. In this category an important role is played by the way in which the work is organized. The above factors belong to non-monetary factors and the cost to the company is small. The following factors are included:

- a. Nature of work (interesting / meaningful work)
- b. Satisfaction from work
- c. Personal responsibility for the outcome of the job
- d. Work that requires qualifications and skills
- e. Work that can be done from scratch to completion
- f. Autonomy
- g. Importance of work / impact on society

Figure 1: Motivation factor (in general), Source: Current work

The second category includes those who are not related to the nature of work and the profession but are the result of extrinsic factors. They are divided into monetary / non monetary and *most of them come from the management of the organization*. The monetary (extrinsic factors) include any money paid by the organization to the employees (salary, additional bonuses, and benefits). In general, non-cash includes everything else the organization offers to its employees in the form of non-monetary fees, such as:

- Estimation of offered work by the management.
- Good company reputation.
- A sense of being precious as an employee for the company. The company needs his/her services and relies on his/her abilities and contribution.
- Good Working environment, where peace and good relations between colleagues predominate
- Good manager/ leader (support and understanding for professional difficulties and personal / family problems).
- A sense of security and safe in the workplace.
- Opportunities for progression and development.
- Feeling of justice and equality.
- Having Feedback.
- Autonomy at work.
- Open communication and interaction with the organization's management.
- Satisfaction with the need to belong to a working group (social need).

Above concept is presented in Figure 1. It is obvious that the management of an organization in the normal economic conditions seeks to maximize the motivation, job satisfaction and work performance of employees at the lowest potential cost, that highlight the non-monetary (extrinsic and intrinsic) motivation factors (Figure 1).

From the various motivation theories that developed, the distinction of external-internal motivation is more related to the Two-Factor Theory presented by Herzberg (Herzberg, Mausner & Snyderman, 1959; Herzberg, 1987) that considers two main categories of motivation factors:

- a. *Hygienic factors* (external/ extrinsic factors) that do not motivate by themselves, but their absence gives rise to negative feelings and, consequently reduced performance and
- b. *Motivation factors* that create an inner desire and mobilize the individual to make an effort and form a particular behavior – to be motivated. Their absence does not create negative emotions and does not motivate.

In the case of the economic crisis (based on the results of current research) monetary motivational factors are limited (wages and bonus) and the strength of intrinsic motivation factor is significantly reduced due to the many and the major difficulties faced by employees. Under these circumstances, external non-monetary factors, which are the result of appropriate actions from the part of Management team (Figure 2), appear to be the main drivers of motivation.

Figure 2: Motivation factors during economic crisis, Source: Current work

Above model highlights the key contribution of management in motivation during the economic crisis and gives validity to the Herzberg theory that suggest the existence of Hygiene factors can't motivate the employees if the motivation factors are absent. The specific model also can be applied as a motivation factors guide to 'not interesting/meaningful jobs.'

CONCLUSION

In the case of the economic crisis, the influence of intrinsic motivation factors is significantly reduced due to many and major difficulties faced by employees. The contribution of extrinsic monetary motivation factors (salary, bonus) is limited, but the influence of extrinsic non-monetary factors, that come from the management (Figure 2a), is significantly increased and highlighted as the key motivation factor during the period.

Above model highlight the key contribution of management in motivation during the economic crisis and gives validity to the Herzberg theory that suggest the existence of Hygiene factors can't motivate the employees if the motivation factors are absent. The specific model also can be applied as a motivation factors guide to 'not interesting/meaningful jobs.'

The following management measures are proposed that which will strengthen the above specific motivation factors during the economic crisis:

- Verbal praises, which emphasize the assessment of employee work offered by management in the past but also at this stage.
- Creating a climate/ cultural of collaboration, mutual support and appreciation, between management and employees.
- Working environment, where peace and good relations between colleagues predominate.
- Good supervisor /leader supportive and understanding of the personal / family problems of employees.
- A sense of security and safe in the workplace (as much as it may be).

- Opportunities for progress and development / education. Organizing internal seminars where existing knowledge in the organization will disseminate between older and younger workers and teamwork in the team will become stronger.
- Open communication and interaction with the organization's management (Organization of weekly meetings and discussion of the latest developments in the workplace).
- Satisfaction with the need to belong to a working group (social need). Organization of social events within the organization that will stimulate links between management and employees.

Figure 2a: Motivation factors during economic crisis (Final model), Source: Current work

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