

UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS

MASTER'S THESIS

**THE ROLE OF MOTIVATION IN WORK PERFORMANCE:
IMPORTANCE OF MOTIVATION FACTORS FOR FUTURE
EMPLOYEES**

Skopje, December 2016

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AUTHORSHIP STATEMENT

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TABLE OF CONTENTS

INTRODUCTION	1
1 THEORETICAL BACKGROUND	5
1.1 The Concept of Work Motivation.....	5
1.2 Motivation Theories.....	6
1.3 Motivation's Effects on Employee's Performance	17
1.4 Monetary versus Non-monetary Incentive Programs (Motivators)	22
1.5 Motivation Factors – Employee Choices	28
1.6 Students Motivation	30
2 METHODOLOGY	33
2.1 Data Collection	34
2.2 Choosing Factors of Investigation	35
2.3 Sample.....	36
2.4 Data Analysis	37
3 RESULTS	37
3.1 Sts Cyril and Methodius University in Skopje	37
3.2 University – American College in Skopje	41
3.3 Comparison of Results	44
4 DISCUSSION.....	45
CONCLUSION AND FUTURE RESEARCH.....	48
REFERENCES	50

LIST OF FIGURES

Figure 1: Maslow's Hierarchy of Needs.....	9
Figure 2: Herzberg's Two-Factor Theory	12
Figure 3: The Equity Theory Diagram	14
Figure 4: Stress Response Curve	19
Figure 5: The Job Characteristics Model.....	25
Figure 6: Leadership Styles and Team Formations	26
Figure 7: Comparison of Total Males and Females Included in the Study	36
Figure 8: Motivation Factors Ranked by the Students from UKIM.....	38
Figure 9: Motivation Factors Ranked by Students from UKIM, by Gender	39
Figure 10: Motivation Factors Ranked by Students from UACS.....	41
Figure 11: Motivation Factors Ranked by Students from UACS, by Gender	42
Figure 12: Comparison of Motivation Factors Rankings between the Two Groups of Students from Both Universities (UKIM and UACS).....	44
Figure 13: Comparison of Results between the Two Groups of Students.....	45

INTRODUCTION

Motivation is the crucial part in the organization, it puts human resources into action, improves efficiency levels for employees, leads to achievement of organizational goals, builds friendly relationships, stability and growth of the organization. Companies aim to develop a motivation system that drives employees to perform better and attract potentially new quality workers for the company by building a good reputation. Creating an effective motivation system is a reaction to the question: What does really drive the employees to perform? The idea behind the master thesis is to explain the benefits of motivation for young graduates, considered as future employees. The information gathered from the master thesis along with the given results from the research is important for HR professionals in the developed world, who seek new employees for respective companies and improve the structure of the reward systems in all the organizational levels.

The survey is done by handing out a questionnaire to 150 participants from Sts Cyril and Methodius University in Skopje and 150 participants from the University - American College in Skopje. Participants rank the motivation factors regarding the importance of each one. The results point out that good wages and interesting work are on the top of the list of important factors for all the participants. There are also other factors that are strongly considered such as being informed and involved as well as job security. Most of the participants in the selected group acknowledge that promotion, growth of the organization and full appreciation of the done work are very important motivation factors.

From the gathered information along the research, a conclusion that future business employees are motivated by factors from different categories (intrinsic extrinsic, monetary, non-monetary) can be drawn. So, to have an efficient approach towards motivation one should not be based entirely on intrinsic or extrinsic factors. If companies are aware of the factors that drive employees to perform well, they can effectively take steps for attracting, motivating and pursuing employees.

Human capital is considered wealth for companies. Logically, keeping the motivation on high level is of great importance for taking the company into the right direction. One of the key elements is motivation. Motivation, for a group of scientists is strongly related to human needs, while others describe it as cognitive process that influence people's behaviour. The difference between theories resulted in a division in two categories: content and process theories. The more pronounced content theories are: Maslow's hierarchy of needs theory; Alderfer's advanced "Maslow" theory; McClelland's acquired needs theory, and Frederic Herzberg's two factor theory. The more pronounced process theories are: Vroom's expectancy theory, Adam's equity theory and Locke and Latham (1960) goal setting motivation technique. Later on in the master thesis, the theories are elaborated more significantly. It is decisive to motivate people at work, regardless of what level in the organization they belong to. The process of motivation starts with the managers who have

to be aware of the actions that motivate the employees. The employees need to be aware of what is expected of them while on duty. HR professionals need to have a higher understanding of the motivation as a cause to propose effectively and put into practice the rewarding system. It is crucial for the companies to develop motivated staff in order to have healthy working environment and be relevant in the eyes of the competition. However, because of the complexity of the human beings in general, motivation is a difficult phenomenon to be achieved and channelled through an organization. Superiors should not shy away from the challenge of setting goals for their employees, they need to do it and it makes a significant difference in the level of performance inside the organization. That said people need to buy in to the goals (Latham & Locke, 2002). Moving forward, there are theories that don't agree that money is the crucial part of motivation, although many companies rely on money as the exceptional tool for motivation. Payment based on performance is the new form of monetary incentive that is used by the majority of companies (Osterloch & Frey, 2002). In the last decade many companies have been cutting costs with lowering of salaries and bonuses respectively, because of the financial crisis that hit the World recently. So, the question that arises is: Are there other options of motivating people that can give same or similar result as financial incentives?

Findings on the subject of motivation point out that there are different ways to motivate the employees. The theories of motivation are divided into two general categories: content theories and process theories. Content theories are related to the motivation behind people's minds. Content theories are represented by names such as Maslow (1943), McClelland (1960) and Herzberg (1968) that are well known scientists in the field of motivation studies. The process theories on the other hand, are specialized in the occurrence of motivations phenomena. Names such as Vroom (1968), Adams (1965), Locke and Latham (1979) created the best thought process theories. In some aspects both theories are complementary but in other aspects, they are totally opposite. Therefore, some authors performed individual studies concerning motivation.

These studies granted a few other suggestions about motivation that could trigger higher moral and effectiveness in employee's performance. Authors like Hackman and Oldham (1975), and Lawler (1969) indicate that job type plays a detrimental part in determining the employee's behaviour. Others like MacKinnon and Roche (1970), Allender and Allender (1998), Tharenou (2007), Kopf and Mightfield (1995), suggest that the freedom given as well as the leadership style are essential for the motivation process of the employees. On the other hand, authors pointed out the recognition as one of the primary tools for motivation (Stajkovic & Luthans, Murils & Armstrong, n.d). There are a lot of scientific studies about motivation factors and their clarification, in the research done on this topic.

Out of all the done subjects and research, it is not easy to select the most appropriate answers to the question: What does it motivate the employees? The most logical solution to

this question is simply to do a survey and ask the people. There is a lot of information and research done on this topic. People have spent great deal of time studying employee's/people's behaviour. In the conducted studies, people from different cultures, age groups, levels of organization and different time frames are examined. Results have shown that the importance of motivation factors is variable among different groups of people. At the same time, some of the motivation factors are very often listed as favourites. Appreciation of the done work, the interesting work, feeling of being informed and involved as well as the good wages are the those particular factors in many researches done by: Kovach (1987), Lindner (1998), Fischer and Yuan (1998), Kinnear and Surtherland (2000), Harpaz (1990), Lawrence and Lindhal (1949).

Most of the studies analyse the factors of motivation for already employed people. There is not a lot of research done that focus on the motivation factors for students, and their expectations for future work in general. Krau (1989), Srivastava and Lim (2008), came to a conclusion that, developed pre-work behaviour might provide foundation for the behaviour expressed on the job in future. So, in accordance with this thought, questioning students about what motivates them to work is the essential subject of the master thesis research.

• **Problem statement and research question**

The employee market today is considered of strong competition. Companies are willing to attract young and talented workers to be trained and employed. Limited amount of graduated students, come out of college every year, therefore companies compete to obtain good workers. Well-known companies start to search and recruit employees before they graduate. Developed pre-work behaviour might provide foundation for the behaviour expressed "on the job" in future. The purpose of the thesis is to point out the specific factors that motivate students (future employees) when they decide to start the career journey. This question is important for the HR specialists and managers in any organization as they set up the recruitment and incentive programs for the staff. Regardless to many studies on the topic of motivation, managers today are not much closer to understanding motivation than experts were more than fifty years ago.

Examining the topic in the master thesis is important in setting up solid motivational ground for the future generation of workers. If companies were aware of the factors that influence the future employees, they would guide a campaign in direction for attracting qualified people. It therefore results in a wide database of candidates and high probability to hire the appropriate candidates for the company needs. As it is stated before, the results that students show in the survey might be a good indicator for what their behaviour would be, when they would be hired and employed. Job types have a crucial role for determination of the employee's behaviour (Oldham & Hackman, 1975). It is said that managers might find the results of the master thesis are useful and use the data to their benefit. The master thesis also elaborates if financial incentive programs are irreplaceable

when it comes to motivation and if they can be substituted with other effective incentive programs. For example, performance related to payment is thought to be a new form of financial incentive that is used by plenty of companies (Osterloach & Frey, 2000). Recruiters who have the right information are able to use the most efficient method for motivating their future employees, and avoid unnecessary loss of time and money. This research also might serve to the students as an inspirational tool and preparation for work.

- **Structure of the thesis**

The master thesis is consisted of four parts. The first part is an introduction that explains basically the theories elaborated in the thesis as well as the importance of motivation as phenomena. In this part there are also suggestions for which the master thesis can be useful. The limits of the study are presented in the last subchapter of the introduction.

The next part after the introduction explains the theoretical background. The theoretical background is based on the literature and previous research done on motivation. In this part the author is focused on the theoretical analysis and comparisons among different views on motivation by different authors who have worked towards explaining motivation as phenomena. In this part, there are six subchapters each covering and clarifying different aspects on the topic. In the first subchapter of this part, variety of definitions on motivation are presented and elaborated. In the second subchapter, process and content theories that explain motivation are briefly described. In the third subchapter, a good portion of previous research done on the effects of motivation on employees is written, explained, compared and elaborated. In the fourth subchapter, the monetary and the non-monetary incentives are explained and compared and the effects on employees in general, based on previous researches and theories. In the fifth subchapter, findings of previous research done on the choices made by employees in terms of what motivates them to work are presented. The sixth subchapter of this part explains the motivation according to students and their opinion.

The third part is the explanation of the individual research done for the purpose of the master thesis by the author. The methodology used to conduct the research is presented, then the gathering of data and information and the preparation of the questionnaire. Then the sampled students from both universities and their characteristics are elaborated. After that, it is explained how the data is analysed to get to the results.

The final part of the master thesis presents the results of the research. Then, there is a discussion on the findings. At the very end, the conclusion is written which summarizes the master thesis. After that there are the listings of the literature and other sources used to write the master thesis.

- **Limitations**

There are limits to the study done in the master thesis which are clarified. According to the master thesis there is a correlation between the attitude before employment and the attitude after being employed, but the results from the survey should not be taken as fact, because other researches might prove otherwise. Results are strongly influenced by the region, country and other factors. The experience in a real working environment can change a lot the perception of the employee, and won't coincide with what somebody previously thought. The study also limits its scope to only two groups of students from two universities, therefore the results cannot be generalized to a wider population, and however there is a possibility that students from different schools in the region have the same mind-set and similar views on the topic. The factors used in the thesis are chosen from previous research done on the topic; they cover the most necessary aspects of motivation. But, there can be a disadvantage in choosing the questionnaire form of the survey; the risk of missing out some important factors of motivation is possible. Basically, to avoid this to happen, an open ended question is added in the questionnaire where the respondents can add some motivation factors that are not included in the questionnaire. The response rate for the open ended question is low; might be because respondents agreed with the factors presented in the questionnaire; also there is a possibility that respondents simply didn't like to answer the question. The questionnaire is written in English and translated in Macedonian afterwards.

1 THEORETICAL BACKGROUND

1.1 The Concept of Work Motivation

Motive as a term usually means a desire, emotion, need or vibration that makes a person to do something. According to this, motivation is ability for taking action. When a common sense is used and working environment is added into consideration, it becomes obvious that work motivation alludes to motivation related to work. It refers to employee's to perform, stay and be loyal to the company, consolidate among each other, be supportive of leadership, help clients and so on. The definition comes from the Encyclopaedia of Organization Studies (Clegg & Bailey, 2007) and it is a sheer example from the scope of information that is related to motivation that can be found everywhere. Some people shape the motivation by explaining its origins. According to this thought, motivation is shaped as "a psychological process resulting from the reciprocal interaction between the individual and the environment that affects the person's choices, effort and persistence" (Ernst & Latham, 2006). In other studies, motivation is related to the meaning of achievement. Individuals are driven by motivation, only if they know that the work put in, likely yields desired results. Well motivated individuals take action that they think it explain their well distinct goals (Armstrong, 2007). Kanfer (1990) stated that motivation is a phenomenon and cannot be observed directly.

There are as much definitions on motivation as there is research done on this topic. However, there are some characteristics of motivation that come up in almost all the research. It can be concluded that when authors talk about motivation, they mention the behaviour, an action which is triggered as a result of the cause of motivation.

Motivation can be described as a force that makes people behave in a specific way (Pinder, 1998). This definition is used as most adequate one, as it seems to clarify motivation in explicit and comprehensive way: Motivation can be described as a cluster of energetic forces that appear from the inside and outside of an individual being to trigger the work-related behaviour, and to determine its direction, form, duration and intensity (Pinder, 1998). This definition is not common as other definitions are; it presents the motivation in a tight bond with career and work. According to it, one of the fundamental parts in the concept of explaining motivation is the concept of force. It makes the definition reliable to the work of other researchers but also allows motivation level to be viewed as weak or strong depending on conditions. He believes that effort is an outcome and sign of motivation, but not the same occurrence/phenomena. He addresses that his defining of motivation does not allude to hedonism as a main tool in the work motivation, but doesn't exclude it either.

Some other elements that define the motivation and come from Pinder's work are: direction, intensity and duration. Intensity is described by two terms, potential arousal and potential motivation. One is created by the expectation that certain behaviour and performance cause and affect the outcome. The other term relies on degree of potential motivation and occurs only to an extent that certain behaviour is hard. In the author's opinion the intensity is not concerned with the available potential and is described as the sheer size of motivational arousal in a time frame. The direction of the motivation energy can be understood by the goals that are set. In accordance with the previous thought, the duration suggests that achieving goals can be outcome of "on the job" behaviour. A very important feature of the definition, as well as a last one, Pinder (1998) mentions the fact that motivation is offered as a hypothetical construct which cannot be calculated, but exists as a psychological processes.

1.2 Motivation Theories

Motivation is the need or desire to do something, whether it is biological, social or emotional. The motivation is what gets you moving. These theories help us understand what drives us. Let's start with the theory of evolutionary perspective. In the 20th century it was popular to think for all behaviours as instincts - innate drives to act a certain way. But this so-called instinct theory was misguided, partly because of the presence of the tendencies, and doesn't always mean it's supposed to be there. For example, if people started rioting at a heated soccer match because of their tendencies, it would be short sighted to think that they are supposed to do that. Evolution is far more complex and

interesting process than that. Plenty of behaviours can just be accidents of evolution. Palaeontologist Gould (1979) called these accidents, spandrels, by-products of other processes (Gould, 1979). Today, we define instincts as complex unlearned behaviour that has got a fixed pattern throughout species. For example, dogs instinctively shake their fur when they are wet, and human babies instinctively know how to suckle minutes after they are born, these are true genetically predisposed instincts that do not require learning. But while certain tendencies are genetic, individual experiences have a major role in motivation as well.

Another motivation theory suggests that the psychological drive for something simply compels us to reduce that drive. This is called the drive-reduction theory (Hull, 1943). It can be as simple as hearing the stomach growl, then you start looking for food. My need is food, my drive is hunger, and my drive reduction behaviour is burrito for example. Drive reduction is all about maintenance of your body's homeostasis, the balance of its physiological system. As much as we are pushed to reduce our drive, we are also pulled along with incentives- the positive or negative stimuli that either entice or repel us. For example the mouth-watering pulls me towards that burrito just as much as it pushes me there. Drive reduction theory might oversimplify our behaviour, for example a person might fast for days ignoring his/her body's hunger to honour some spiritual or political cause, and also people sometimes eat when they are not actually hungry.

So the third theory attempts to fulfil some of those gaps; the theory of optimal arousal (Cherry, 2016), suggests that there is a tendency to maintain the balance between the stimulation and relaxation. For example, if you are all alone in your house for the weekend and you are all bored up and lonely, you can call up some friends to go mountain biking, or might be to go to a karaoke bar or whatever you like to do for stimulation. The idea here is that you want to hit the right level of arousal without getting over-stimulated and stressed. Everyone has got a different level of optimal arousal. Nevertheless, the optimal arousal theory suggests that we are motivated to avoid boredom and stress.

American psychologist Maslow illustrated this shuffling of priorities in the middle of the twentieth century with his famous hierarchy of needs. On the bottom of the pyramid you find the most basic psychological needs for food, water, air and moderate temperature. The next level speaks for our need of safety, then the love and belongings are followed by esteem and respect and finally once all those needs have been met, comes the luxury of being motivated by self-actualization, spiritual growth and yoga retreats or anything similar. Of course there are problems with Maslow's vision; empirical research hasn't really supported his hierarchy, and there is tendency for skipping around that pyramid all the time and the importance of those higher level needs might vary depending on the culture, finances and personalities. Still, everyone is restricted by the lowest levels of the pyramid. Regardless to the theories, most schools of psychological thought agree that we are driven by at least three big motivators: sex, hunger and the need for belonging.

Sexual motivation is how we promote the survival of our species, through recreation both of which help human communities bond and expand, without it none of us would be here today thinking about life. Internally, we are biologically driven to respond to our sex hormones; sex is a big motivator, but it is not precisely a need no matter what someone has stated, people do not die without it (Johnson, 1997). Hunger though, shelter air, water and food is our body's greatest need, thus obtaining food is one of our greatest motivations. Hunger might sound simple, but physiologically and psychologically there is a lot going on, like so many things, it starts in the brain. The sensation of hunger usually begins with dropping of your blood sugar level. Hunger is shaped by our psychology, culture and mood, and these factors also guide what we are hungry for. Analogically speaking most humans and many other animals have a genetic taste for sweets and fatty foods because they are typically high in energy, but taste preferences are conditioned through experience and culture.

Despite the growing number of theories presented and defined, and the amount of researches done on the topic, the factors that drive people to do their job well are still controversial. A lot of authors use the already established theories as a jumping start for their initial work in the field of motivation. Now let's take a look at some other theories and their division.

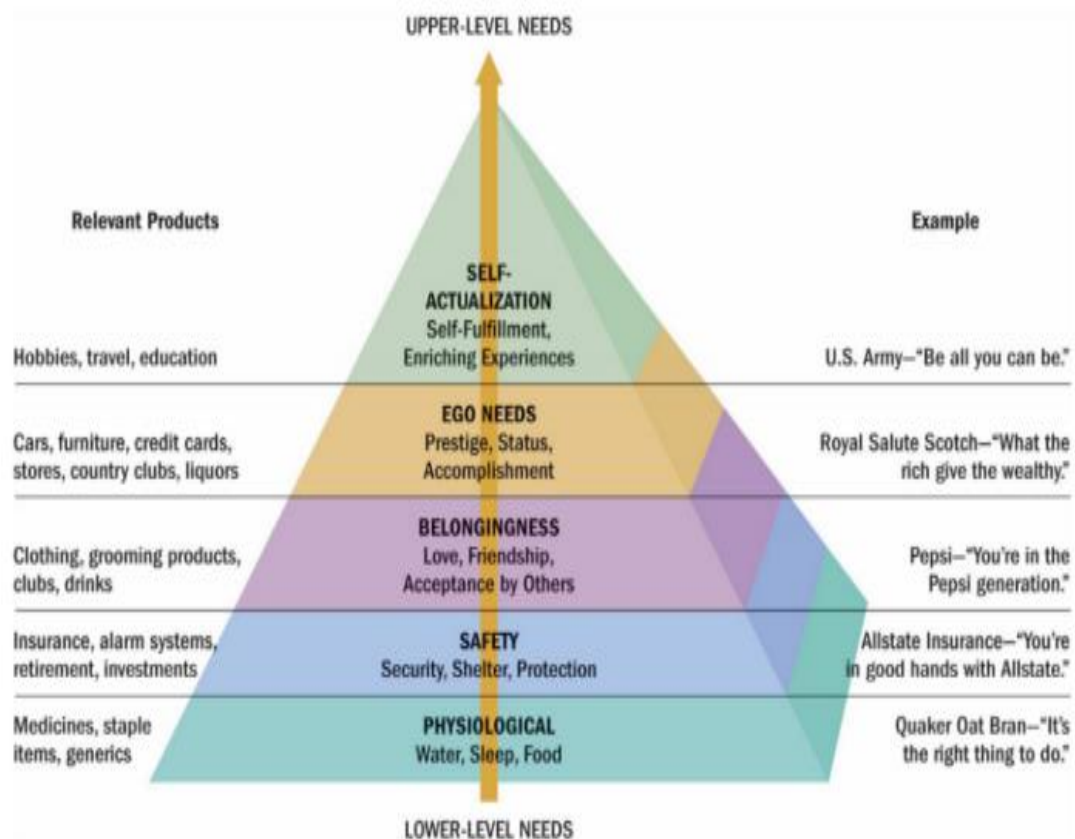
Armstrong (2007) clusters the theories in a precise and useful way. According to him, the theory of motivation at work by Taylor is associated to the penalties and the rewards that are linked to performance. The concept of needs' hierarchy by Maslow is a less influential approach. It describes motivation as a result of the people's unsatisfied needs. Herzberg leaned towards distinction in between the intrinsic and the extrinsic motivators. These theories are obviously very important, but are far from perfect. They are all characterized by some weaknesses. The approach by Armstrong leans towards process theories which are modern and approach motivation from a different angle; such as, the expectancy theory by Victor Vroom suggests that motivation can exist when the connection between outcome and performance is clear and visible. Equity theory suggests that people's motivation rises if they are treated equally. And finally, the goal theory alludes to the role of the feedback and setting goals in accordance to motivation and performance.

A number of definitions are offered so far in the master thesis. Each of them has got its own flaws and strengths, which can also be said for the motivational theories. There are many different theories surrounding the topic of motivation. Motivation for a group of scientists is strongly related to the needs of human beings, and for others it presents a cognitive process that stimulates people's behaviour. The differences between theories cause a division into two categories: content and process theories. Following in the thesis, the more significant theories are elaborated and presented into details.

- **Content theories**

These theories focus on what motivates people. Individual goals and needs are primary target; genuinely it is the same for most of the people. These theories accept that most people have got a similar set of needs, but differ in the explanation on what the needs represent. One of the most popular authors of motivational theory is Maslow with the famous hierarchy of human needs. According to Maslow (1943), the behaviour of human beings in general, is driven by the presence of the unsatisfied needs which are classified in a pyramid according to the importance of each one (social needs, self-esteem needs, self-actualization needs).

Figure 1: Maslow's Hierarchy of Needs



Source: A. H. Maslow, A theory of human motivation, 1943, *Psychological Review*, Figure No.5, p. 370.

The logic of this theory suggests that until lower needs are fulfilled, higher needs are not reached. When a need is fulfilled it simply does not have any influence on the behaviour any more, and the focus is shifted towards achievement of the higher need in the hierarchy. The author separated the needs in categories: higher order needs and deficiency needs. Deficiency needs are critical needs such as hunger, the need for water and a need for protection and shelter. When these needs are settled, individuals become driven towards higher order needs. The need for satisfaction and supportive relationships with other

people, independence, freedom, achievement and recognition, the need for developing potential are all higher order needs. Self-actualization is the highest step in Maslow's pyramid, and can be elaborated as the last point of a continuing maturation process. This level is achieved by not many people and dissimilar to the other needs, it is never completely satisfied (Rhodes & Fincham, 2005).

This particular theory by Maslow is followed by others who made an attempt to advance it. Alderfer (1969) presented one of the modifications of this theory, which included fewer needs' levels (Pinder, 1998). Alderfer's study unlike Maslow's is centred on empirical examination in organizational surroundings. The theory is considered of various categories of needs which are based on Maslow's model but rather different. This model is called E-R-G, it is conducted of relatedness needs, existence needs and growth needs. The primary group is strongly related to Maslow's psychological needs and somewhat to security needs (only physical security). Existence needs are solid and limited by nature. Salary is a good example of existence needs, in an organization setting. For example, if for some reason money is allocated between two groups – the bigger amount one group gets the less money the other group gets. The relatedness of needs is the need for prestige and esteem of the others, and is considered of interactive security needs. Usually to satisfy the relatedness needs means to develop relationship and interact with people. The last group in the theory suggests the growth needs. Although, they are equivalent to Maslow's self-actualization and self-esteem needs, there are main dissimilarities in the perception among the authors. In Maslow's theory, the author advises that self-actualization involves a fulfilment of exceptional, inherent potential, while Alderfer's growth needs suggest that the will to interact with the environment is by mastering, exploring and investigating it. In his model, growth needs change if the environment changes as well (Pinder, 1998).

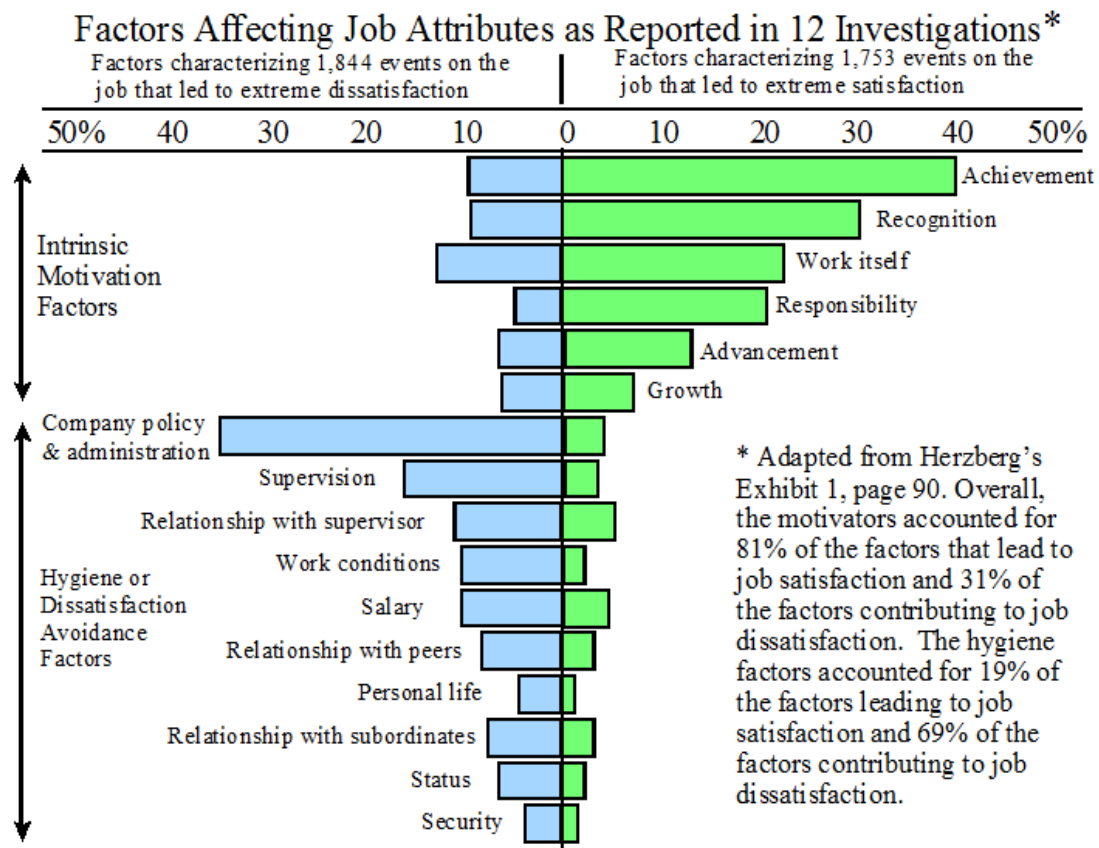
One other contributor to this particular field of investigation is McClelland (1960), whose model is preliminary for many other researchers. McClelland's theory rests on three motives that are crucial for the organization (Miner, 2006). Maslow has set a line between the alterations amid the needs however McClelland suggests that certain people simply have needs of higher order than others (McClelland, 1960). Needs change over a period of time according to McClelland's perspective, is created by one's experience. In accordance to this, McClelland's theory is called acquired needs theory. McClelland recommends that most of acquired needs can be settled in any of the three groups: affiliation needs, power needs and achievement needs. According to him, some people possess needs for power, needs for achievement and some desire affiliation. People who want higher achievements are better performers because of the satisfaction of being better, or just prove that they are capable of doing so. These people tend to work on tasks that are more difficult, and actually perform better when doing so.

One paper, written by McClelland and Burnham (1976) elaborates the facts that make certain people good managers. In the paper, the authors suggest that achievement is indeed

the crucial factor, although it doesn't mean that a person is a good manager. Most managers are unable to do everything by themselves, so they put some tasks on others. Also, the results from their work come with a delay, so it is hard to evaluate the level of their performance right away. In accordance with these facts McClelland and Burnham shaped an opinion, that the impact of being effective manager lays somewhere else, rather than the desire for accomplishment. McClelland suggests that people who want to have strong power on others are with exceptional character. The need for power comes with characteristics such as assertiveness, aggressiveness, competitiveness which can have negative effects on the self-image. Other than that, the socially acceptable way to satisfy the need for power is to collect the symbols that represent power. People, who have a strong affiliation for having power, usually act in a way which makes them distinguish themselves among others. They are prone on taking risks. Needs discussed by McClelland are also the needs for affiliation. The term affiliation can be defined as a concern over establishment, maintaining or restoring a positive, effective relationship with another person or persons (McClelland & Burnham, 1990). Individuals that tend to be affiliated, perform better in situations and tasks that are concerned with affiliation related incentive programs. Individuals that are highly affiliated tend to evade conflict situations and look for other solutions to solve problems, usually by supportive and confirmative behaviour, and the reason behind that is the fear of rejection. According to McClelland, affiliation isn't a characteristic that is supportive of management. Managers that rely on affiliation like to spend time with employees and tend to have good relations with them, which is not a decisive part for a typical manager. Typically managers make rigid decisions, for the benefit of the company (McClelland, 1990).

One more content theory is elaborated, and that is Herzberg's two factor theory. It has compiled a lot of interest from managers who constantly seek ways to motivate their employees. What is interesting about this theory is that it has a dual character approach. The theory elaborates not only on the needs of the employee, but also shows how to enhance jobs and make workers more motivated (Rhodes & Fincham, 2005). Herzberg suggests that job satisfaction and dissatisfaction are not opposite (Herzberg, 1968). In his terms, the opposite of satisfaction is no satisfaction, and the opposite of dissatisfaction is no dissatisfaction. He also states that satisfaction and dissatisfaction are created by different factors. People are satisfied by factors related to content of their work; these factors are intrinsic motivators and contain achievement, recognition, interesting work, responsibility, advancement and growth. On the other hand, factors that make people unhappy with their work are called no satisfiers or hygiene factors. Herzberg stated that these no satisfiers are: supervision, company policy, working conditions, interpersonal relations, salary status, and security. What distinguishes them from motivators is the fact that they are not related to the context of the work, but rather to the context of the job (Herzberg, 1974).

Figure 2: Herzberg's Two-Factor Theory



Source: F. Herzberg, *Harvard business review*, 2003, Figure No.7, p. 245.

Factors that promote satisfaction are recognition and achievement, factors that were chosen and promote dissatisfaction are: good relations with superiors and company policy.

All of the presented content-theories have got their own flaws and strengths. It might be the case because authors really looked at the problem from one-dimensional perspective, and therefore missed other important sides. As one knows, motivation is a very important topic in today's fast pace working environment, and every research done by one author is valued and observed by others. Therefore, mixed opinions are all over the topic, some agree with original theories, while some disagree and oppose them. Some serious controversies are all over the most popular motivation theories. Maslow's hierarchy of needs theory has become very well-known and popular, although there is a little evidence for its validation. It is offered in a generalized perspective quite too often (Pinder, 1998). However, Maslow's initial intention is not to create a theory that elaborates the behaviour in the organization. The hierarchy of needs pyramid does not apply to all personalities because as it is known every human being has unique features in the character, therefore it cannot be generalized the usage of the theory (Rhodes & Fincham, 2005). As the case with David McClelland's acquired needs theory, many researchers have followed it to see if the author was correct (Frese & Rauch, 2000; Kerr & House, 2000;

Shane, Collins & Locke, 2003; Miner, 2005). The results from the research aren't always accommodated towards David McClelland's acquired needs theory. The two-factor theory developed by Herzberg is disapproved by some, for biases initiated by choosing only two groups. Also a reason for uncertainty is the matter that people tend to clarify the own success by internal influences and failure by external causes (Rhodes & Fincham, 2005). Herzberg suggestions are also criticized because of the lack of measures between satisfaction and performance (Armstrong, 2007). If it's summed up the review of disagreements and similarities of the presented theories, not all have managed to stand their ground during the last century. Next, more newly developed theories are elaborated and analysed.

- **Process theories**

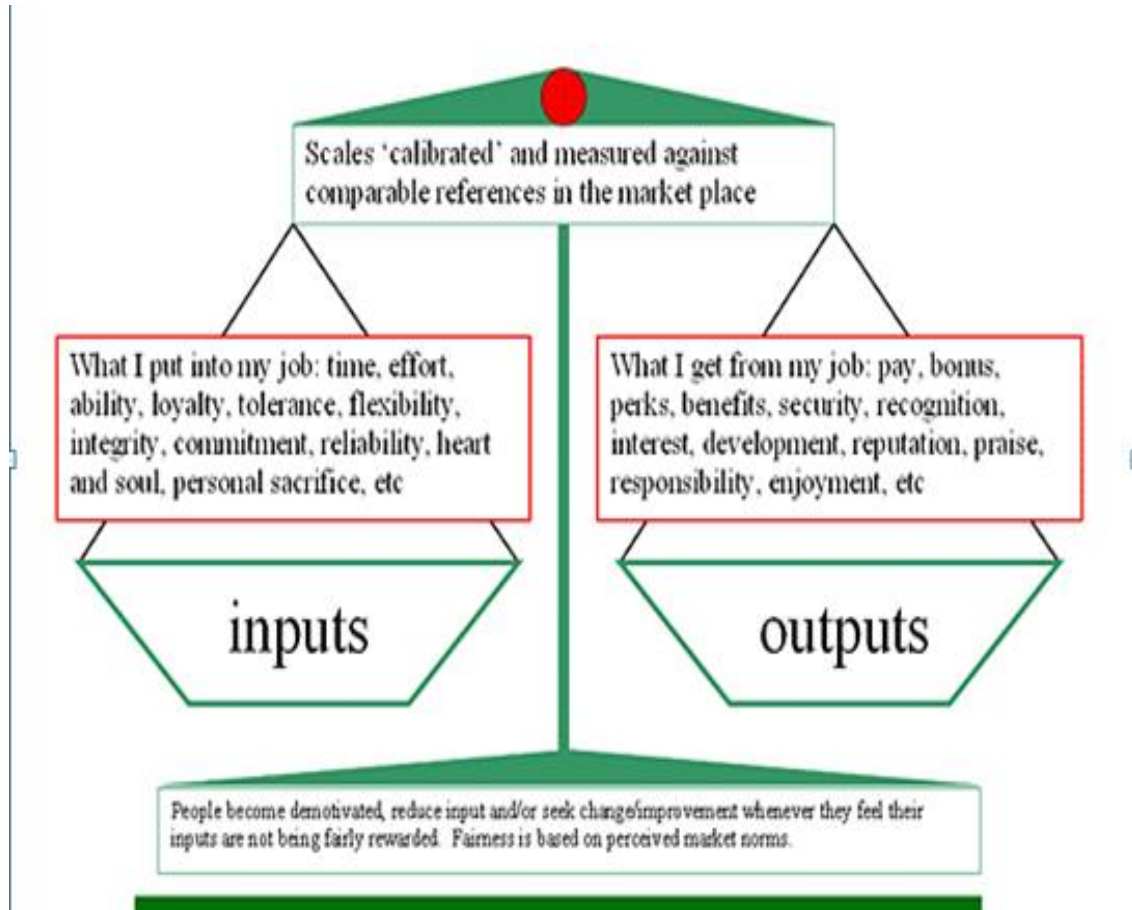
These theories often have a dynamic character, and are somewhat opposite to content theories. The main accent is put on how motivation occurs, rather than what motivates people. Process theories elaborate the behaviour of the individual, and how and why it is related to action. The nucleus of process theories is positioned on the cognitive process of a person, and determining the level of the motivation (Rhodes & Fincham, 2005).

The expectancy theory is the core of the process theories. The model was introduced by Vroom (1968). In the years to come, people have tried to modify and develop this theory. The original theory is consisted of these factors: expectancy, valence, instrumentality. Valence is described as a relation to people's affection towards the outcome. Valence can be positive or negative. Positive valence is when someone desires to attain it and negative valence is the opposite. The other possibility is zero valence of outcome, when an individual is unconcerned for attaining a certain outcome. Instrumentality on the other hand, it believes that every action leads to another/reaction. And expectancy is defined as a set of believes that any behaviour result in an appropriate outcome (Vroom, 1964). The sum of the factors is used to estimate the motivational force of the job. Summing up all together, it can be concluded that Vroom's expectancy theory suggests the following: a job motivates an individual, if he/she can recognize that there is a relationship between the outcome and the performance. Managers can have great use of the expectancy theory.

The spread of resources is related to a group of process theories also known as equity theories. All equity theories are same in three main aspects. One, they advise that the employees must recognize the return for the effort and contribution they put into work. Two, they suggest employees to compare their leverage of the done work, with others that do the same work. And three, these theories suggest that employees who are not positioned as well as the next person in the hierarchy, try and change something to minimize the difference (Dittrich & Carrell, 1978). The most significant and relevant is the Equity theory, promoted in by Adams (1965). The theory draws a line amongst employee's outputs and inputs. Inputs are defined as value for contributions for the done work. Outputs

are defined as the nature of quantity of received rewards for responsible job doing (Pinder, 1998). Next, the equity diagram theory is presented:

Figure 3: The Equity Theory Diagram



Source: S. Adams, Inequity in social exchange, 1965, *Advances in experimental social psychology*, Figure No. 8, p. 120.

In Adams perspective, different people have dissimilar perspectives for inputs and outcomes. But, most if not all people weigh outcomes in a relation to inputs and evaluate the fairness of this correlation. What is also pointed out in the theory is that people, besides evaluating results by comparing inputs and outputs, also compare themselves in a social way to other people. They sometimes get the feeling of not being treated well, if ought to realize that other people collect better outputs for same type of job. As mentioned, the employees who come across inequity tend to change/reduce it. The equity theory gives out the most accustomed consequences of dealing within equity. Sign of this realization is the change of the own effort to increase or reduce the performance. If unfairness does not change this way, employees try cognitively to reconsider the inputs and outcomes. They review the own qualifications or effort in a comparison to effort of a person who was chosen as a referent. The inequality might lead to dysfunctional reactions such as stealing from employer. Also, an employee can simply pull out from the company. Any discussion

about the process theories cannot be completed, without mentioning Locke and Latham's work.

They have established the goal setting motivation technique, which is much more efficient than other methods, and can be used as a supporting argument for other methods as well. (Locke & Latham, 1979). According to the theory a goal is explained as an action that is achieved in a period of time. The core of the theory suggests that the peak of the performance and effort are achieved when the difficulty of the goal is extremely high. The only limit in the situation is the capability of the person that is trying to make the achievement. Authors discovered that individuals accomplish more if presented with a difficult task, rather than if simply asked to perform sufficient enough only to get the job done. (Locke & Latham, 2002). What is interesting is that the level of performance is not changing whether people choose their tasks or tasks are given to people. It can be explained that the supervisor giving the task is treated as an authority. Nevertheless, the superior assigning the goal believes that one is able to finish the task at hand. As outcome employees become motivated to prove what they are capable of achieving. Accomplished tasks contribute the people who define their standards which help to gather satisfaction from the performance (Bandura, 1998; Locke & Latham, 1990). According to the theory, setting goals for people influences their performance, if that is the case then there must be an explanation. Locke and Latham, based on their own work and work of other researchers have distinguished some explanations as follows:

- More effort is produced by difficult goals instead of easy goals;
- Goal accomplishments have stimulating effect on the brain;
- Goals extend the effort and therefore affect persistence;
- Goals propel you forward, make you believe in yourself and tell you what you truly want;
- Direct effort and attention to all activities that are related to achieving the goal

Goals can strongly influence the performance in some cases. For example, a person is dedicated to success, which usually happens when the achievement is important, he is strongly willing to accomplish that objective. As stated, feedback is another important factor that indicates if people need to step-up the degree of effort, to achieve a certain goal (Latham & Locke, 2002).

The most accepted theory by me, which doesn't have to be the case with others, is Pink's theory of motivation. Pink (2009) in his book explained the following. Money is a motivator at work, but in a slightly strange way. If you don't pay enough the people, they aren't motivated. The best use of money as a motivator is to pay people enough to take the issue of money off the table, so they don't think about the money and they think about work. Once that is done, the science shows that there are three factors that lead to better performance: autonomy, mastery and purpose.

Autonomy is our desire to be self-directed, to direct our own lives. In many ways traditional notions of management run afoul of that; management is great if you want compliance, but if you want engagement (because people do more complicated and sophisticated things), self-direction is better. Almost radical forms of self-direction at work lead to good results. For example, an Australian software company has done something that is pretty cool. Once a quarter on a Thursday afternoon, they said to their developers that for the next 24 hours they can work on anything they want, and all the company is asked to show the results to the supervisor at the end of the 24 hours. It turned out that one day of pure undiluted autonomy has led to a whole set of fixes for the existing software, a whole set of ideas for new products that otherwise have never emerged (Plum Thoughts, 2013).

Now, a while ago before these researches emerged, companies would say: if you want people to be creative and innovative, just give them the innovation bonus. But the idea behind this theory is that employees probably want to do something interesting, so just move out of their way and let them do it. One day of autonomy, produces things that never emerged so far in a company.

Mastery is the urge to get better at stuff. This is why people play musical instruments for the weekend. So when people act irrationally, economically like playing instruments, they do it because it is fun and they get better at it, which gives them the feeling of satisfaction.

More organizations want to have some kind of transcendent purpose. Partly because coming to work makes feeling better, partly because that is the way to get better talent. When the profit motive comes unmoored from the purpose motive, ethically bad things happen. Even not just ethically, but bad things in general, like low-quality products, bad services, uninspiring places to work. More and more organizations realize this.

The companies that flourish are animated by this purpose motive. For example I mention some companies and their purpose motive: Skype- “Our goal is to be disruptive but in the cause of making the World a better place” (Gast, 2010). Steve Jobs – “I want to put a ding in the Universe” (Jobs, 2005). Purpose is the thing that can get you up in the morning and make you go to work.

The purpose is to maximize the potential not only the profit. The science shows that we care about mastery very deeply, also shows that we want to be self-directed. The big takeaway here is that if we start treating people like people, and not assume that they are simply robots, if we move away from the ideology of carrots and sticks, we can build organizations and have lives that make us better off, while also making the world a better place (Pink, 2009).

1.3 Motivation's Effects on Employee's Performance

An interesting approach on how to make the job more motivating is the Job design. I go deeper into details about the job design and how job enlargement, job enrichment, task identity, task significance have a motivation effect on employees performance. Jobs range all the way from sweeping the floor to building a rocket and we really don't know how much they have in common. I discuss about their motivating potential, how managers can motivate people at their job. Some jobs of course have much more motivation built into them, and that is something that managers need to consider. Beyond basic theory, managers also need to think about the nature of the work, and whether the work itself is motivating and innovative. Managers can count on the intrinsic motivation to drive people's behaviour, but not all jobs have these intrinsic qualities, so that needs to be taken into consideration.

Job design is characterized by some fundamental approaches (Greenberg & Baron, 1995). Efficiency approach, the idea is to break down the work into small parts, to interchange people and parts very quickly, where the focus is on making the job much more efficient where fewer inputs are used and maximized outputs are expected (Nicholson, 2010). Empowerment approach is primarily what I talk about. It fits best in leadership and organizational behaviour. Quality designed types of approaches and processes are ways to redesign a job as well, they tend to focus on reengineering a constant look at how one can continue to improve. These approaches aren't quite as involved in the people aspect and are more involved in how we get the people's input into making the job work better for the outcomes that are benefit for the company. In many cases it is what customers want in terms of quality and how the company can produce that efficiently.

In the empowerment approach there are two key terms that are familiar: job enlargement and job enrichment (Mostafa, 2015). Both of which are somewhat motivating and have big effect on employee's performance. If you spend much time in manufacturing facilities you can see job enlargement is alive and well. The idea is to give people a number of tasks that have some variety but are typically at the same level in the organization. The idea is to give people the opportunity to change what they do from time to time and use different skills to some extent. People's jobs get bigger, but they don't necessarily provide more empowerment, they just provide variety, so people don't get quite as bored. Job enrichment actually adds operations to the job that are above and below the current level of the job, to give people a feeling of more completeness.

The job characteristics model is a classic approach to the perspective and probably the most used one, and it really explains how to enrich jobs, how to make them more interesting and intrinsically motivating to people (Oldham & Hackman, 1980). One of the things that need to be done, if the job is not characterized by intrinsic motivation, is that about how it can be redesigned, and job characteristics model is the basics for that. The

core job dimensions from the job characteristics model leads to psychological states which leads to specific outcomes. Job dimensions are ways that can characterize the job, for example, characterized by variety or autonomy. Those dimensions lead to people's internal feelings (like what is going on with the job, the psychological states), ultimately to outcomes such as job satisfaction, quality of the work and so on. There are also some factors that act as context or interacting factors, so these situational contingencies (also characterized as interaction factors) determine whether the job characteristics model is a good idea in the company setting. So, the managers need to pay a lot of attention to what's going on with those.

In order to motivate the employee's, managers must define the characteristics of every job in the company. Does the job have significant variety and if not, job rotation can be incorporated. Skill rotation programs can be implemented (Dodd & Ganster, 1996). Then, people are cross-trained and they can work on a number of different positions which gives them some variety, it doesn't generally give them huge amounts of power in the structure and typically they are at the same level. What's important for motivation as well is task identity. For example, if you start from the beginning to the end, you get the feeling that you have created something that gives identity. For example, giving a typing task to an administrative assistant would be low task identity because he/she only types something and doesn't really know what it's for. On the other hand, giving them the whole idea brings the identity of the task. Task identity has got a big motivation effect on employee performance. Closely related to task identity is the task significance. Task significance adds to that meaning component. A lot of us think of our jobs as being very significant. For example, the employees who work in a water plant that makes huge water pipes, have an idea that their job is very significant because they create the opportunity of communities to have water, which is always important. People in the energy industry, providing nuclear or electrical power or any kind of power, always feel that their tasks are significant because of the providing of the energy to communities. Task significance has also got big motivation effect on employee performance.

Following are autonomy and feedback. Psychological states are the characteristics of the job that lead to experiences of meaningfulness, experiences of responsibility and the knowledge of results (Dodd & Ganster, 1996). All this help the outcomes which are internal work motivation, intrinsic motivation, quality of performance (which tends to go up), satisfaction and less absenteeism and turnover. These are some pretty good outcomes. The motivation effect on performance shows the quantity as well as the quality of performance.

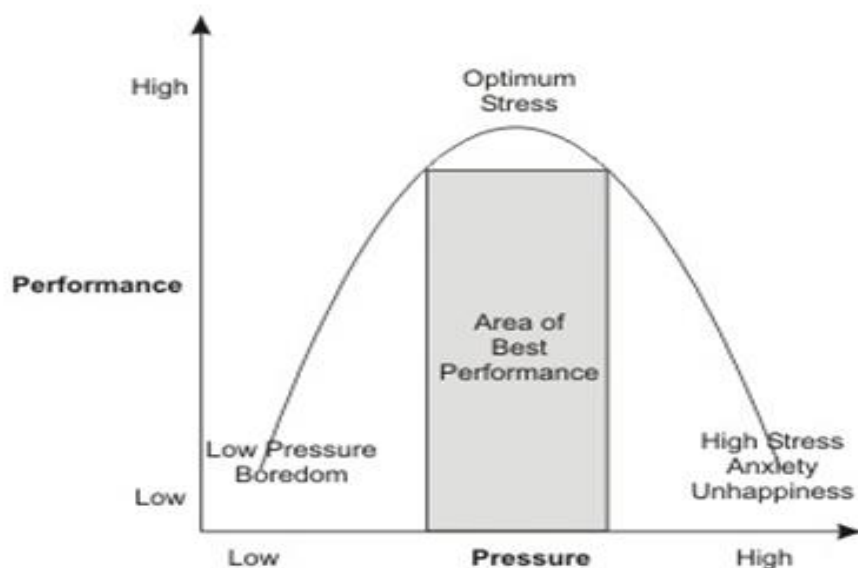
In order to implement the job design, workers need to have a level of skill or knowledge, because they will be asked to make more decisions. Through autonomy they will be asked to use feedback, or they will need to do more, than what they used to do. And that means that workers really need to have skills that perhaps the lowest level of the organization

doesn't necessarily always have. If the workers don't have that knowledge and skills, managers should not jump into the job design process, they need to organize some intermodal training initially, whether it's computer-training or quantitative literacy training or so on, then to try to do the job redesign because otherwise the job redesign will fail.

In accordance with the motivation effect on employee's performance, it is of great importance to understand what influences the people's behaviour. However, it is not the only question in the topic of motivation. Managers might seek for ways to motivate people because of the fact that motivation leads to positive outcomes in the company. The question that stands is whether motivation truly influences people's performance at work. Surveys show that there is a relation between motivation and performance (Gagne & Deci, 2005). But, motivation and performance cannot be looked at as the same exact phenomena.

The distinction is verified by Vroom (1964). This author assumes that effective accomplishment of a given task is not only driven by motivation but also by other factors. The assumption that emerged from his studies elaborates that even if employees are motivated they are not able to perform well if they do not possess the skills to fulfil the task as it is stated in the implementation of the job design. According to Vroom's expectancy theory as well as in the job design approach, motivation and skills are equivalently important. In his opinion, there is a lot more to gain from people who are truly motivated to accomplish a task, than from those that are not motivated. He used data from existing researches to describe the correlation of motivation and performance as an inverted U function.

Figure 4: Stress Response Curve



Source: P. Nixon, *How does stress affect performance? The stress response curve*, 1979, Figure No. 5, p. 50.

This figure shows that performance does not increase when the level of motivation rises. The author recognizes that as motivation level rises, the performance doesn't necessarily rise as well and this happens especially when the task is rather difficult. It is actually the opposite, high level of motivation can attribute to lower performance. This correlation is described in two ways. First, it is assumed that higher levels of motivation constrict the cognitive field of the brain. Secondly, highly motivated individuals are anxious about failure, and that can lead to lower performance. Other scientists mention some other factors that might interfere with the performance: limits of company policy, restricted practices of superiors and physical working environment - temperature, lightening availability of materials or noise (Baron, 1994; Hall, 1994; Pinder, 1998).

Limitations of people's abilities are an important segment. However there are plenty of studies that seek solution to the problem, what can boost work performance? Companies usually use incentive programs to get the job done.

An analysis conducted by Stolovitch, Clark and Condly (2008), effects of incentive programs in workplace-performance, shows rather interesting results. The study suggests that on average 22% gain in performance is achieved by incentive programs. It leads to the fact that incentive programs can affect performance, and as authors suggest, incentive programs have to be carefully and meaningfully implemented. For example, if incentive programs are taken into consideration, it shows that they lead to better overall performance if the program comprises of competition between employees to collect a bonus. Another important factor of incentive programs is the length. Longer programs have greater effect than shorter programs. Differences in level of performance can be seen when incentives are offered to individuals and incentives are offered to teams respectively. Team oriented incentive programs have greater outcome on performance than incentives focused on individuals. Finally, incentive programs have much weaker impact if their purpose is to make employees to have a certain job-behaviour, rather than do the job in a smarter way, or be more reliable with the inputs.

The relationship between incentive programs and performance is the last finding of the study. As usually it is the case the monetary incentive programs have triggered higher performance levels than nonmonetary incentive programs. (Stolovitch, Clark & Condly, 2008).

A very important fact is stated by Frey and Osterloach (2002) in a book about the successful management. It states that different people have different goals in life. Therefore, same exact motivators might affect people differently. Authors have done a good job in dividing people in two categories: income maximizers and status seekers. Income maximizers are only interested in making money for the power of consumption, and find work as an unpleasant duty. Status seekers search for social place among the mass. Work for those people is a tool to gather reputation, and position them in the society. Employees can also

be motivated intrinsically. There are three main groups. The first group is loyalists, who identify themselves with the company goals. Formalists are concentrated on rules, procedures that are acknowledged by the company, and autonomists strive for their own ideology. Classifying the employees supports the assessment of the motivators that should be implemented to increase the performance level. For example, performance-related payment works best on income maximizers, particularly if it is paid in cash rather than reimbursements. The situation that has to be understood is the employees perceive the relationship between performance and compensation. Status seekers can be motivated by salary, as long as they see themselves above others. In their mind, the comparison does not have to come as financial incentive, other benefits can demonstrate their status. Payment based on performance can sometimes have got negative influence on performance. Loyalists might think that this reward signals that their work is considered inadequate by the company. Formalists might assume that the company tries to make changes in the way they do their job. Autonomists might think that their work concept is being questioned, and lose their intrinsic motivation. On-financial reward-programs should be matched according to employee's types. Example, status seekers and income maximizers can hardly find themselves in the same incentive group. Same goes for autonomists and loyalists, other way to boost performance is to implement sanctions and commands. This can cope well with formalists, who fit in right away. Instead, it can devastate the motivation of the rest of the workers. Their performance can diminish, because of the imposed commands and restrictions. Participation can work well for autonomists, but more than will likely be rejected by income maximizers and status-seekers will be treated it as a non-important factor to their goals. Finally, autonomy would be well undertaken by loyalists who believe that making own decisions is important. For other employee types autonomy will not do the job. The unique employee types presented, tell us that workers shape their opinion differently when it comes to motivation. Some reward-programs can help boost one's performance and other reward-programs can be felt as negative factors (Frey & Osterloach, 2002).

I discuss a study done in MIT (Massachusetts Institute of Technology) on motivation effects on performance. Students were gathered and presented with 2 tasks. They had to click 2 keys on the keyboard as many times in a period of 4 minutes, and those who hit the quickest would receive rewards. For some students the reward is 300\$, and for other students the reward is 30\$. The performance was 95% better in the group of students that were promised higher reward, stating the fact how money can be such a motivator. In the second given task, students needed to solve a more complex Maths problem. In this case, the students offered a higher reward performed slower for a whopping 32%, than the lesser rewarded group. This is also known as the distraction effect. When a task is presented that requires problem solving, the pressure from the economic or emotional reward shifts the focus to the motivator, therefore distract the attention and reduce the effort/performance.

MRI scans of the brains of variety of people, show results that when people perform a task or challenge just for fun, and people who perform a task or challenge for a reward, show similar activities in that part of the brain (Recruiter Insight, 2016). Interestingly, the group offered a reward for the first time is asked to perform the same task again for no reward; scans show a decreased activity in the parts of the brain that are linked to motivation. Rewards cancel out the natural sense of play, it seems. This finding shows that play is the biggest motivator for sustained behavioural changes. According to this finding, it makes sense that we need to stick to activities that are enjoyable.

A survey showed that 67% of gym memberships expire unused, which points out that most of the people choose wrong activities to achieve a goal (Recruiter Insight, 2016). The treadmill is an excellent device for burning calories, but not if you don't use it for two weeks. People need to choose a hobby that they actually find enjoyable. Another study showed that people who are focused on weight loss spend 32% less time exercising than those who generally started going to the gym just to feel better. It is always good to have a positive attitude, but not always the optimism is the best strategy available.

A study examined 210 females who tried to give up smoking (Oettingen, 2009), shows the participants, who hoped on major success with little effort given were less likely to decrease cigarette usage. Positive thoughts running through the brain can often trick us into thinking that a goal is already achieved, giving a sense of reward hence lowering motivation. This doesn't mean that negative thoughts are good. Visualizing an achieved goal, then thinking through the barriers that stand in the way, is the best possible approach, also known as mental contrasting.

The dilemma still stands between the effectiveness of the financial and non-financial incentives. These problems are elaborated by scientists for a long time, and have brought up rather different opinions. For this reason, I present them in the next chapter.

1.4 Monetary versus Non-monetary Incentive Programs (Motivators)

Motivation influences employee's performance. Motivation is described as extrinsic and intrinsic (Myers, 2010), and some factors are more accepted than other factors. Before the proceeding in explaining the two categories from where most of the motivation factors emerge, I would like to begin with an interesting explanation about motivational currency.

Often managers think they need to pay employees more to get them motivated, to get them going. Motivation is very unique, we all have a currency of motivation, the thing that gets us going and it's not usually money. Matter of fact, money is actually down on the list of motivators for people. People want to be respected, first and foremost they want to have their accomplishments acknowledged, and they want to feel valuable long before they get to the money stage. So, basically this theory of motivational currency explains that

everybody has a little currency of their own. For example, when kids are little their motivation currency is the games they play on their X-box; employees are no different, and they all have their motivational currency. For someone it is recognition, for someone it's being a part of a group or a team. Basically managers need to know every employee's motivational currency, what gets them excited, what gets them willing to work. The motivational currency is highly important for getting the job done.

Now, over the years scientists have put forth the effort to define what the best motivation factors are. The most significant factors that are taken into consideration emerge from two categories: monetary and non-monetary incentive programs.

As Armstrong (2007) wrote, money is an incentive because it satisfies plenty of needs. It is a factor that strongly influences basic survival and security needs in today's society. Self-esteem is greatly influenced by money as well. Money allows people to purchase things that show their status and create a picture of appreciation. Money is a symbol of power and many intangible goals, and makes it a very powerful tool for the people. Although this is the case that many studies show, other studies suggest otherwise.

Minette, Gerhart and Rynes (2004) in a study that elaborates the importance of payment in employee motivation, discovered that money is not always a motivator for each person in a given circumstances. However, it is agreed upon that money is indeed an important factor for most cases. The research suggests that money is much more significant in people's choices, than in the case of actual motivation. This thought might lead to the exaggeration of monetary rewards as one of the key motivating factors in job settings. An assessment of research, when it is asked what motivates people the most, monetary incentive programs are placed on the fifth place among the other motivating factors, while for actual behaviour, money is in the leading position almost always. One of the reasons for the cause is that people always try to give out the most socially desirable answer. Similarly, if respondents are asked to assess attractiveness of a desired job alternative, more often than not respondents choose jobs with higher wages. The results show that when individuals are questioned indirectly about the importance of money, the answers are quite different from when they are asked directly.

Money is a strong motivator, but not enough to cover all the aspects of human needs. In Agarwal's study (2010) on motivation and executive compensation provides similar results about money as an incentive. In his opinion money is the number one motivating factor for employee's performance. He suggests that intrinsic rewards motivate the individuals, but after a certain point in the career, money for sure has great importance. Agarwal also opposes some theories with the statement that long term incentive programs are less effective than short-term, and performance based incentive programs. This is in accordance with the related risk that comes with predicting further into the future and relates to long term incentive programs. Summarizing, the above written examples indicate that in some

circumstances money can be underestimated, while others suggest that money plays the most important role. Money is indeed controversial topic related to motivating employees. Financial incentives have vast number of supporters, but on the other hand, a handful of authors deny the fact that money is as good as a motivator.

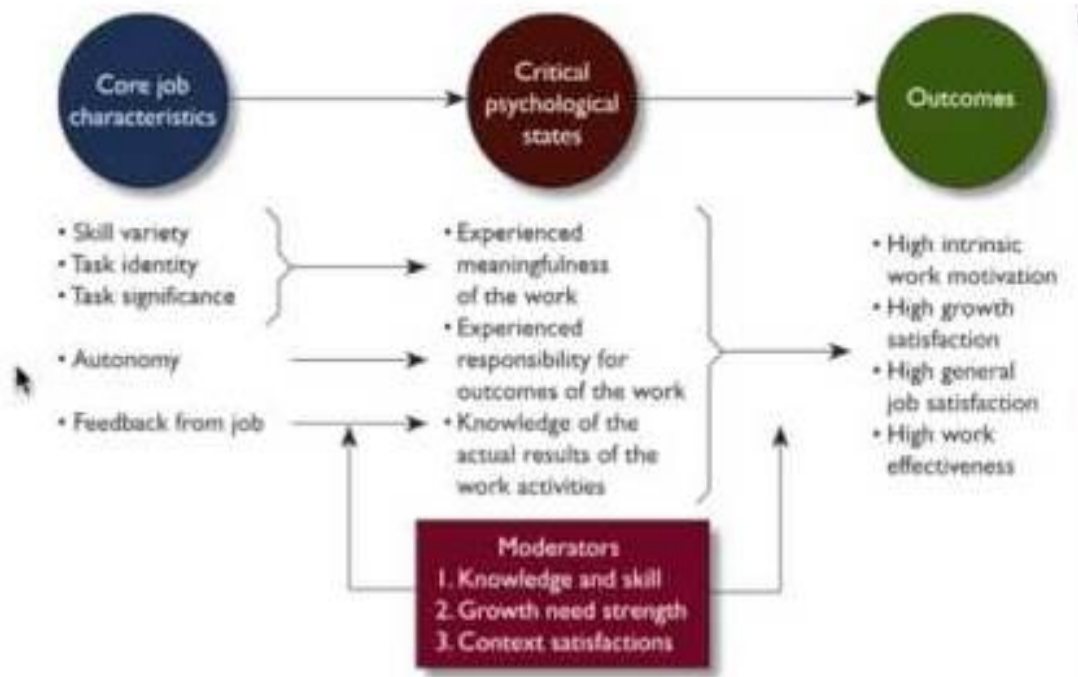
McClelland is very critical about it. In the three needs theory he states that money isn't nearly as strong as a motivation force as theory and common sense suggests it should be (McClelland, 1965). As a statement he cites other authors work, that in cases where people have boring and pressure related jobs, money is somewhere near the top of motivation factors. Freedom and other factors are the most influential in these cases.

The support for McClelland's case comes from a recent research done by McKinsey and Company in June 2009 (Mohr, Dewhurst & Guthridge, 2009). Responses gathered by managers, executives and employees around the world pointed out that three non-money related incentives are more effective motivators than the three top rated financial incentive programs. A study on workers' health motivation, also suggest that non-monetary incentive programs have important role in the motivation process of employees (Mathauer & Imhoff, 2006). Stated examples give a strong statement that money is not as brilliant motivation factor as it is presented to be. An article suggests that money does nothing to address higher order needs of belonging, esteem, and self-actualization (James, 2013). The author of the article suggests that there are other things that employees appreciate more than money which are: to feel proud, to be treated fairly, to be respected by the boss, to be heard out, to have a personal life, to be coached instead of micromanaged, to feel less stressed, to feel security, to beat the competition.

One of the non-financial motivation factors that play a great role in forming employee's behaviour is the already mentioned job design. The job characteristics model (Hackman & Oldham, 1975) explains the job design and is introduced in 1975. Main point of this particular model is that "the presence of meaningful attributes of jobs, amplify the probability that people who find work evocative (meaningful), will experience the responsibility for work outcomes, and will have trustworthy knowledge of their work" (Oldham & Hackman, 2010).

As a core of the "Job Characteristics Model", three psychological statements are presented and associated to job characteristics and personal and work outcomes. According to them, if one thinks that the work is meaningful, feels personally responsible for the results and have knowledge of the results from the work, it will be manifested in his/her motivation to perform well. (Hackman & Oldham, 2010). Oldham and Hackman have relied on Vroom (1964) expectancy theory. Same approach is used by other authors who have researched on motivating aspects of job design and the related outcomes have been observed.

Figure 5: The Job Characteristics Model



Source: R. Hackman, and G. Oldham, Development of job diagnostic survey, 1975, *Journal of applied psychology*, Figure No.2, p. 159.

Lawler (1969) tried to answer the dilemma why changes in job design should be expected to influence motivation of employees. According to Vroom's opinion there are two variables that state motivation: effort reward probability and reward value or valence. Changes in job design can impact individual's motivation if the value of outcomes is changed, which rely on effort or if they positively affect one's beliefs about the probability of results in accordance to the level of needed effort. The content is a very important determinant in the job design. Lawler outlined three characteristics of job that can make one assume that good performance will bring intrinsic rewards. First, workers have to receive feedback that helps them evaluate their performance. Second, job must be done by using abilities that employee's value – it yields feelings of accomplishment and growth. Third, workers need to have control over setting own goals – it amplifies the feeling of self-control. Lawler goes even further by and also proposes job design changes that can lead to work enlargement. One of them is the variety and the number of tasks employee does (vertical enlargement). The other one is a degree to which employee controls planning and execution of the job (horizontal enlargement). Lawler assumes that best results can be achieved if both methods of changing job design are used simultaneously. Another finding is that job enlargement leads to better product quality more than increased productivity (Lawler, 1969). In conclusion it can be said that well designed job duties are important for employees. It boosts morale and has got positive influence on productivity which yields

more complete performance on behalf of the company. Involving employees in problem solving can make the job more meaningful. The amount of responsibility and freedom is related to performance.

Figure 6: Leadership Styles and Team Formations

Low task/ High relationship MOTIVATOR	High task/ High relationship DIRECTOR
Low task/ Low relationship DELEGATOR	High task/ Low relationship COACHER

Low motivation/ High skills SLACKERS	High motivation/ High skills ACHIEVERS
Low motivation/ High skills INCOMPETENTS	High motivation/ Low skills DILIGENT

Source: H. Allender, & J. Allender, *Identifying the right management job for you*, 1998, Industrial Management, Figure No.2, p. 29.

MacKinnon and Roche (1970) came up with a program for managers that helps boost motivation of the employees. The main point of the program is to give the work meaningful attributes. The base of the program is the Motivation-maintenance theory, which assumes that employees are motivated by difficult tasks that lead to advancement, growth, achievement and recognition. The theory X and Y (Sager & Kevin, 2008) separates two styles of management. One is featured by authority and bureaucracy while

the other one by a democratic approach towards workers that provide a chance for being responsible and rather creative. Authors of the meaningful-work program don't think that leaders should be setting goals, defining standards and controlling results by themselves. Instead they should practice problem solving along with the employees, and set goals. The efficiency of this approach has been confirmed in practice as well. The research results show great increase in production levels as well as morale (MacKinnon & Roche, 1970). The leadership style of the managers needs to be compatible with the proper teams. Two other variables (level of motivation and level of skills) were used to form teams. Researchers proposed the most adequate matches of leadership styles and team formations.

According to relevant data it is safe to assume that a successful combination of leadership styles with team styles leads to better performance on the job. The reason behind that might be in the fact that leader's attitude strongly influences employees' performance. A mismatch between motivation factors of employees and level of management support can result in a decline in employee's motivation levels. Research shows that wrong type of management and supervisory can lead to declined performance and undesired attitudes from employees. However, manager's behaviour is not the only important factor. Communication between superiors and subordinates is a strong predictor for employee's satisfaction according to Drucker (1974, 1992) and Mintzberg (1990).

What can also motivate employees is the language used by the leaders. There is a theory related to that as well, and it's called the Motivational Language Theory (Sullivan, 1988). The theory was created to test and shows good correlation between the language used by managers and employee's performance and job satisfaction. The theory suggests a boost in job satisfaction and performance, if leaders simplify the tasks, rewards and goals to employees. Also, managers need to have some good words if a job is done well, that really boosts performance and satisfaction. Finally, they need to elaborate and explain the organizational cultural environment to the employees. A chance to organize training camp for managers is always a good idea. In that way they learn about the motivational language theory and can greatly influence the employee's behaviour. To summarize all written above, shows that the way managers act and treat subordinates can significantly increase their performance.

Another used tool is recognition. For sure, it can be a powerful tool that affects employee performance. An individual does not only want to know how well he/she does the job, but also wants to feel the appreciation about the work he/she does. Recognition is a sort of reward for employee's performance that is defined as acknowledgement, approval and genuine appreciation (Stajkovic & Luthans, 2000). Recognition can occur in several ways. It can be verbal or written, formal or informal, administrated in public or privately. Research proves that recognition indeed has got a positive influence on employees' motivation. The motivational function of recognition can be explained by the Social Cognitive theory and the Reinforcement Theory (Stajkovic & Luthans, 2000). These

theories link recognition to achievements and tend to reward them right after accomplishment (Murils & Armstrong, 2004). The verbal praise is the most used recognition. The results of a study show that 50% of employees are satisfied with the verbal praise, rather than the other 50% who prefer a written one. The personality of individual worker is an important factor when it comes to distinguishing between which praise is preferred. Some people prefer to be honoured in front of public, while others might feel embarrassed by the same act. The point is that, vast majority of employees find recognition as positive therefore motivating them and affecting their performance. Some authors go as far as stating that social reinforces such as recognition might affect employees' performance at the same intensity as payment.

In 2000, the psychologist Kahneman received the Nobel Prize for demonstrating that the human brain can be influenced by money, but there isn't precise sensory organ for the most intricate calculations (Arnulf, 2014). People work for money, but for many other things too, such as the feeling of self-respect, camaraderie, sense of achievement and purpose. It is the interest in this side of human beings that provides increased value in a developed economy. Therefore, it is profitable for managers to be concerned with motivational psychology.

Summarizing the approaches presented in this subchapter show that there is no clear path to the question what type of motivators are the best to increase employee performance. However there is a strong support towards the economic man approach, which gratifies money as a motivating factor. On the other hand, some people oppose that fact, and say that money does not greatly affect people's motivation. In order to clarify the things about what motivates people, we search for an answer in the next subchapter.

1.5 Motivation Factors – Employee Choices

Employee motivation can be elaborated in different ways. One approach is to look for factors that are chosen by employees themselves when decide what really motivates them and their subordinates. Most reliable method to gather data for this type of study is actual survey. It is constructed of choices among different factors of motivation that are afterwards assessed or ranked. Assessing motivation factors is a well-known method from the past.

An author who pointed out that questioners differentiate the important motivation-factors is Herzberg (1968). In his opinion, the line-up of importance goes like this: security, interesting work, opportunity for advancement, appreciation, company and management, intrinsic aspect of the job. In Keller's research (1965) ranking is as follows: job satisfaction in the first place, pride in organization in the second place, relation with fellow workers in the third place, treatment by management in the fourth place, opportunity to use ideas in the fifth place, opportunity to offer suggestions at work and appreciation of one's effort in

the last place. A study that is conducted on 57.000 job applicants (Jurgensen, 1978) shows slight difference between males and females, regarding their choices of motivation-factors. Males lean towards: security, opportunity, type of work, advancement and females pick company security, and type of work as the best motivators. Sonawane (2008) in her research on rewards pointed out some studies on this topic. As she states the very first survey done on factors of motivation was made by Lindhal (1949). The result suggests that feeling on being in on things, full appreciation of done work, interesting work are the most relevant motivators for employees. An article suggests that trustworthy leadership, being relevant, proving others wrong, career advancement, no regrets, stable future, impact, happiness are the most relevant motivation factors (Llopis, 2012).

As mentioned in the previous chapter, leadership style has got an important role in motivating employees. This was confirmed by the results of a survey that asked people to point out what they take into consideration, when value if the offered job is good or not (Nelson, 2001; Sonawane, 2008). Choices were the following: effects on personal family life, open communication, management quality and nature of work. Watson (2006) did a survey where these factors were picked: flexible work, advancement opportunities and opportunities to learn new skill. On the other hand, in the survey done by Sutherland and Kinnear (2000) the focus was on the workers' knowledge, and their view on motivation-factors. The outcome was that recognition and financial reward are the highest ranked motivation factors. They were also motivated by the access to new technologies, developmental opportunities and freedom to act independently. A retrospective of the studies shows that different occupational groups might react differently when it comes to ranking motivators. Some differences were also noticed in-between group responses, by other researchers such as Kovach (1995, 1980, 1987).

He elaborated on many different areas of this topic, and was followed by many authors who preferred his research to find out more on this matter. All the features in Kovach's work are quite interesting, therefore are a target of analysis in detail. Kovach has conducted research and worked on the topic of motivation of employees for a long period of time. He made surveys, and had responses from over one-thousand participant in 25 (twenty five) organizations. People were required to rank a number of motivation factors which included: interesting work, job security, feeling of being in on things, good working conditions, tactful discipline, good wages, personal loyalty to employees and help with personal problems. The top three factors in respondents' opinion were: interesting job, feeling of being in on things, full appreciation of done work. Kovach compared the results with the results from previous surveys done in 1946 and 1980 respectively. The assessment pointed out rather different results. Workers from the 1946 survey put full appreciation of done work on the top of the list. Interesting work (6th position overall) and sympathetic help with personal problems (3rd position overall, which is higher than in later study-cases). The differences might have been influenced by the economy related growth and changes/shifts in the living standard. The most important finding of the research was the

compared responses that were taken among employees and superiors who were required to assess motivation-factors they think motivate the subordinates. It shows that supervisors have very wrong perception of what motivates their employees. Most important factors according to supervisors were: job security, promotion and growth, good wages. Their answers didn't change much in time. Employees are always better judges of their own motivation needs than their managers. Supervisors might lean towards motivation-factors that are not their direct responsibility. Also, supervisors assessing from their point of view simply has a different view of motivation, therefore misjudging the motives for their employees. A step that Kovach did was to compare the subgroups. He states that there is no difference whatsoever in terms of statistics in-between males and females (as it is shown later in the research done in the thesis). Although, it is fairly recognizable that women think and act differently than men, in many occasions observations were also made between lower income groups with low positions, and groups with high income and high positions. Kovach's studies are copied by other researchers. Although the studies are done a while ago, there are still significant similarities to today's work habits.

For the reason of making comparison through the years, articles of recent time are used in the thesis. An article emulates a number of motivation factors and describes them well into detail (Demers, 2015); the motivation factors are the following: advancement opportunities, individual attention, environmental motivators, leaders set the example, socialization among colleagues and transparency. In a survey done by Fischer and Yuan (1998), Chinese employees ranked motivation factors as follows: good working conditions, personal loyalty from superior, good wages. Their findings also suggest that Chinese managers as opposed to US managers provided valid answers for the motivation of their employees. In an article about the best ways to motivate employees (Jacoby, 2014), the author suggests these five factors as being crucial for employee motivation: better communication, being a good example, empowering employees, offer opportunities for advancement, providing incentive programs. Lindner's research (1998) showed that good wages and interesting work are the best motivators for people.

In a brief summary, the following motivation factors were recognized in all of the studies: job security, interesting work and promotion and growth of the organization. However, the results suggest that workers choices vary to respondent's occupation, culture, position in the organization and gender, as well as salary. In the companies it should be known that some motivation factors work well for a certain group of people, but don't work quite as well for others.

1.6 Students Motivation

One of the resolutions of the thesis is to elaborate and find out what factors are considered to be good motivators by students, who haven't started working yet. Companies prefer having motivated and energetic employees rather than educated but low energy employees.

Students, as newly employed must be empowered to take action based on the understanding of different situations and scenarios within the company. Decision making and fair reward system has got an influence on employee's motivation. Companies should provide challenging and meaningful tasks, so students can think outside of the box. When employees have meaningful work obligations they have a sense of accomplishment, and feel valued and important. It also develops their problem solving skills and they become part of the problem solving process whether working individually or in a team, companies should give students the freedom and responsibility of making independent decisions. There are plenty examples when employees rise through the ranks reaching higher level positions. That's what students like to see, the possibility of getting a promotion, reaching for a higher position using the effort. In today's society, the concept of career planning or guiding people to achieve their personal goals is also tremendously important. When students acquire the first job, it's about engagement in activities that stimulate growth and promotion. As organizations escalate the war for talent, payment and programs are at the risk of becoming commodities. They are easy to duplicate (Taylor, 2002). When students first start to work for a company, they need to be fed with the idea of shared vision, in order to nurture a healthy work environment. The company policy needs to be towards binding employees in groups or teams, so they can show better results. Companies also need to provide culture, value and image of the brand in a positive way, to create an overall positive influence.

The literature suggests, there are authors who focus on young people who haven't started working yet. The main question is how important is the student's pre-working attitude. We discussed earlier what the organization should do to showcase the benefits of hard working, towards the students/new employees. Krau (1989) and Si Sang and Lim (2008) suggest that, behaviour developed in early life can be an indicator for the behaviour shown in the future.

Ajzen's theory (1991) of planned behaviour suggests that attitudes towards certain behaviour can be an indication towards performing the actual behaviour. Anthropological studies also indicate that working habits are developed before actually starting to work. Therefore research focused on students provides relevant data that can be beneficial to companies that hire freshly graduated students. Some scientists used the students as a main research group. Examples in the research in Singapore (Sang & Lim, 2008) students were used to find a correlation between financial incentives and motivation for working. The research was conducted and the results show that relation between money and motivation exists. A conclusion is made that students who want to earn in order to provide existence for their families, and measure their work achievements are more likely to become hard-working individuals. Students leaning towards other motives might find work not that important to them and as a result they work less hard because it is not gratifying.

Authors Lawler and McCall (1976) investigated the working habits of high school students. They found a link between employment working habits and demographic variables. In their finding, future job choices are influenced by pre-employment working habits and attitudes, characteristic of work situation, reality of a labour market. Also they found out that high school students clearly distinguish between executive positions and assembly line jobs in terms of job satisfaction.

A survey done in London (Thomas, 2014), points out that students very often have very optimistic, rather than unrealistic expectations for a job acquisition after graduation. Almost 4000 students were questioned from 20 universities by the Job Employability Index, and the results show that 79% expect to be in graduate-level jobs within 6 months. The government figures show a different story, only half of those who have graduated in the last 5 years, actually have the graduate-level jobs. Men are more confident than women. The numbers show that 83% of men and 77% of women expect to have graduate level jobs within 6 months of employment. The survey also points out that students choice of University is strongly influenced by future job opportunities. The quality of the picked course is a very important factor in choosing an institution, more than half answered that they were influenced by job opportunities after graduation. Also more than a third says that the earning potential is an important consideration, more so for men than for women.

Working ethic is also very important for student's motivation. Some people consider working ethic as inherent, some people are born with, like a talent for singing or playing the guitar, but everyone eager for success can actually develop working ethic later on, during lifetime. So, how can it be achieved? Working ethic is a synonym for hard work, dedication and discipline; a person who is passionate about his/her job and simply loves to work. As a matter of fact to love what you do and to be motivated are the base of developing a strong working ethic and therefore to be motivated. People with strong working ethic love to get the job done, always run on the full glass, and work on their goals as if it's the only thing that matters, never doubting themselves. Working ethic is what separates the successful people from the mass; it is also closely related to motivation. Being passionate and motivated about your job is not sufficient for success especially because even the most motivated people, are not motivated equally every single day. But passion, discipline, responsibility are that what moves people forward even when they face adversity and difficulty. Disciplined people stay focused no matter what they are determined to fulfil the tasks and assignments, and they continuously set higher personal standards and criteria. These people cannot fall asleep if the job is not being regularly done; they sacrifice their sleep and private lives in order to accomplish results.

Responsibility is another thing that contributes to working ethic and motivation. Some people do the minimum, just enough to get-by, while others care about the quality and results, which therefore creates motivation with the given results. Successful people commit, get personally involved and do more than expected, in other words they are

motivated. These people always show up on time, give the best effort and complete tasks in due time. When asked, everyone wants to have a strong working ethic and be successful. Unfortunately, not so many genuinely try; the ones with relentless working ethic are motivated and accomplish things. Strong working ethic is shown during hardships, when things get tough, when you are rejected or have million deadlines in a short time frame. Working ethic can also be influenced by movies, books, people you are surrounded with etc. In order to strengthen, one should surround himself/herself with such an environment full of motivated people. Create an environment for success, environment that supports you, your job and your goals. Friends, family, the websites you daily visit – all of this things matter and influence your attitude towards work and life motivation in general.

When students graduate from college they don't need the perfect job, but the problem is that they are probably in debt, because they used up a lot of money to get educated in the first place. So, they paid all that money to learn, and now they are about to get a chance to get paid to learn. In my opinion, graduates need to get a job where they make some money but also where they can learn and enrich the portfolio of knowledge and better their foundation. At the age of 22, as much as we want to think exactly what our mission in life is, or what the chosen profession is going to be, truth be told graduates are too young for that. My advice would be to go out there and get paid to get different experiences, which makes it totally acceptable to jump from one job to another.

Overall, the research on motivation factors shows variations among findings. There are some factors constantly chosen in top positions in majority of the research done. The following research is focused on students and their attitude as a predetermining factor for their future working expectations and motivation. As for the empirical (verified by an observation or experience, rather by theory) part of the thesis, a group of students from Macedonia are taken into investigation.

2 METHODOLOGY

The purpose of the master thesis is to outline and compare motivation factors that influence employees. Motivation is a psychological process resulting from the reciprocal interaction between the individual and the environment that affects person's choices, effort and persistence (Latham & Ernst, 2006). The theories of motivation are the essence of this research and are trimmed down to specific subjects – motivational factors for employees. The research is in a form of theoretical analysis with empirical testing (verifiable by observation or experience rather than theory or pure logic) done in a form of a survey among students. All aspects of motivation are examined, beginning with the motivation theories developed by different scientists throughout the years. The effects of motivation on future employees were elaborated, and then a comparison was made between monetary and non-monetary incentive programs. The research done in the thesis is to define and rank (importance) the motivation factors for future employees.

The knowledge collected from books articles, web sites etc. is used for theoretical framework for the research, and answering the research question. The research is done by quantitative approach. The questionnaire used for the survey is consisted of 10 (ten) motivation factors. The data is gathered and used to recognize the ranking of each motivation factor according to the sampled students. It is a good idea to compare the outcome to other findings and test the dependability of the information. Based on the results gathered from the survey, a conclusion is found and elaborated.

2.1 Data Collection

The first part of the master thesis is established from literature and research done on the topic of motivation. It is a collection of analysis where the author compares and elaborates many definitions and theories that define the motivation. The internet and books from libraries hold a significant amount of information on the topic of motivation. They represent the basic pool from which I collected information. When searching the internet, these keywords were used: “the psychology behind motivation”, “reward systems”, “job performance”, “personal satisfaction at work” and “work attitudes”.

The next part of the master thesis is based on a survey applied to students from Sts Cyril and Methodius University in Skopje and University - American College in Skopje. The resolution of the investigation is to figure out what motivates students and what they expect from their job. A questionnaire is a tool for data collection. Students are asked to read the questionnaire and the instructions written in it. The distribution of the questionnaires was done by two principles, through e-mails and by providing a link to the online survey, and for the second principle the distribution was done by hand, when students answered the questions during class. The reasons for the two different approaches are the convenience of the online distribution, and therefore the possibility to cover a large group of people. The responses are often low when an online survey is done, which is a result because of the low level of interaction in this type of data collection. The collection of the data can be a long process, and participants might not want to get involved in the survey therefore not answer the questionnaire. As a result, a biased response might appear, as some subgroups are more willing to be cooperative than others. To fill the gap, the questionnaire was delivered during class, as well. The students completed the questionnaires right away. To avoid biases, the author chose the exact same word formation when asking the students to complete the questionnaire in both cases. The students that were handed out questionnaires in class, did not receive an email for the online survey, this was done to avoid double responses. The mix of two approaches helped the process of getting responses from different groups of students in a short time frame, and at a low cost.

Questionnaire: It is made of three questions that are connected to motivating factors and three demographical questions. Respondents' confidentiality and anonymity is guaranteed

throughout the process. Firstly, respondents are required to decide between ten motivating factors, in order to conclude which comes out on top, assuming they have a job in the field of their education. The grading: 1=most important; 10=least important. The second question lists the exact same motivational factors and in this case respondents are required to pick three factors, for different people. The third question is more of an open-ended question, where blank-space for other factors is left to be written, factors that motivate respondents as well, but are not listed in the previous two questions. The demographic section sums up questions regarding the gender, nationality and age of the respondents. The internet based survey is exactly the same. The questions are written exactly in the same way. The actual questionnaire dispersed between students was written in Macedonian language and English respectively.

2.2 Choosing Factors of Investigation

The factors chosen to be investigated come from reviews and previous researches done on the topic. The ten chosen factors used in the research are open communication, feeling of being informed and involved, full appreciation of done work, tactful discipline from superiors, good working conditions, promotion and growth in the organization, job security, and personal loyalty to employees from superiors, good wages, and interesting work.

The factors used in the survey come from the done work by Kovach (1987) and the followers Lindner (1998), Harpaz (1990), Fisher and Juan (1998). Also a recent done work on the topic of motivation was reviewed and taken into consideration when completing the research. The established factors in the questionnaire are closely related to the theories elaborated in the previous chapters of the master thesis. If we take a look at some of the factors and make a retrospective with Maslow's pyramid of needs, the factor interesting work is related to self-actualization; good wages is a physiological factor, personal loyalty to employees from superiors and job security is related to safety (safety factor). Some factors can also be paralleled with other theories. For example, full appreciation of done work leans toward Adam's equity theory. Victor Vroom's theory relates to interesting work as a motivational factor. The Job Characteristics Model by Oldham and Hackman totally explains open communication or feeling of being involved and informed. Participation in goal setting, tactful discipline from superiors, feeling of being involved and informed, personal loyalty from superiors and open communication can be linked with leadership style theories. As written above, a strong case is made, for the implementation of these factors of motivation. Another advantage on why to apply these motivation factors in the survey is the possibility to compare the results with previously done research. The data gathered will show that one group of people is simply motivated by different factors than another group of people.

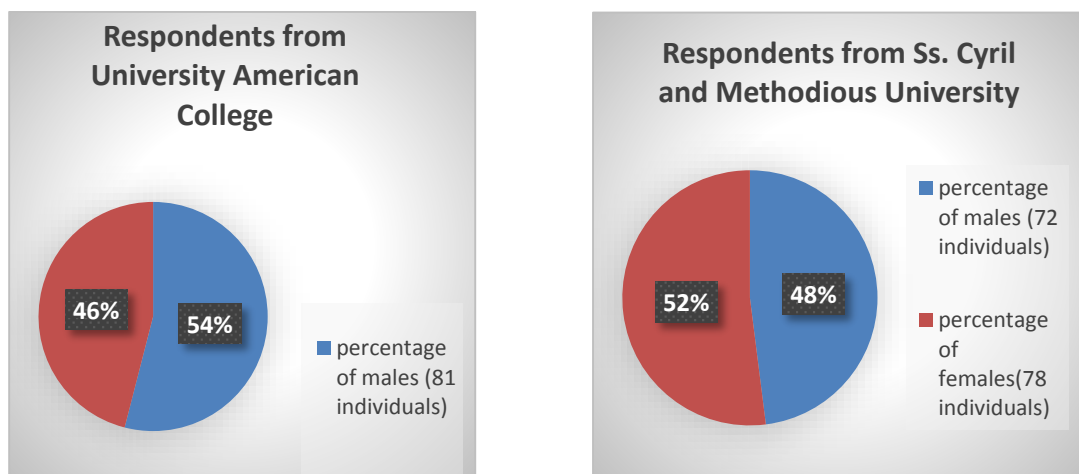
In case some important motivation factors were missed-out in the survey, an open ended question was added. The findings can be a good base for future researches done on the topic of work motivation. More often than not, people judge themselves differently than they judge others. So the question about factors that motivate other people comes out from that assumption. I have found out that when managers are asked to rank the factors that motivate their employees, their choices are rather different than those the employees choose for them-selves. In the thesis, one can assume that managers are motivated by totally different factors rather than employees. In another assumption, managers might think that employees are not motivated by money, which is a socially desirable factor. Finally, there is an assumption that employees show themselves in a different light, therefore avoid picking money as a top motivator. Regarding all the differences among people, it is interesting to find out how students judge themselves and judge other people. If the judgments vary, then the answer could be found in other theories. How students identify their own motivation, can be observed by the answers that they give about what motivates others. It can also bring out the question, what factors of motivation are the most important.

The use of demographic questions is inspired by recent topics on motivation, because there might be differences in age groups and gender. Other research has proved different answers among employees with a different cultural background.

2.3 Sample

The sampling decision is made by identifying the population of interest. Two groups of students are taken into account in the survey. The first group is from Sts Cyril and Methodius University in Skopje, while the second group is students from University – American College in Skopje.

Figure 7: Comparison of Total Males and Females Included in the Study



No margins are put regarding the program of studies, the level of education or the age of the participants. Wide range of participation is ensured, by distributing the questionnaire randomly among students.

The sample of students from Sts Cyril and Methodius University in Skopje is consisted of 150 people. There are 48% (72 people) of males and 52% (78 people) of females.

The sample from the University - American College in Skopje is consisted of 150 people. There are 54% (81 people) of males and 46% (69 people) of females.

2.4 Data Analysis

The web site questionpro.com is used to conduct the survey, because it's simple and accurate for use. In the questionnaire, two separate groups of students are used and compared respectively. First the calculations of the rankings are done for the Sts Cyril and Methodius University in Skopje and then the calculations of the rankings for University – American College in Skopje. According to the points given to each factor, the factors are positioned from the most important to the least important one. After that, the data is used to determine if any difference in sub-groups is present (difference in opinion between gender, for example). Next, the analysing of the answers given for the open ended question is, where factors not listed in the questionnaire are written down as being the students' choices. After that, the responses from the different sampled groups are compared and the results are analysed. Using statistical tools, we checked whether differences between subgroups are evident and worth mentioning, or if a correlation is present between the subgroups.

3 RESULTS

3.1 Sts Cyril and Methodius University in Skopje

The discussion of the results will be separated in three sections. At first, general results within students from Sts Cyril and Methodius University (hereinafter: UKIM) in Skopje are presented to assess whether there are differences among gender. Factors that motivate students are compared with factors that in students' opinion motivate other people. At the end, students' suggestions on factors not listed in the questionnaire are presented. In the next section, the same procedure is done for the other group of students which are from University – American College in Skopje. The third section contains comparisons of results from both groups of respondents.

In the table below, order to each ranked motivation factor is presented. The numbering is as follows:

- Interesting work and good wages are almost equally important according to the rankings. (1st and 2nd according to rankings);
- Feeling of being informed and involved (3rd according to rankings);
- Promotion and growth in organization (4th according to rankings);
- Full appreciation of work done (5th according to rankings);
- Job security (6th according to rankings);
- Open communication (7th according to rankings);
- Personal loyalty to employees from superiors (8th according to rankings);
- Good working conditions (9th according to rankings);
- Tactful discipline from superiors (10th according to rankings);

As it can be stated from the survey, the least important factors are related to supervisor and their behaviour.

Figure 8: Motivation Factors Ranked by the Students from UKIM

UKIM	Rankings	72 (48%)	Rankings	41 (27%)	Rankings	28 (19%)	Rankings	9 (6%)	TOTAL	Overall importance
Interesting work	1	720	2	369	3	224	6	45	1358	16%
Good wages	2	648	1	410	2	252	9	18	1328	16%
Job security	6	360	6	205	4	196	2	81	842	10%
Personal loyalty to employees from superiors	9	144	8	123	9	56	1	90	413	5%
Promotion and growth in the organization	5	432	4	287	5	168	4	63	950	12%
Good working conditions	8	216	9	82	10	28	3	72	398	5%
Full appreciation of work done	4	504	5	246	6	140	7	36	926	11%
Tactful discipline from superiors	10	72	10	41	8	84	5	54	251	3%
Feeling of being involved and informed	3	576	3	328	1	280	8	27	1211	15%
Open communication	7	288	7	164	7	112	10	9	573	7%

UKIM students -48% of respondents put interesting work on 1st position, 27% of respondents put good wages on 1st position, 19% of respondents put feeling of being involved and informed on 1st position, and 6% of respondents put other factors as most important.

The results according to gender are shown in the next table. There is no difference among genders what so ever. There is a strong agreement between the two groups, according to the results. This brings us to the conclusion that according to this group of students from UKIM there is absolutely no difference in between gender.

UKIM females- 49% put interesting work on 1st position, additional 27% put good wages on 1st position, and 18 % put feeling of being involved and informed on 1st position and 6% put other factors as most important.

UKIM males- 47 % put interesting work on 1st position, additional 28% put good wages on 1st position, and 19% put feeling of being involved and informed on 1st position and 6% put personal loyalty to employees from superiors as most important.

The question about factors that motivate other people is the last question in the questionnaire. The results suggest that students from UKIM choose these top three factors that motivate other people:

- Good wages (1st according to rankings);
- Interesting work (2nd according to rankings);
- Job Security (3rd according to rankings);

In comparison, students put these top three factors for personal motivation:

- Interesting work and good wages are both almost equally important according to the rankings (1st and 2nd according to rankings);
- Feeling of being informed and involved (3rd according to rankings);

Job security as a factor highly ranked in factors that motivate other people, is ranked further down the scale in the own motivating factors table. Another finding is that good wages as a personal motivation factor shares the first and second position, and for the last question there is the most common answer which gives a pretty clear idea of the similarity of the answers.

A question in the survey suggests that participants mention other important factors for motivation that are not listed in the previous question. The examples of motivators are shown as they might be of great use for future researches. The motivators chosen by participants are:

- Friendly atmosphere at a working place;
- Retirement benefits;
- Bonuses;
- Colleagues fit of company values and personal values;
- Flexible job;

Figure 9: Motivation Factors Ranked by Students from UKIM, by Gender

UKIM (Females)	Rankings	38 (49%)	Rankings	21 (27%)	Rankings	14 (18%)	Rankings	5 (6%)	TOTAL	Overall importance
Interesting work	1	380	2	189	3	112	6	25	706	16%
Good wages	2	342	1	210	2	126	9	10	688	16%
Job security	6	190	6	105	4	98	2	45	438	10%
Personal loyalty to employees from superiors	9	76	8	63	9	28	1	50	217	5%
Promotion and growth in the organization	5	228	4	147	5	84	4	35	494	12%
Good working conditions	8	114	9	42	10	14	3	40	210	5%
Full appreciation of work done	4	266	5	126	6	70	7	20	482	11%
Tactful discipline from superiors	10	38	10	21	8	42	5	30	131	3%
Feeling of being involved and informed	3	304	3	168	1	140	8	15	627	15%
Open communication	7	152	7	84	7	56	10	5	297	7%
UKIM (Males)										
Interesting work	1	340	2	180	3	112	6	20	652	16%
Good wages	2	306	1	200	2	126	9	8	640	16%
Job security	6	170	6	100	4	98	2	36	404	10%
Personal loyalty to employees from superiors	9	68	8	60	9	28	1	40	196	5%
Promotion and growth in the organization	5	204	4	140	5	84	4	28	456	12%
Good working conditions	8	102	9	40	10	14	3	32	188	5%
Full appreciation of work done	4	238	5	120	6	70	7	16	444	11%
Tactful discipline from superiors	10	34	10	20	8	42	5	24	120	3%
Feeling of being involved and informed	3	272	3	160	1	140	8	12	584	15%
Open communication	7	136	7	80	7	56	10	4	276	7%

- Fringe benefits (company car, laptop, and gym);
- International environment / possibility to travel;

3.2 University – American College in Skopje

For this group of students from business administration department at University - American College (hereinafter: UACS) in Skopje, the alignment of the ranked factors is presented. The rankings of the factors according to the table below are as follows:

Figure 10: Motivation Factors Ranked by Students from UACS

UACS	Rankings	66 (44%)	Rankings	54 (36%)	Rankings	22 (15%)	Rankings	8 (5%)	TOTAL	Overall importance
Interesting work	2	594	1	540	2	198	6	40	1372	17%
Good wages	1	660	2	486	3	176	9	16	1338	16%
Job security	3	528	3	432	1	220	2	72	1252	15%
Personal loyalty to employees from superiors	6	330	6	270	4	154	1	80	834	10%
Promotion and growth in the organization	4	462	5	324	6	110	4	56	952	12%
Good working conditions	7	264	7	216	7	88	3	64	632	8%
Full appreciation of work done	5	396	4	378	5	132	7	32	938	11%
Tactful discipline from superiors	8	198	9	108	10	22	5	48	376	5%
Feeling of being involved and informed	10	66	10	54	8	66	8	24	210	3%
Open communication	9	132	8	162	9	44	10	8	346	4%

- Interesting work (1st according to rankings);
- Good wages (2nd according to rankings);
- Job security (3rd according to rankings);
- Promotion and growth and organization (4th according to rankings);
- Full appreciation of work done (5th according to rankings);
- Personal loyalty from superiors (6th according to rankings);
- Good working conditions (7th according to rankings);
- Tactful discipline from superiors (8th according to rankings);
- Open communication (9th according to rankings);

- Feeling of being involved and informed (10th according to rankings);

UACS students- 44% of the respondents put good wages on 1st position, 36% of respondents put interesting work on 1st position, and 15% of total respondents put job security on 1st position and 5% put other factors as most important.

The next table compares the rankings and positioning of motivation factors between male and female students from the same university. The results suggest that there is no difference in the ranking of the factors, just as it is the case with the students from the other group. Results show a strong correlation between genders in the way they ranked motivation factors. This brings us to the conclusion that according to this survey, gender does not play a role in future employees 'opinion on motivation factors.

UACS females- 43% put good wages in 1st position, 36% put interesting work on 1st position, 16% put job security on 1st position and 5% put other factors as most important.

UACS males- 44% put good wages on 1st position, 36% put interesting work on 1st position, 14% put job security on 1st position and 6% put other motivation factors as most important.

The question about factors that motivate other people is the last question in the questionnaire. The next table suggests that students from UACS choose these three factors that motivate other people:

- Good wages (1st according to rankings);
- Job security (2nd according to rankings);
- Interesting work (3rd according to rankings)

In comparison students put these three motivation factors for themselves:

- Interesting work (1st according to rankings);
- Good wages(2nd according to rankings);
- Job security (3rd according to rankings);

From the made comparison it can be seen that the ranking of the factors is the same, only the order is different; which brings us to assume that students 'own motivation is the same as what they answered about other people. Not many students answered the open ended question about important factors that are not listed but are assumed to be important for them. The responses include:

- Well balanced relationship with colleagues;
- Low stress levels;
- Social affirmation;
- Fit of company values and personal values;
- Fringe benefits;

Figure 11: Motivation Factors Ranked by Students from UACS, by Gender

UACS (Females)	Rankings	30 (43%)	Rankings	25 (36%)	Rankings	11 (16%)	Rankings	3 (5%)	TOTAL	Overall importance
Interesting work	2	270	1	250	2	99	6	15	634	17%
Good wages	1	300	2	225	3	88	9	6	619	16%
Job security	3	240	3	200	1	110	2	27	577	15%
Personal loyalty to employees from superiors	6	150	6	125	4	77	1	30	382	10%
Promotion and growth in the organization	4	210	5	150	6	55	4	21	436	11%
Good working conditions	7	120	7	100	7	44	3	24	288	8%
Full appreciation of work done	5	180	4	175	5	66	7	12	433	11%
Tactful discipline from superiors	8	90	9	50	10	11	5	18	169	4%
Feeling of being involved and informed	10	30	10	25	8	33	8	9	97	3%
Open communication	9	60	8	75	9	22	10	3	160	4%
UACS (Males)										
Interesting work	2	324	1	290	2	99	6	25	738	17%
Good wages	1	360	2	261	3	88	9	10	719	16%
Job security	3	288	3	232	1	110	2	45	675	15%
Personal loyalty to employees from superiors	6	180	6	145	4	77	1	50	452	10%
Promotion and growth in the organization	4	252	5	174	6	55	4	35	516	12%
Good working conditions	7	144	7	116	7	44	3	40	344	8%
Full appreciation of work done	5	216	4	203	5	66	7	20	505	11%
Tactful discipline from superiors	8	108	9	58	10	11	5	30	207	5%
Feeling of being involved and informed	10	36	10	29	8	33	8	15	113	3%
Open communication	9	72	8	87	9	22	10	5	186	4%

Each of these motivators is stated by one or more students.

3.3 Comparison of Results

The last step of analysing results is the comparison of the answers from the two different groups of students. The rankings and overall positioning of motivation factors are compared in the table below where the results can be clearly seen.

The comparison shows that similarities are evident: interesting work, good wages are both at the top of the rankings. Similarities in the rankings are also evident in promotion and growth in the organization, full appreciation of work done, but some differences can be noticed as well. Job security is ranked 6th by UKIM students and 3rd by UACS students. Personal loyalty to employees from superiors is ranked 8th by UKIM students and 6th by UACS students. Feeling of being involved and informed is ranked 3rd by UKIM students and 10th by students from UACS. So a strong correlation is present in the top ranked factors of motivation, but as we proceed down the ranking some differences are present for sure.

Figure 12: Comparison of Motivation Factors Rankings between the Two Groups of Students from Both Universities (UKIM and UACS)

Comparison of Motivation Factors Rankings	UKIM Rankings	TOTAL	Overall importance	UACS Rankings	TOTAL	Overall importance
Interesting work	1	1358	16%	1	1372	17%
Good wages	2	1328	16%	2	1338	16%
Job security	6	842	10%	3	1252	15%
Personal loyalty to employees from superiors	8	413	5%	6	834	10%
Promotion and growth in the organization	4	950	12%	4	952	12%
Good working conditions	9	398	5%	7	632	8%
Full appreciation of work done	5	926	11%	5	938	11%
Tactful discipline from superiors	10	251	3%	8	376	5%
Feeling of being involved and informed	3	1211	15%	10	210	3%
Open communication	7	573	7%	9	346	4%

Both groups of students answered the same, when compared the answers about what motivates other people. The most often factor is good wages, followed by job security and interesting work. With comparing the answers to the open ended question, there are similarities in the answers as well. Both groups picked “bonuses” as a motivation factor.

Well balanced relationship with colleagues can be related to friendly atmosphere in a working place and social affirmation, retirement benefits and fringe benefits are basically the same, flexible job is similar to low stress levels.

Figure 13: Comparison of Results between the Two Groups of Students

UACS	UKIM
Well balanced relationship with colleagues	Friendly atmosphere in a workplace
Low stress levels	Retirement benefits
Social affirmation	Bonuses
Fit of company and personal values	Fit of company and personal values
Fringe benefits	Flexible job
Bonuses	Fringe benefits
	International environment/possibility to travel

4 DISCUSSION

The findings in the master thesis suggest that good wages and interesting work are highest ranked motivation factors among students from both universities.

In the study conducted by Lindner (1998), Research and Extension Associate at the Ohio State University Piketon Research and Extension Centre, he describes the importance of certain factors in motivating employees. The study sought to determine that interesting work and good wages are the most important motivation factors, as it's the case in the study done in the thesis.

Kovach (1995) in his work also pointed out the interesting work as one of the most important factors. Good wages are not recognized as an important factor according to the respondents from his research. Interesting work is mostly appreciated in many of the researches done in different environments. Good wages is recognized as priority by some groups, and not by others. It can be noted, a group that finds financial incentives as the most important motivation-factors is a rather different group. Before I make a conclusion on what describes students who appreciate the value of higher wages, I will go through other factors that are ranked high as well. The third factor valued by students from UKIM is the feeling of being involved and informed. This motivation factor is not as important to the students from the UACS. They prefer job security, which is not valued as much by the other group. The difference is defined by cultural-religion issues (assuming that some students from UACS are Albanians).

A research done by Fisher and Yuan (1998) that is concentrated on factors that motivate employees from different ethnic backgrounds, shows that ethnicity indeed has an influence when choosing motivation factors. Although there is a difference in the ethnicity, still both

groups of students come from the same country therefore they generally fall under same moral and ethical values, so the differences in opinions are somewhat pronounced. Students with ethnic Albanian descent have ranked job security very high, which might be influenced by the fact that Albanian families tend to have more children on average. Therefore job security is a main priority when providing for a bigger family. What is also in agreement with Kovach's (1995) study, both groups of students from UKIM and UACS, approved that full appreciation of done work and promotion and growth in organization are relevant and important to them, therefore they ranked both factors high. In other words recognition is proven to be integral part of motivation. The groups of students express the desire to be appreciated and rewarded by their superiors, but only students from UKIM tend to form somewhat relationship with the superior. There are clearly some differences between the two groups when ranking factors related to superiors 'behaviour, neither of the groups rank them in high positions. However, students from UKIM rank those factors higher than the students from UACS, as mentioned the difference might be a by-product of ethnic differences.

Factors that are on the top of the list can be analysed by using the Maslow's theory of needs. Interesting work can be linked to self-actualization, good wages is a security need, job security is related to safety, feeling of being informed and involved is a social factor, full appreciation of done work and promotion and growth in the organization are definitely linked to self-esteem. According to this theory, when the lower needs are fulfilled, then the higher needs take place. This is why money is considered to be one of the most important factors for some students. Money is used to insure all aspects of human existence. Before students start working, they get financial support from the parents. Once they get a job, the only desire for them is to become independent, meaning that they want to live alone and pay their own expenses. It is normal that after some years, wages become less important and other aspects of human needs become priority.

A theory developed by McClelland(1968), called Human Motivation or Acquired Needs Theory, suggests that needs change over the course of a life-time, as they are dictated by people's experience. Some evidence is confirmed by Kovach's (1995) study, where wages aren't as important in groups of older employees and employees with a higher position in the hierarchy. Other than that, in present study there isn't significant difference among students who have a job and students who don't have a job. One possibility to explain this is that students who work simply haven't been on duty long enough to have their opinions shaped otherwise. In the research of the thesis these differences also occur although they have not been statistically significant. Some motivation factors are more important to women compared to men in both studies, so there is a small difference and will be mentioned. It shows that female employees lean more towards communication and personal relations than male employees. One factor that is excluded in Kovach's research - open communication is more essential for females than for males. The explanation why females tend to prefer open communication more is because they look at their job as a life role.

The questions implemented in the questionnaire are used as an inspiration for own research. The question regarding factors that motivate other people is used to check if people provide the same or similar answers as if they answer for themselves. Students from UKIM choose the same in both questions. Students from UACS answered differently. The difference in the answers might be that people sometimes describe themselves in a more socially desirable manner. In some parts of the World, the lust and desire for money might not be accepted as appropriate, whereas being well informed and involved is treated as a good sign of enthusiasm and dedication at work. The difference in opinion in one of the group is definitely interesting, and should be addressed in future research. There are valid motivation-factors mentioned in the open ended question, such as fringe benefits, good relations with co-workers and fit of company/personal values. These are all valid motivation-factors which could be added to the list in the questionnaire and check out the rankings afterwards. In the questionnaire given to students, except the 10 motivation factors, additional ones are not mentioned such as freedom to plan and execute work independently which in my opinion needs to be addressed in future research. The theories of motivation justify the decision for new factors to be added in the questionnaire. The research shows that students value and prefer factors that are in accordance with independence and communication at work. The reason might lay in the fact that these young men have a “can-do” attitude, and are flexible when it comes to job responsibilities.

The research done in the thesis can be of great help to managers and HR professionals, although the results can be described in several ways according to different motivation theories. It is determined what motivation factors are the most important according to this research. The question that needs to be answered is: Can they boost work motivation, and performance of the future employed staff? In his findings Herzberg (1964) developed a theory where he placed the motivation factors in two categories: Hygiene factors and Motivation factors. The Hygiene factors can't motivate or cause dissatisfaction if they are not present, but do not very often create satisfaction when they are present; however, motivation factors do motivate or create satisfaction and are rarely the cause of dissatisfaction. If we look at the most important factors chosen by students, they come from both categories. Promotion and growth in the organization, interesting work and feeling of being informed and involved are considered satisfiers. Job security and good wages are categorized as hygiene factors. According to the theory, these two factors can promote dissatisfaction, but will not necessarily promote motivation. Therefore, they need to be addressed before other motivation-factors are addressed.

Adams (1969) in the Equity Theory states that positive outcomes and high levels of motivation can be expected only when employees perceive their treatment to be fair. An employees' perception of this might include many factors. The idea behind Adam's Equity Theory is to strike a healthy balance here with outputs on one side of the scale; inputs on the other – both weighing in a way that seems reasonably equal. If the balance lies too far in favour of the employer, some employees might work to bring balance between inputs

and outputs on their own, by asking for more compensation or recognition. Others won't be motivated and will seek alternative employment.

On the other hand, Vroom's (1964) expectancy motivation theory suggests that motivation of employees begins with rewarding for the achievement of the organizational goals (Lindner, 1998). If students can feel a direct relation of hard work and reward such as money, or possibility of promotion, they will most likely be more motivated to perform well. There are many options when it comes to motivating employees, and the great deal of theories might sometimes lead to confusion. Motivation is indeed a very complex phenomenon and can be approached from many different angles. The most important finding from the thesis is that students from both Universities agree that Interesting work and good wages are their most important factors for a job.

CONCLUSION AND FUTURE RESEARCH

The results that are provided from sampled students from both universities show that both intrinsic and extrinsic motivation factors are considered important for the sampled students. The findings alone suggest when managers and HR specialists deal with fresh graduated employees; they should not lean towards money as a primary tool. On the other hand, non-monetary incentive programs have proven to be very effective, but can't provide the optimum amount of performance, if only used alone without a degree of other motivational tools in the mix. The results of the research, suggest that the most effective motivation and reward system should try to satisfy a variety of needs from more than one category.

The work environment of the employees should allow involvement, good relations, safety and a good atmosphere for self-promotion. The provision of these opportunities should be the aim of every well balanced company. Companies can meet the challenge of attracting, encouraging and retaining employees by being aware of the variety of expectations they have. The research and conclusions summarized from the master thesis can be a good jump start for companies to create value system in the organizational structure. In further research a comparison can be made if the assumptions and results from this study would have similar outcome in other Collegiate Institutions in Macedonia and around a wider region. If a research is done on a larger sample, the results can be generalized for the whole population of University students in the region (Bulgaria, Serbia and Greece). Future research on the subject of "motivation in young adults" can be done to specify some of the motivational factors mentioned in the open ended question such as good atmosphere at work, fringe benefits, fit of personal values and company values.

Motivation is essential for almost any aspect of life. Nature has an intrinsic motivation; it does what it does in and out of itself, without further reflection. There is no difference in human activity. And yet, motivation is such an underdeveloped area of research. There are

quite a few theories, and they are all diverse in many ways of explaining motivation, and yet they haven't captured the complexity of human motivation in the simple, natural form. The word 'motivation' is very often used in reference only to "work". Our modern-day work habits are a large-scale system specified (amongst many other things) at creating global productivity. We participate in that large-scale system out of free will, but also because there is just a small another choice available. No work; no pay!

This is where human motivation comes in: how do you motivate people who aren't really doing it because it's their birth right and they feel subconsciously obliged to it? That's what motivation theories are all about, and what this master thesis aims to map out; the different approaches towards motivating different types of people. I want to point out that this is an academic work; it's my personal summary of material that I've chosen and collected, for my own clarity and understanding. It's aimed at managers, business owners, entrepreneurs, HR-people who want a simple and concise overview of motivation theories. The content in the master thesis is for fast and easy reading, and mainly focused on explaining the theories of motivation and extracting the most influential motivation factors according to sampled students.

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