UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS

MASTER THESIS

MOTIVATION IN NONPROFIT ORGANIZATIONS: THE CASE OF "DRUGO MORE"

Ljubljana, october 2015

BOJAN UJČIĆ

AUTHORSHIP STATEMENT

The undersigned Bojan Ujčić, a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), declare that I am the author of the master's thesis entitled "Motivation in Nonprofit organizations: The Case of "Drugo more", written under supervision of doc. dr. Jana Žnidaršič.

In accordance with the Copyright and Related Rights Act (Official Gazette of the Republic of Slovenia, Nr. 21/1995 with changes and amendments) I allow the text of my master's thesis to be published on the FELU website.

I further declare

- the text of my master's thesis to be based on the results of my own research;
- the text of my master's thesis to be language-edited and technically in adherence with the FELU's Technical Guidelines for Written Works which means that I
    - cited and / or quoted works and opinions of other authors in my master's thesis in accordance with the FELU's Technical Guidelines for Written Works and
    - obtained (and referred to in my master's thesis) all the necessary permits to use the works of other authors which are entirely (in written or graphical form) used in my text;
- to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code (Official Gazette of the Republic of Slovenia, Nr. 55/2008 with changes and amendments);
- to be aware of the consequences a proven plagiarism charge based on the submitted master's thesis could have for my status at the FELU in accordance with the relevant FELU Rules on Master's Thesis.

Ljubljana, 19. october 2015.   Author's signature:_____

TABLE OF CONTENTS

APPENDIXES

TABLE OF FIGURES

TABLE OF TABLES

INTRODUCTION

Nonprofit sector is a very special and important part of our society. Organizations which are part of the nonprofit sector deliver products and services which other, profit oriented organizations could not or would not deliver. Among many fields where nonprofit sector organizations operate, the field of art and culture is a synonim for something nonprofit.

It is an interesting task to relate and research how does the management, which is often related only with profit sector, fits in this nonprofit field. Organizations and the market they operate in has to be lead by someone, and that is management's task. Not only that it has to lead organizations towards success, but it has to lead employees which decided to be a part of this field.

Management in nonprofit sector in general definitely differs from the profit one. Differences between them will be noted in the thesis. Nonetheless, there are differences among managers which arent't described in theory, and mostly arise from manager's personality and problems which are related to the nonprofit sector, above all in the field of art and culture.

Employees, just like in any other type of organization, have to do their job the best way possible. It is management's task to ensure it. Motivation is one of the most important and powerfull management tools to lead employees towards wanted goals.

However, one of the most powerful motivation factors nowadays are financial ones. This fact makes management's work in nonprofit organizations much harder, knowing that nonprofit sector is being underpaid and in its nature - not for profit. The thesis will try to prove that no matter the financial motivation factors importance, most of the motivation among employees in nonprofit sector in the field of art and culture arises out from nonfinancial motivation factors. Most powerful motivation factors will also be pointed.

This issue becomes more interesting knowing that there are several types of employees which are involved in this type of nonprofit organizations. There are large differences between those employees types, especially regarding their work characteristics. The thesis will research if differences between them can be visible in differences in motivation factors which affect those employees types.

Management has to be ready and capable to avoid and solve any problems which could disturb or decrease motivation among their employees. Their influence on employees in their organization is very important. Yet, it is a question if their influence is less powerful, regarding the lack of financial resources in the field and related financial motivation factors.

Motivation can be visible through someones' work results. The thesis will cover and research influence of the motivation on different employees' willingness to work. Research will be done in nonprofit organization "Drugo more" from the town of Rijeka. Respondents will be given questionnaires and the answers will be used to deliver statistical results and relevant conclusions.

The thesis will deliver answers and guidelines for the managers in similar organizations from the field of art and culture. The intention of the thesis is to be a helpdesk for current managers and a good starting point for further researches in this field.

1 MANAGEMENT IN NONPROFIT ORGANIZATIONS

Nonprofit organizations differ from the profit ones and that is the starting point for the study problem and its solutions. Consequently, a short definition of nonprofit organizations from the viewpoint of different authors is at place, a brief overview of their historical development, management and its functions before researching the main problem of the thesis. It will surely help in the further examination of management and motivation differences in nonprofit organizations.

1.1 Short description of the nonprofit organizations

The nonprofit sector is in general a very important part of the contemporary society, our everyday lives and the global marketplace. The main reason of nonprofit organizations' existence is that the profit organizations do not or cannot provide products or goods and services provided by the nonprofit organizations (Dimovski, 2002, p. 696). The advantage over the profit oriented organizations and social responsibility is often supported by state governments in the form of tax benefits.

The simplest way to define nonprofit organization would be that it is an organization that, unlike the profit oriented ones, does not follow the maximization of its profit as its main goal. Some of the available definitions suggest more or less complex descriptions of the nonprofit organizations, and differ depending of the highlights various authors want to express. Some of the authors highlight their not-for-profit reason of existence, some pinpoint their reason of existence, tax benefits or some other characteristics that most of nonprofit organizations share. Moreover, one of the reasons could be their development through time, but despite their development, their main characteristics have remained the same and the reasons for different defining should not be searched here.

Wolf followed the simplest definition possible, defining the nonprofit organization as a term which suggests a "business enteprise not organized to make profit" (Wolf, 1999, p. 19). More complex definitions mention social contribution and tax benefits, as for instance "a business organization that serves some public purpose and therefore enjoys some special treatment under the law" (Entrepreneur Portal, 2014). The same portal suggests that "nonprofit corporations, contrary to their name, can make a profit, but cannott be designed primarily for profit-making". Some authors emphasize the meaning of the organizations' surplus. According to Holland and Ritvo, "profit motives and publicly traded firms pay out their surplus in dividends to stockholders, whereas nonprofits put their surplus, if any, into expanding services, upgrading equipment, training staff, and other activities to support their mission" (Holland & Ritvo, 2008, p. 4).

It can be seen that different authors define nonprofit organization in a different way. Nevertheless, no matter which nonprofit organization one chooses to define, they all have two

things in common: 1) their goal is not to make profit, although they can, and 2) they are socially responsible, started to serve a higher goal.

1.2 Nonprofit organizations types

It is important to mention the main types of the nonprofit organizations because those directly influence the way they are going to be led. In other words, it is likely that the management and the leading will be different from one type to another. The main research goal of this thesis is motivation in the nonprofit organizations' management, so it is easy to conclude, or at least assume in this part of writing, that the motivation and its tools will differ from one type of nonprofit organization to another as well.

There are many types of nonprofit organizations. However, all of them can be sorted on the basis of their business field and organization type. There are four main organization types of nonprofit organizations (Figure 1): corporations, associations, foundations and trusts (Sessoms, n.d.). This classification is used by many authors like Dimovski (2002) and it is the starting point for further examination of every organization type itself. For example, corporations as a type of nonprofit organization can be later branched into private, public or mixed corporations (Dimovski, 2002, p. 698). It is very important to clearly divide different types of nonprofit organizations because of the tax benefits, organization funding, its managing and activity in general.

Following the organization purpose basis, there are a few types of nonprofit organizations which can also be branched out on more types. This kind of typology is described by Goettler (2010). There are three main categories in which nonprofit organizations can be sorted in (Goettler, 2010, p. 20):

1. Public benefit corporations (charitable organizations and social welfare organizations)
2. Mutual benefit corporations (not public organizations, but include groups such as homeowners' associations or private fundations)
3. Other corporations (fraternal societies, labor organizations, farm bureaus, social clubs, veterans' organizations and many other).

Figure 1. Nonprofit organizations' typology

Source: G. Sessoms, *What is The Purpose of Nonprofit Organizations,* (n.d.)

This classification is used by the United States government agency Internal Revenue Service and similar framework is used in many other countries. On the other hand, Holland and Ritvo

use a different base to divide nonprofit organizations and accordingly they can be divided into (Holland & Ritvo, 2008, p. 2):

1. Service providers (health care providers, nursing homes educational institutions, day care centers),
2. Advocacy (civil rights, environmental issues, women's issues, gay rights, progressive and conservative movements),
3. Expressive (artistic, social, religious), and
4. Community building (associations, charitable foundations).

1.3 Nonprofit organizations historical development

Searching for the nonprofit organizations' begginings leads us in twentieth century, more specifically in the 1970s when the term started to be used and understood in a way we understand nonprofit organizations today. But, if we use their definition, and roughly define those organizations just by saying that their purpose is not to make profit and to benefit society, we could go a long way back in a human history. This research would go back in history just as long as terms like philanthropy and voluntarism could be tracked. Roman Catholic Church can be observed in this way. There are more examples in history just like the famous Alexandria Library in ancient Egypt and its founder king Ptolemy I.

1.3.1 Nonprofit organizations in Western societies

The history of nonprofit organizations differs in Europe and United States, but there are still some similarities, resulting from the colonial times. In Great Britain and North American colonies, the formalization and secularization of philanthropy began in 1601 with the Elizabeth Statue of Charitable Uses, which was the part of "the Poor Laws, a body of legislation for providing relief to the poor, including care for the aged, the sick, infants and children, as well as work for the able-bodied through local parishes" (Anheier, 2005, p. 29).

From 1850 till 1900, the nonprofit sector was marked by government expansion of financial help to the Poor Laws and private charities which were actually supported by the philanthropists in upper and middle classes. The following decades, all the way until 1960 were shaped by the World War I and II and Great Depression. Nonprofit organizations took "form of universal national health care financed through general taxation and voluntary sector expanded" (Anheier, 2005, p. 30).

The development of the nonprofit sector in other European countries like France and Germany was determined by major events in their history, other than the wars and Great Depression.

The nonprofit sector in United States was strongly influenced by the colonization of the country. This affected the characteristics of the sector, because of cultural differences between the colonies. The sector's development can be observed through a few important periods (Hall, 2006):

1. Until 1750s - nonprofit organizations mostly connected with education, religion and charity,

2. until 1950s - nonprofit sector was strongly shaped by the historical events of the time, like American Revolution, Civil War, a series of crisis that hit American economy starting with 1870, two World Wars and many other,
3. from 1950s - development of the nonprofit sector from 1950s is considered contemporary (with strong impact starting from 1970s).

Some of the events seem to repeat over time, and thus affect the nonprofit sector and organizations. Events like wars increase the number of nonprofit organizations connected with immigrants, when their number grows rapidly. Hall (2004) noted that organizations like mutual benefit organizations, organized by immigrants, are typical for United States. Germans, Irish and other nations shaped the nonprofit sector in United States in the form we see it today.

Table 1. Long term growth in the number of nonprofit organizations in The United States

Year	Total NPO's and congregations	Total NPOs
1943	-	80,250
1946	-	93,458
1967	-	309,000
1968	-	358,000
1969	-	416,000
1972	-	535,000
1973	-	630,000
1974	1,005,000	673,000
1975	-	692,000
1976	-	763,000
1977	1,123,000	790,000
1978	-	810,000
1979	-	825,000
1980	1,182,000	846,000
1981	-	851,000
1982	-	841,000
1983	-	845,000
1984	1,209,000	871,000
1985		887,000
1986		897,424
1987	1,285,105	939,105
1988	1,318,177	969,177
1989	1,343,561	992,561
1990	-	1,024,766
1991	-	1,055,545
1992	1,481,206	1,085,206
1993	-	1,118,131
1994	-	1,138,598
1995	-	1,164,789

Source: P.D.Hall, *A Historical Overview of Philanthropy, Voluntary and Nonprofit Organizations in the United States, 1600-2000*, 2006, p. 52, Table 2.1.

Regardless of the changes that the nonprofit sector underwent through over the years, it is obvious that its raise is continuous and lasting. The long term growth of the nonprofit sector in the United States can be shown in the following table which is the result of the long term research of the charitable and non-charitable nonprofit organizations and religious congregations in the period from 1936 till 1996.

Table 1 uses the information from the Hall (2006) and shows the continuous growth in the number of the nonprofit organizations in the United States. Similar trends are reported in other countries around the world as well, but researches made in United States allows us to see their progression over the years and potentially predict further trends.

The nonprofit sector in Australia and Canada was strongly influenced by the British Empire. Anheier (2005) noted the government role and their stronger sense for social rights in both countries as very significant for the sector development. Other than similarities with Britain, the beginnings of the nonprofit sector in Canada and Australia root to the Church and charitable associations, like in most countries.

1.3.2 Nonprofit organizations in Croatia

The historical development of nonprofit organizations in Croatia had no significant empirical researches, but it can be traced and determined through different periods of the history of Croatia.

It is not difficult to conclude that the Croatian nonprofit sector is not as developed as the ones in nowadays European Union or in the United States. Although its roots can be traced to the religious activities in the past, there are two main reasons why the level of development is in constant backlog, and both of them are politically determined.

The first reason is that Croatia used to be a part of the Socialist Federal Republic of Yugoslavia. More precisely, the problem was in the Yugoslavian socialism and centralism, where the political situation was not supporting the nonprofit organizations at all. Most of such organizations were under the control of government, whilst the private sector was underdeveloped and almost did not exist at all.

Second, the actions which took place after Yugoslavia had fallen apart - the war and the renovation which followed literally took another ten years which not only the nonprofit sector feels today as well. Other countries in transition like Slovenia, the Czech Republic, Slovakia or some Baltic countries had other problems, but also had the luck to avoid war and direct the financial support in other directions.

Because of the aforementioned problems, the nonprofit sector in Croatia is still surrounded by nonsupporting environment. The state even nowadays reckons on the help of the world and European forces and its programs (e.g. World Bank, PHARE program). There are no information about the profit organizations support, their donations and there are no tax reliefs for such financial supports (Bežovan, 1996, p. 309).

1.4 Management in nonprofit organizations

The need for management in nonprofit organizations is just as strong as in the profit ones. The term nonprofit often leads to a wrong conclusion.

Every organization in the world, big or small, profit or nonprofit one, needs a management to lead it. However, there is a mistake people usually tend to make regarding the term of management. Most times people tend to missunderstand the term itself, because of the organization's size, often if it is a small organization, or because of the field of its operations. This is the mistake in public opinion which affects all sorts of organizations, profit or nonprofit ones.

The task to manage a nonprofit organization is rather different than the one in a profit organization. However, it is very difficult to define how management and the management process should look like. Also, it is not easy to deliver a reliable framework for future managers to follow, because of the diversity of the nonprofit sector in general and all the different fields existing in it.

There are a few important reasons why management in nonprofit organizations differs so much from the profit ones. To begin with, one of them is visible from the definition of nonprofit organizations, and the fact that their reason of existence is not to make any profit, although some of them can and do. Consequently, it can be concluded that they rely on other financial sources needed for their existence and activity. In case of nonprofit organizations, their primary financial sources are mainly donations and other outhern financial supports. Management in nonprofit organizations has to find a way to balance between the wishes of its financial supporters and customers. Although those donors, private or public ones, do not count on financial benefits from their investments and donations, nonprofit organizations' managers have to satisfy their wishes and demands, forgeting the wishes of their customers. This is an issue, because nonprofit organizations' customers are the first reason why a nonprofit was started at all (Dimovski, 2002, p. 695).

Logically, one can conclude that there is no reason for such organization to fight for the market share, although it could. It cannot be said that the competition does not exist in such cases, but it is a different story than in the case of any profit organization. Competition and the "fight" for market share can be observed through gaining financial support, or fund raising. Nonprofit organization's management will be responsible for this work. The problem of gaining financial resources to fund a nonprofit organization, very important for organizations which do not make any profit and cannot exist without financial resources, needs a contemporary and skilled management to find the solution to the problem. This is a huge problem for the type of nonprofit organizations that can rely on the profit they can make as well, but only in the beginning of their existence.

Next, volunteers are an important part of nonprofit organizations, so managing payable and free workforce at once becomes an important task and a very valuable skill in a manager. This is the part where strong motivational skills are needed to go through the problems.

Figure 2 roughly highlights the main contemporary manager's roles in nonprofit organizations. Management in nonprofit organizations can be observed through conventional management theories and its processes. Modifications and differences are needed and occur when it comes to the nonprofit sector.

However, many authors point out that management has to be observed like a continuously learning skill. Some authors pinpoint that "the need for management in the contemporary culture is increasing due to the movements in society which inevitably impact arts and consequently equally affects cultural institutions" (Mickov, 2010, p. 6). Mickov (2010) emphasizes the need for management in art and cultural institutions and its impact on mobility and development of society and cities at the global level. It enhances the development and the democratization processes in the society.

Figure 2. Contemporary managers' main roles in managing nonprofit organizations
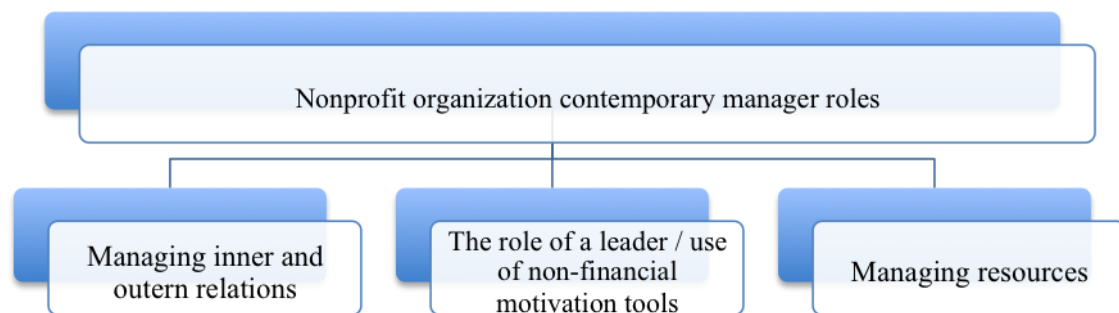
Source: V. Dimovski, *Management neprofitnih organizacij,* 2002, p. 705, Figure 20.3.

Quality execution of the main management roles in nonprofit organizations leads to a formation of a strong, financially stable and adaptable nonprofit organization. Because of the fact that making profit is not their main reason of existance, and therefore not the main management's goal to reach, other goals are highlighted. The existence of the nonprofit organization, the delivery of its products or services, financial stability needed for its existence and work, adaption to the ever changing environment and its consumers and development or getting to a higher level with their products or services become the goals that nonprofit organizations' managements seek to execute.

1.5 Management processes in nonprofit organizations

Management process is a complex process that can be observed in an easier way through management functions. Those functions in nonprofit organizations can be compared to the ones in the profit organizations, but according to many authors and their frameworks, it all comes back to business planning itself.

Traces of all other functions, or in other words, the roles of management, can be seen in the function of planning. The management functions in nonprofit management are closely related to the main problems mentioned in the previous section, which can all be observed through the management functions. Fund raising, for example, can be observed through the functions

of planning, organization and controlling. More differences between nonprofit and profit management can be seen by observing the differences in management processes.

The starting point of the discussion about the management functions in nonprofit management should be Fayol's theory of five management functions from the beginning of the 20th century (Management Library Portal, 2014). The French industrialist turned out to be one of the most influential management theorists bringing to the world still existing five management functions: planning, organizing, commanding, coordinating and controlling (Management Library Portal, 2014).

Fayol's five management functions have changed just a little over time, but the idea remained the same. The function that has changed the most since Fayol introduced it is surely commanding. Research shows that different authors tried to adjust the name of the function to explain the importance of, not just commanding subordinates, but also choosing them, creating a team and using it the best way possible. Roberts (2014) named the function staffing, describing it as the task of choosing the right people to do the right job. Others just name the function human resource management and some, like Dimovski (2002, p. 709), add motivation. The function of commanding turned out to be a whole new doctrine, and a lot of time a list of only four main management functions can be found, commanding being excluded. There is a load of variations which depends of subjective opinions.

Dimovski adjusted his main management functions for use in nonprofit organizations and got to the number of ten functions: planning, organizing, motivating, deciding, adjusting, reporting, delegating, controlling (monitoring), fund raising and choosing resources (Dimovski, 2002, p. 709). However, the evolution of management theory and easier use of the functions if divided on more and their adjustment for the nonprofit management use are the reasons for expanding of the functions. The aforementioned function of commanding disappeared in Dimovski's list, but was replaced by the function of motivating and delegation. Even the function of reporting can be added to the list and connected with commanding or stuffing, as Roberts (2014) names it.

Because of the specific characteristics nonprofit organizations share, the task of managing and motivating human resources can be underlined, but the importance of planning, organizing and controlling the business cannot be ignored. For example, Berman et al. (2010) mention management functions with emphasis on human resources and therefore they pinpoint the importance of recruitment and selection of workforce, motivation, employee policies, training, learning and development. Pavičić, Alfirević and Aleksić (2006) chose a more conventional approach to the problem and mention separate and independent management functions but optimized for nonprofit organizations. In his book, Managing the nonprofit organization, Drucker (1990) also chooses a more conventional approach without directly mentioning all management functions. This can be the result of the time when the book was written, and it is very interesting to compare his research results with the contemporary ones. He emphasizes the part of planning, development of the strategies, fund raising and relationships and managing the workforce. Wolf is one among many authors which highlights the function of planning in nonprofit organizations. His division of the planning function shows that it really covers most of the other functions at once (Wolf, 1999, p. 286).

Wolf divides planning into several steps: setting parameters and boundaries, identifying limiting conditions, changing them where possible, designing, carrying, evaluating the plan of action and repeating everything again (Wolf, 1999, p. 282). It is easy to notice that especially the first two steps must cover a whole series of problems and every function except control. This example of separating the function of planning shows that the most important management problems in the nonprofit organizations, like workforce problems and fund raising, must be observed in the function of planning in the beginning of the management process in the nonprofit organizations.

After looking into different theories of management functions and its roles, conventional and contemporary approaches, and the examination of the nonprofit organizations, a framework for the nonprofit organizations' management functions can be offered:

Figure 3. Contemporary nonprofit organizations' management functions

Comparing the framework in Figure 3 with Fayol's, Dimovski's and other authors' frameworks for the management functions, the importance of human resource management, motivation and fund raising can be underlined, which are characteristic functions for nonprofit organizations with a clear reason. Human resource management covers Fayol's commanding and contains obligations more similar to Roberts' staffing, meaning workforce employment and relations between the workforce. It is important just to briefly emphasize the issue of managing the number of the volunteers in this part, but more will be said in the later writing. Fund raising is a typical function for the nonprofit organizations management, and failure in this task means the end for the nonprofit organization. Motivation in the nonprofit organizations is the main research object in this thesis and will be researched deeply in later sections as well.

Management functions in a nonprofit organizations have to be observed bearing in mind two very important things: 1) the size of the organization and 2) the management of the organization.

The size of the nonprofit organization influences the structure of the organization. It is likely that large organizations will have a formed, structured management and a visible hierarchy in workforce with visible management functions and their division on different sectors in the organization. This is important to comprehend because of the large number of the small nonprofit organiazations which employ a small number of people, and where one employee covers more functions, similarly to profit organizations.

Finally, the management of the nonprofit organizations differs from the profit ones, not only because of the size of the organization, different problems it meets and goals it has to achieve, but also because of its strong connection with organizations' work, products or services they offer. More precisely, this issue mostly arises in small nonprofit organizations, where artists, philanthropists and people with other professions deal with managerial work. Dimovski emphasizes that problem by mentioning workforce's strong devotion to their primary profession (Dimovski, 2002, p. 706). Although Dimovski mentioned that in a context that excludes management, this is an issue that small nonprofit organizations deal with. Technically speaking, many times management of such organizations does its job as a secondary obligation.

1.6 Nonprofit organizations in the field of art and culture

It is very difficult to define such an abstract term like the nonprofit sector because of all the fields that it covers. One of the ways for the individual to realize the diversity of the nonprofit sector is to start researching the organizations from one of the fields it exists in.

Besides its' great diversity, especially after World War II, the field of arts and culture is a good and a very interesting starting point. Nonprofit organizations in the field of art and culture share most common characteristics and problems, just as any other nonprofit organizations in other industries. What is unique about them is that nonprofit organizations' primary task in the field of arts and culture is to support, develop, distribute and contribute artists' work. Arts such as film, sculpture, dance, painting and many others are included. They connect and work with artist, but still share the same issues with funding, workforce and motivation.

The culture in general and all the various arts have been connecting people from ever since. The first relevant research has been done after the World War II, when some of the largest nonprofit organizations and institutions supporting the work of smaller nonprofit organizations were established. Because of that, it is obvious that research in this thesis and all the information gathered will be benchmarked with the most contemporary research possible to deliver as relevant and exact conclusions, but no research and information before the second part of the 20th century will be used.

Art and culture is a very special field and this can be proven on many cases. Arts inspire people from early ages, they make our lives richer and fill a greater public value. It is interesting to note that organizations in the field of art and culture represent just a small share of complete nonprofit activity, according to Dimaggio, 2,3 % of revenue and 1,9 % of employment (Dimaggio, 2003). Same author claims that the growth of the nonprofits in the

field of art and culture exceeds the one of the nonprofits in other fields, such as health, education, religion, social services and others (Dimaggio, 2003).

The Experience portal (2014) mentions some other sub-sectors which fulfill the rest of 98% of the whole nonprofit sector like social and legal services, civic and environmental advocacy and international relations and development sector. Within the boundaries of the nonprofit sector, the field of art and culture is the one with more small organizations and fewer larger ones, and they rely more on individual donations (and volunteering) and less on government grants and support than the nonprofit organizations in other fields (Dimaggio, 2003). Researches from Princeton University (2003) shown in the following graph state (Figure 4) and confirm the same as Dimaggio.

The reason can be that the large art and culture nonprofit organizations such as some museums or theaters are large enough to depend on themselves. On the other hand, small organizations depend more on the individual and government financial support.

In the arts and culture nonprofit sub-sector, different participants can be divided, nonprofit organizations with different professions like theaters, operas, visual art and craft (non-museum), arts services, symphony orchestras, multidisciplinary organizations, different types of museums, dance organizations, performing arts presenters, arts education organizations, music organizations (non-orchestra) and others (Nonprofit Finance Fund website, 2014). As noticeable, the arts and culture sub-sector is a very complex part of the nonprofit sector. In the final number of the organizations which are included as the part of this sub-sector, small organizations, with a small number of employees make a relevant part. This is important to understand for this thesis, because the research done will be based upon the similar small nonprofit organization. Just like in the profit sector where the small and medium size entrepreneurship is just as important for the development of any sub-sector, the nonprofit sector is hugely influenced by the smaller sized organizations and their contribution to the arts and culture development.

Some of the most relevant data and information gathered throughout researches done on the field can be found online on the web pages of some of the most important organizations, funds and trusts which support nonprofit organizations' work. Organizations such as Nonprofit Financial Fund or New York State Council on the Arts from United States, Arts Council from Great Britain and Canada Council for the Arts from Canada are just some of the large organizations which support the nonprofit organizations in the field of art and culture. As shown in Figure 4, their overall contribution in financial support is less than 10%, but small organizations depend on them deeply. Some of those organizations do not just give financial support, but advise, cooperate and help smaller organizations in every possible way. What is really important is that those organizations financially support the researches necessary to understand the development of the nonprofit sector and its sub-sectors, as the arts and culture sub-sector.

Dimaggio pinpoints that the minimalist organizations in arts and culture are the hardest from the point of enumeration, they are determined as unincorporated associations with minimal or intermittent program activities, part time or volunteer staff and tiny budgets (Dimaggio,

2003). Following Dimaggio (2003), such organizations have an important role in training young artists, presenting difficult or innovative work or serving audiences that may not ordinarily attend more established arts nonprofits.

Cvijanović, an internationally recognized artist from the town of Rijeka, Croatia, makes a very interesting approach to the new art, making it almost incomparable to the arts from the past centuries. As an artist in the sector of contemporary arts, he claims that the new art, unlike the "beautiful" art from the past, has to force it's audience to think, it has to bring a message to the people that it comes in a contact with.

Figure 4. Sources of Cultural Support in % from 1998
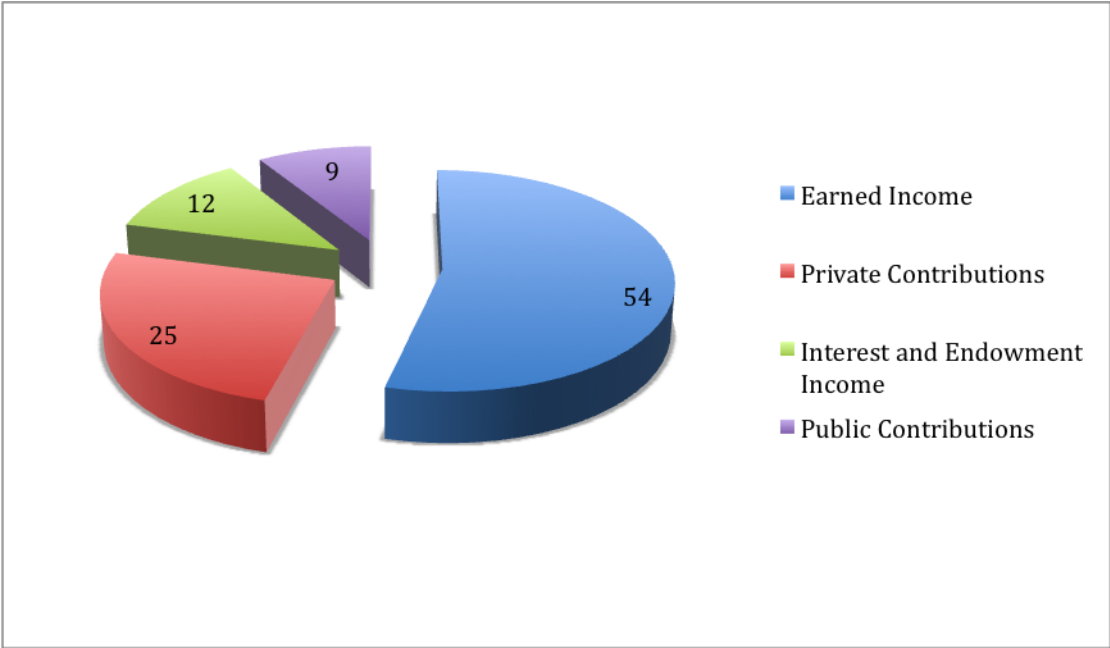
Source: Princeton University (2003). *From What Sources Do Nonprofit Arts and Cultural Organizations Recieve Financial Support?*

Mickov (2010) also emphasizes the differences in the contribution of the contemporary art and culture. She says that "contemporary art and culture are an important addition to modern life, which associate different aspects of popular culture, modern civilization and technology development. A world view and values of all outstanding issues are created, through the art, helping the progress of human race, as well as the development of a specific opinions" (Mickov, 2010).

The differences in the new approaches to art and culture are important to understand, because knowing and understanding your employees, volunteers and environment makes it easier to lead and manage your organization, and to be successful in doing it.

Although there are numerous organizations that are sorted in this field, like museums, theaters, libraries, different art workshops, expression rooms and many other organizations which cover all types of arts, the list can be reduced to just few types of organizations. Princeton's University center for arts and cultural policy studies department sorts those organizations into three different groups: performing arts organizations, museums and visual

arts organizations and multipurpose (multidisciplinary) organizations (Princeton University Portal, 2014).

2 MOTIVATION

This chapter will refer to the main problems that management in nonprofit organizations deals with regarding motivation.

Motivation is a management tool recognized in the past by many authors and emphasized rapidly through time, as the management theory evolved. The importance of the motivation in the management theory grew through time and that can be seen in the previous chapter. Motivation and working with or through people became very important for contemporary managers. Motivation is one of the functions that managers have to deal with in their work today. One of the clearest and simplest definitions of motivation in management is "getting correct things done through people willingly" (Chopra, 2002, p. 2).

Nonprofit organizations and their managements follow the same principles and theories as the profit ones. The motivation is not so much different - it is still carried out by the organization's managers and it is still as important. Nevertheless, what makes the difference are the boundaries of the nonprofit sector and some of the characteristics, such as big influence of the voluntary work and the environment that it exists in.

Combining those characteristics with the complex term of motivation brings out a very interesting field of research for contemporary managers. It may be said that it reaches outside of the economists' domain and therefore makes it very interesting and challenging to deal with. Not only do the managers in nonprofit organizations work in a very different environment than their colleagues in the profit sector, but the term of motivation has to be observed from the psychological aspect as well.

It is a question whether a good manager is a good motivator as well. No matter the complexity of the task that it's set in front of them, he or she will be facing a job that can be reduced on a few terms. Firstly, the person that the manager is motivating to do the certain job. Secondly, it's motive, or what will make those people do the job they are asked to do. Finally, the third thing to bear in mind is the final goal the manager seeks to reach through other people.

This chapter will provide information on basic motivation theory, trying to explain different motivation approaches to the reader. Also, it will try to explain different motivation factors and the use of motivation as a management tool and in the end the differences in its use in nonprofit organizations.

2.1 Defining motivation

Motivation is not an easy term to define. In fact, it is almost impossible to find two exact same definitions of it, proving the complexity of the term itself, and showing the subjectivity of many authors.

Before providing some definitions found to be most suitable in the conducted literature review, it is necessary to bring out another explanation why there are so many different definitions of the term. There is no doubt that all authors follow the same principles in defining motivation, but it is quite interesting to find the reason for the differences in their opinions.

The stronghold of this point is a very high level of subjectivity in the motivation. The motivation directed toward a certain person depends highly of one's personality. In this part, other influences that affect the person motivated will be ignored, i.e. the environment. The same approach was shown by the French philosopher René Descartes in the 17th century. He distinguished the body of a person as an inactive part, and their will as an active part of motivation. He described them as two parts of a human, which react to different types of stimuli. No matter the body which reflects to the senses from the environment, it will always have to be observed like the force of motivation (Pakdel, 2013, p. 240).

Therefore, motivation always strongly depends of the individuals' will, which significantly differ. There is a high possibility that definitions given by different authors and the results of their research differ so much because of the objects of their research - people, whose will and personality naturally lack resemblance. Adding the subjective opinion of different authors, different times when the definitions were written, the environmental differences and the complexity of the motivation as something that cannot be observed physically, it all just enhances the diversity of the definitions offered to the reader.

The motivation as a term derives from the Latin *movere*, meaning "to move" (Barnet, n.d.). Some of the authors cite different roots of the word and translate it as "to stimulate" (Pakdel, 2013, p. 241). However, all of them lead to some kind of movement verb.

Barnet (n.d.) offers a broader explanation of the term defining motivation as "the forces acting on or within a person that cause the arousal, direction, and persistence of goal-directed, voluntary effort." He considers that the motivation theory is concerned with the processes that explain why and how human behavior is activated. Pakdel from the Baku State University in Azerbaijan also chose a wider explanation of the motivation term. He explains it as "an intrinsic phenomenon that is affected by four factors: situation (evironment and external stimulus), temperament (state and organism internal state), goal (purpose of behavior and attitude) and tool (tools to reach the target) (Pakdel, 2013, p. 240). Further, he explains it as a behavior, not a thing or special event that can be observed directly. He emphasizes the importance of the motive before offering several different definitions of motivation, as in "motivation is the following of factors or a position which compel an individual to carry out specific actions in an organization" (Pakdel, 2013, p. 241).

There is a number of authors which chose much simpler explanations of the motivation. Having in mind all the different factors which effect the motivation just like the authors cited above, the following authors offer a clearer overview of the topic. Graham and Weiner (1996) from the University of California bring out a definition that can be used outside the economic and management genre. They say that "motivation is the study of why people think and behave as they do" (Graham & Wetner, 1996, p. 63).

One of the best and complete definitions that can be found is Chopra's motivation definition. First of all, it defers from the Graham's and Weiner's definition in a way that it is much more "usable" in management boundaries. It is taught that the explanation of motivation in management theory has to include some of the boundaries like the environment (different types of organizations) or goals (the final result of behavior). Chopra's definition covers it all, it is easy to remember, not as complicated as Barnet's approach to the term and it is even usable outside of the management boundaries.

2.1.1 Motivation process

It has already been noted that motivation cannot be explained and defined as a thing, but as a complex force leading to some kind of goal through people. Therefore, it can be concluded that it is a process which flows in a certain order. For the purpose of this thesis, motivation will be observed as the management process which affects further human behavior.

The process of motivation is a complex process because of a few important things. One must realize that a framework given for the process, explains how the process flows in theory and excludes most of the factors which can influence on the process, leaving only parts of the process which are always included and cannot be excluded. For example, the framework for the motivation process will always include the same parts of the process, but it is hard to imagine that the process will flow the same in a highly developed society or, on the other side, the undeveloped one. The differences in human needs, environment or goals could be too big to expect the process to remain the same.

The framework for the motivation process done in that way can be a base, a way to follow for the managers and help them to construct it and have their time saved. The process has to be observed as a time lapse - the steps in the process cannot be skipped, because one leads to another, and therefore leads to the next step which is the product of the former one. Having in mind the time influence on the process, plus the external specific factors which can affect on any motivation process in a unique way, managers in any organization, as the ones in nonprofit organizations, can construct a very usable, effective and efficient process to use in various situations to use the motivation.

In their book "Managing Motivation", Pritchard and Ashwood (2008) delivered a very good framework for other managers to follow. They situated the motivation process in between two sides: the energy pool and the needs. The motivation process in the middle of those two ends is divided in five different factors which determine the motivation process (Pritchard & Ashwood, 2008, p. 13). They are not explained exactly one by one, but as connections or stages between two following factors.

As shown in Figure 5, there are four different connections between the following factors which Pritchard and Ashwood (2008) found essential.

Figure 5. The motivation process

The first connection is between actions and results and can be defined as perceived relation between the amount of energy devoted to the action and the quality of the result (Pritchard & Ashwood, 2008). The authors define the second connection as the perceived relation between the results and the results evaluations. The third connection is very interesting because it determines the outcomes as intrinsic or extrinsic rewards and punishment. The outcome as a factor in a process leads to the fulfillment of needs and ending the motivation process in general, except in the cases when the expected outcome does not result with the achieved one.

Pritchard's and Ashwood's motivation process makes a good starting point for the managers to follow. However, every manager should include all the factors that affect the process in their exact case and construct the process which meets the needs of their organization, workforce and environment.

The main problem in the motivation process is determining the motives, or what may put a person into action. It is a point where the managers' profession exceeds its own boundaries and enters into psychological boundaries. Understandig people and their needs is crutial.

The problems which occur make the motivation process less clear although it can be very simple indeed. Pakdel identified at least five problems that can explain the difficulties regarding the motivation process (Pakdel, 2013, p. 242):

1. Any simple work or effort may be represented by various motives,
2. Other motives may be faced in the form of disguise,
3. Several motives may appear with tasks or actions,
4. Similar motives may be expressed by different behaviors and
5. Personal and cultural factors may decrease significantly the way of representation of some of motivations.

Avoiding or solving the mentioned problems makes the future work of completing the motivation process much clearer and easier to perform for managers. Solving the problems means determining the right motives depending of the situation, person and environment.

2.1.2 Classification of motivation

It is thought that the motivation can be divided in two main groups: physical and mental or psychical motivation. There is a third group added aditionaly to the former groups. Social motivation is observed independently, although it is obvious that it can be observed as a part of psychical motivation group.

Physical motivation represents the lowest levels of human needs, the physical ones. Although we present them as the lowest ones, the impulse or the needs that starts the action is one among the strongest. The physical motivation in short terms represents the motivation to fulfill basic natural needs like need for air, food, water or space. To avoid possible misunderstanding or unwanted interference between physical and psychical need, some of the scientists rather conduct their research on animals. Thorndike run its research on hungry animals, more precisely cats. He stated that the animals repeat the wanted moves, learning them automatically, without necessarily understanding a connection between the response or the wanted move and the reward (McClelland, D.C., 1987, p. 69).

Psychical motivation, as stated before, refers only to humans and their nature. It is strongly connected with sociology and therefore often wrongly interpreted as social motivation. Although social motivation derives from the psychical motivation there is a simple way to make clear difference between the two.

Psychical motivation is connected with ones values and reaching them. Its strong connection with sociology is visible from the definition of sociology: "science of the forms and the psychical motivation of human association" (Simmel, 1994. p. 43). Psychical motivation can be explained as acting of a human because it thinks it is a right thing to do, because it agrees with its values.

Social motivation as a part of psychological motivation also refers only to humans and can be observed only in that way. Social motivation is on a higher level of motivation goals because accomplishing these goals definitely comes after the primary ones - physical needs.

Social motivation, unlike the former two relies deeply on the environment of the individual. More precisely it depends of the individual's surrounding society, accepted values and culture.

"The need to belong, to be accepted, and to be valued by one's relevant social groups is considered to be one of the most basic human needs" (Dunning, 2011, p. 59). People are motivated to become a good and valued member of their social groups and to be viewed by themselves and others as such (Dunning, 2011, p. 59).

The knowledge of the different motivation classification gives a manager an option to target what kind a motivation its workforce needs. Also, it is a base to start considering different motivation factors and their use in the organization.

2.1.3 Intrinsic motivation

For the purpose of the thesis it is very important to explain the meaning of intrinsic motivation. In the theory of motivation, we can divide between intrinsic, unmeasurable motivation, and extrinsic motivation. The simplest way to make a difference between the two is to say that intrinsic motivation is something personal, something that motivates us from inside, it is a feeling whereas extrinsic motivation is triggered from the outside, for instance, measurable rewards.

Thomas (2000) says that extrinsic rewards do not come from the work itself, while the intrinsic do. He defines intrinsic rewards as satisfaction, like pride of workmanship or the sense that one is helping a customer (Thomas, 2000, p. 7).

Dividing between intrinsic and extrinsic motivation is important because the division can explain possible differences in using the two motivations. Also, Thomas (2000) considers that intrinsic motivation is more in use today than it was before, it is more complex and observes it as contemporary.

The use of intrinsic motivation is very important on higher levels in organization and in industries such as nonprofit sector, where sometimes use of extrinsic motivation does not have any sense and it does not result in wanted ways.

2.2 Different motivation theories

Different motivation theories that are commonly used in management practice are based on "different approaches to the origins or sources of motivation, energy, heredity, learning, social interaction, cognitive processes and more" (Roos, 2005, p. 22).

Most of the motivation theories that are considered important and are still in use today can be divided on two different basis. The first one is the need base. Need based theories, such as Maslow's theory of need use different human needs to define and explain motivation. On the other hand, there are process based and cognitive theories, in which different authors explain and observe motivation as a process. Other than the division just explained, most of the theories used throughout history can today be divided on conventional and contemporary ones. In most cases need based theories are considered as conventional, while the others are considered as contemporary ones.

Most of the motivation theories used through history, contemporary ones as well, can be classified in a few main groups, regarding the type of the motive or the need that's starting the process. It can be seen that all the motivation factors, needs and different motivation theories can be observed through theese groups which are explained under the classification of motivation section. In the literature they can be named as types of motivation sa well. In reality theese groups are the sourcing needs that start the motivation process.

2.2.1 Need based theories

Abraham Maslow's hierarchy of human needs is one of the most important and influential motivation theories, first introduced in 1943. Managers started to use it as a helping tool in organizations to determine how to motivate their employees.

Maslow's motivation theory is based on human needs, some of which are ranked lower, the other higher in the hierarchy. Most of the time it is recognized as a form of a pyramid in which lowest levels represent the lowest human needs, and the highest represent the higher ranked needs.

Figure 6. Maslow's hierarchy of human needs

Source: T. Bauer, & B. Erdogan, *An Introduction to Organizational Behavior,* 2012, Figure 5.3.

The lowest needs are physiological, followed by psychical and social. Next, the concept of pyramid makes sense because of the gradual sense of accomplishing different levels of needs. That means that an individual makes progress to a higher level of needs when the lower one had been satisfied. Esteem need refers to the desire to be respected by others, feel important and appreciated. Self-actualization manifests as desire to acquire new skills, challenges and achieve the life goals (Bauer & Erdogan, 2012). More than just acquiring new skills and challenges, it can be described as "the striving for health, search for identity and autonomy, and the yearning for excellence" (Fuller, 2008, p. 134). It has to be mentioned that, the Maslow's theory is based on the assumption that the individual is psychically stable and satisfies its needs as most of the people would (Maslow, 1943, p. 388).

In contemporary business, the use of Maslow's theory is disputed, first of all because it is strictly psychological. However, its contribution lead to further development of the theory and contemporary examples of Maslow's pyramid of needs.

Figure 7. Contemporary Maslow's hierarchy of human needs
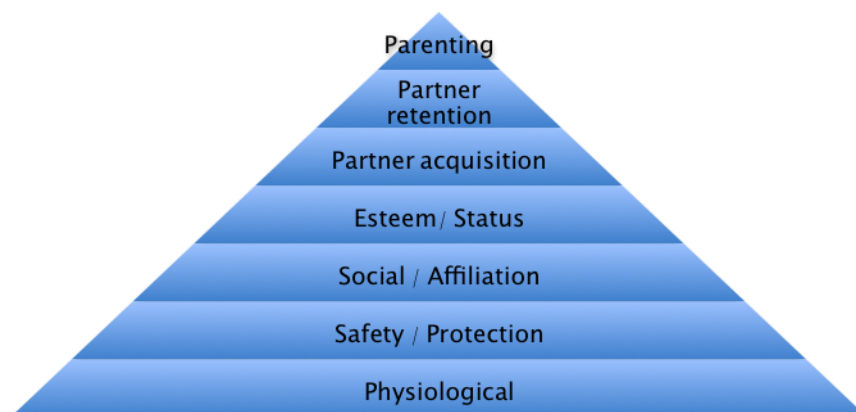
Source: D.T. Kenrick, et al., *Renovating the Pyramid of Needs: Contemporary Extensions Built Upon Ancient Foundations,* 2011, Figure 2.

Conventional Maslow's pyramid was not significantly changed, it just gained a few more layers. McLeod (2007) mentions three new categories of needs, all of them positioned above

the esteem needs in the Maslow's pyramid. Cognitive needs like knowledge and meaning, aesthetic needs like appreciation for beauty and transcendence needs - helping others to achieve self actualization. Parenting and need for family or partners are also added to the pyramid, ranking as the highest human needs at the time (Kenrick, et al, 2011).

The ERG motivational theory is another "need-based" theory and therefore similar to the Maslow's theory, developed by Clayton Alderfer in 1969. The ERG in the name of the theory means existence, relatedness and growth. There are three different need groups or sets, each on different level and they can be observed hierarchically (Table 2).

There are two main advantages ERG theory offers over the Maslow's theory of human needs. First, ERG theory allows that more than one need motivates a person at the same time, while Maslow suggests that the upper level of the needs occurs when the lower is being satisfied (Aswathappa, 2007, p. 362). The second is that ERG theory includes a satisfaction-progression and a frustration-regression component (Griffin & Moorhead, 2008, p. 95).

The satisfaction-progression component agrees with Maslow's theory, as it is the stronghold of his theory and suggests that a person climbs up the hierarchy of needs as one category of need is satisfied.

Table 2. Similarities between Maslow's and ERG theory of human needs

Alderfer's needs	Concerned with	Maslow's needs
(a) Existence	Basic material needs for existence	Physical and safety needs
(b) Relatedness	Desire to maintain interpersonal relations	Social needs
(c) Growth	Intrinsic desire for personal development; to be creative; to achieve full potential	Esteem and self-actualization needs

Source: B. Pattanayak, *Human Resource Management,* 2006, p. 179.

The frustration-regression component refers only to ERG theory and "suggests that a person who is frustrated by trying to satisfy a higher level of needs eventually will regress to the preceding level" (Griffin & Moorhead, 2008, p. 95).

The motivation-hygiene theory was developed by American psychologist Frederick Herzberg in 1959. It can be also traced in literature as the two factors motivation theory. Both terms refer to the basics of Herzberg's theory - there are two different sets of factors which affect job satisfaction. The first group was named as motivation factors. The satisfaction is "viewed as an outgrowth of achievement, recognition (verbal), the work itself (challenging), responsibility and advancement (promotion)" (Milner, 2005, p. 63). The second group of factors were named as hygiene factors. Variables like policies, administration, supervision, salary, benefits, working conditions and interpersonal relationships are all examples of hygiene factors (Hoff, Ellis & Crossley, 1988, p. 67).

Figure 8. Motivation-hygiene factors and their affects

The satisfaction of motivation factors will lead to job satisfaction, but the opposite will not lead to job dissatisfaction, only to "no job satisfaction". The same thing goes on with the hygiene factors where the results can be job dissatisfaction and "no job dissatisfaction" (Herzberg, 1968, p. 91). It will not only help the managers to influence on exact things, but also to know what will their influence result in.

Herzberg issued three volumes of the theory, each bringing a new, more contemporary approach to the theory. Although, the main idea remained the same, the volume from 1976 contributed the management the most. The volume places much greater emphasis on job enrichment applications and delivers different workers typology (Milner, 2005, p. 64).

Three need motivation theory was developed by David McClelland in 1961. The theory considers three different human needs including the effect of individuals possibility to learn and experience over time. Employees contribution at work depends on these factors.

McClelland's theory focuses on three different needs: need for achievement, need for power and need for affiliation.

The need for achievement is the central need in McClelland's theory and it is defined as "the drive to excel, to achieve in relation to a set of standards" (Robbins et al, 2009, p. 148). As he argued, the motivation for achievement is characteristic of persons attracted by entrepreneurial roles more than managerial ones (Golembiewski, 2001, p. 27).

The need for power is actually the need to successfully affect other people, to make them behave the way we want to. The need for affiliation is the need to successfully connect with other people, creating social bonds. The need for power is very interesting for managers because it proofs that people (managers) with expressed need for power succeed in this sector more often than others. "Managers with high levels of motivation to manage have been found to perform consistently better in the job and to progress more rapidly and further up the management hierarchy" (Montana & Charnov, 2008, p. 246).

The need for affiliation is the less desired motivation need for managers as long as McClelland's line of thought is considered. An expressed need for affiliation makes managers weak when it gets to decision making, making it more likely for them to make mistakes. The affiliative manager wants to stay on good terms with its employees, and therefore is the one most likely to make exceptions for particular needs (McClelland & Burnham, 2003, p. 120).

The cognitive evaluation theory is one of the first motivation theories labeled as contemporary. It was introduced by Edward L. Deci in 1975. As most of the motivation theories, it has been modified a few times after its introduction, where Richard M. Ryan contributed as well.

The fundamentals of the theory are individual's cognition of its motives and goals. "The relationship between intrinsic and extrinsic rewards is developed, suggesting that when emphasis is placed on extrinsic rewards for good performance in a job known to be rich in intrinsic motivation, there will be a subsequent decline of interest in the intrinsic rewards previously associated with the job" (McKenna, 2000, p. 100). Deci explains it in a simpler way, saying that his theory "describes the effect of events that initiate or regulate behavior on motivation and motivationally relevant processes" (Deci & Ryan, 1985, p. 62).

Deci spread its theory and research through time. He observed the theory in a few different propositions. His theory is considered to be need based, although it is a contemporary motivation theory. Two of the propositions observe the theory on the base of different needs: intrinsic need to be self-determined and the need to be competent or to master optimal challenges (Deci & Ryan, 1985, p. 63). Others observations of the theory research the informational, controlling and amotivating aspects of the external events on motivation (Reeve, Deci, & Ryan, 2004, p. 36).

2.2.2 Process based motivation theories

The equity theory was introduced in 1965 by John S. Adams. After Adams, this theory relies on individual feelings about what is being fair in an organization. An employee is always comparing the ratios of its own inputs and outputs with the ones of his colleagues. Outcomes in terms of an organization refer to salary or job opportunities (promotions, rewards), while inputs refer to effort, commitment, experience, age and education. Inequity in any way could result in a lack of motivation and lower performance at work.

The theory was tested by monitoring the individuals who were intentionally over or underpaid. The results showed that the underpaid employees did, as expected, lower the quality or quantity of their outputs. On the other hand, overpaid employees did not answer in raise in the quality or quantity of their outputs (Hofmans, 2012, p. 474).

The example showed that inequity, as it was described by Adams, creates tension, which results negatively in a way of lower outputs. When it comes to inequity, there are several actions that a person can take to reduce inequity, by attempting to equalize his or others' ratios (Pritchard, 1969, p. 178). A person can cognitively distort his or others' inputs or outcomes, act on other to change his inputs or outcomes, change his inputs or outcomes or, finally, change his comparison person or leave the field (Pritchard, 1969, p. 178). Beugre says than,

other than acting on others or itself, a person can either live with injustice (inequity) or leave the situation (Beugre, 1998, p. 2).

The expectancy theory was first introduced by Victor Vroom in 1964. Because of its success, the theory is also known as the Vroom's motivation theory. Vroom's theory is similar to the equity theory, in a way that it observes the connection between actions and outcomes.

The theory "is based on a combination of conditions: expectancy, instrumentality and valence" (Champion, 2008, p. 19). Following Vroom, "motivation is a product of the individual's expectancy that a certain effort will lead to the intended performance, the instrumentality of this performance to achieving a certain result, and the desirability of this result for the individual, known as valence" (Condrey, 2010, p. 482). Vroom's model "predicts that given the opportunity a person will choose to work when the valence of outcomes that he expects to attain from working is more positive than the valence of outcomes that he expects to attain from not working" (Champion, 2008, p. 19).

The reinforcement theory, introduced by B.F. Skinner, is also known as a learning process theory. It refers to the stimuli used to produce wanted behaviors, which is the result of possible consequences (Wei & Yazdanifard, 2014, p. 9).

Managers can apply the reinforcement theory by using some of possible techniques which control the result - consequences. These techniques are also known as behavior modification (Werner & DeSimone, 2009, p. 53). They suggest four different ways of controlling someones' behavior (Werner & DeSimone, 2009, p. 53):

1. Positive reinforcement - rewarding wanted behavior with positive consequnces
2. Negative reinforcement - rewarding wanted behavior with eliminating negative consequences
3. Punishment - punishing unwanted behavior with negative consequneces
4. Extinction - removing unwanted behavior by eliminating reward for it.

2.2.3 Other motivation theories

Theories X and Y were developed by the MIT professor Douglas McGregor in 1960. It is the first motivation theory introduced for managerial purpose only.

Theories X and Y are based on managers' assumption about their employees' relation towards work. Theory X suggests that people have a negative relation towards their work. It says that "the average human being is lazy and self-centred, lacks ambition, dislike change and longs to be told what to do" (Stewart, 2010, p. 1). What follows is an expected managerial answer, control over the employees with almost no traces of communication which flows only from the top of organization towards its bottom.

On the other hand, theory Y suggests complete opposite of theory X - a positive relation towards work. Following this theory, managers believe that people are "willing to work, are capable of self-control, willing to accept responsibility, imaginable and creative, and capable of self-direction" (Schermerhorn, 2006, p. 38). Managers who follow this theory worship a two-way communication and believe in their employees.

McGregor's theory has numerous disadvantages which one must bear in mind. One among many is that it is based on one's assumption about the others. Another issue is that most of the employees (managers as well), fall somewhere in between the two theories (Awathappa & Ghuman, 2010, p. 358). A manager who prefers the theory Y could be mistaken with the manager who prefers theory X because of the lack of the communication skills (Walesh, 2000, p. 101).

The goal setting theory was first studied in the late 1960s by industrial-organizational psychologist Edwinn Locke. As the name of the theory suggests, individual's goals are observed as a powerful motivational tool. The theory was later developed in a cooperation with Gary Latham.

According to Locke and Latham, goals need to have some dimensions as clarity, challenge, commitment, feedback and complexity (Fusion, n.d.). These goal parameters will ensure that the goals set can indeed be reached and measured. Consequently, such goals will enhance motivation and performance at work (Lussier, 2009, p. 396).

Locke (1996) presented some findings which determine his theory in general, relying on the goal parameters and the effects they result with. Some of the findings report that goals that are more difficult and specific lead to higher performance. Specific goals are easier to measure and performance is regulated more precisely (Locke, 1996, p. 118). He emphasizes commitment to goals especially when they are difficult. Feedback is important not only to measure the goals but also to observe the effect of possible failure on motivation.

2.3 Motivation factors in nonprofit organizations in art and culture

It is very important to define some of the most influential motivation factors for use in nonprofit organizations' management. Motivation theories deal with the approach and the way a person is being motivated. Unfortunately, among all the motivation theories mentioned in previous sections, just a small number deals with exact motivation factors.

Motivation factors are determinants of motivation. They can be physical things, values or inner forces that motivate a person to act in wanted way. Just mentioning them cuold be a great help for managers to use. There is no possible way to make a division between motivation factors in profit or nonprofit sector, and therefore all motivation factors determined will be labeled as general. However, it is possible do determine their individual importance in the nonprofit sector. Also, it is possible to prove differences in the hierarchy of motivation factors between various levels in an organization.

This chapter will seek to define some of the most important motivation factors in use today, contemporary motivation factors which evolved through time, their use in nonprofit organizations and differences between management's and employees' motivation factors in nonprofit organizations.

2.3.1 Financial and nonfinancial motivation factors

Motivation factors are determinants which managers can affect on in order to stimulate a specific behavior in another person. Most psychologists who worked on numerous motivation

theories gave their best to observe different groups of motivation factors, human needs and different approaches to motivation. Unfortunately, sometimes it is hard to divide between two similar, but yet different motivation factors, and thus there is a need to specify them.

Motivation factors depend of many variables. First of all, individuals appreciate same factors differently. Environment, economic situation, industry of an organization, the size of an organization, position in hierarchy of an organization, culture and an individual's education level can all affect on motivation factors and boost or reduce their importance.

Furthermore, motivation factors evolve through time. Some of them were not included in the early research conducted to observe human motivation. Others are still in use, having the same importance and new studies just keep searching for their advanced use.

Financial motivation factors are among the most powerful tools to motivate people towards wanted actions. Financial factors are all the financial reciepts that a worker gains through his work, most commonly mentioned are salary and financial bonuses. To simplify the term, financial motivation factors will be pointed as money.

In relevant literature, money is mainly observed as a lower rated motivation factor in hierarchy. Nevertheless, it can be observed in a different way as well. This can be proven by taking a look on Maslow's theory of human needs. Money can fullfill two different needs - the lowest and the highest ones. First, money means abillity to afford essential needs for life. Secondly, one's goal in life can be just earning enormus amounts of money, in which case the meaning of money is much smaller than the meaning of earning it. Some authors emphasize the fact that money is lower rated motivation factor by proving that the lower ranked workers pointed their salaries as the most important motivation factor, while higher ranked did just the opposite (Saiyadain, 2009, p. 20). He also mentions the fact that the importance of money as a motivation factor dropped as scientists started to research other motivation methods and factors.

The managerial approach to money as motivation factor evolved through time. That means that unlike a few decades ago, earning money has to be justified and individualy customized. Contemporary approaches to rewarding employees and paying their salaries make financial factors more variable than ever (Zupan, N. 2009).

Nonprofit sector is very special regarding financial motivation factors. Managers like Cvijanović point out that financial benefits definitely rank low in their scale of motivation factors. However, the fact that financial support for the nonprofit sector, especially for art and culture, is continuously decreasing, creates a work demotivating environment, and therefore an important motivation factor, although negative. It is essential to emphasize the difference in affect money can cause, depending the way it is being observed (direct financial incomes or financial support, environment affect).

Job charachteristics as a motivation factor could be easily explained just as the work itself or work content. So, the work requested to do is a motivator just as it is given. Individuals enjoy in working on special tasks, it is what drives them to give the best of them.

Contemporary observings spread the research a little more, and got to the conclusion that other than job itself, there are a few factors that determine job charachteristics in a deeper way. Hackham and Oldham developed the job charachteristics model in which they describe any job in terms of five core job dimensions (Robbins, et al., 2009, p. 169): skill variety, task identity, task significance, autonomy and feedback. In those five dimensions job charachteristics determine which skills are required, what are the main tasks and their rank in significance, the level of autonomy on the work place and the level of feedback they get back from the work done.

Robbins (2009, p. 169) emphasizes that the way the elements in a job are organized can act to increase or decrease effort - motivate employees. The job charachteristics model shows that although individual is attracted by a job, job charachteristics can easily affect on his devotion to work.

In the case of nonprofit organizations in art and culture, job charachteristics are very clear factor that affects employees. Never mind the possibility of participation and work on many different projects and the diversion of the field of art and culture, employees know what to expect and most probably understand the field therefore want to work in such organizations.

Job safety is another motivation factor derived from the early motivation theories. Its significance never drops but the approach to the factor has changed significantly.

Majority of people tend to choose secure and safe work places. This trend was especially emphasized in the industrial society, when the unemployment rate was much lower than today. Employees felt good by knowing that the chances of them loosing the job are very low.

Contemporary approach to the problem discovers a strong connection with some other motivation factors. Employees still find job safety very important, but, unlike the past generations, they tend to reduce the chance of staying without their job, rather then spending time by finding the one that fits. For instance, employees tend to search for the jobs where they can develop their skills and increase their knowledge, which will result in keeping the job, and possibly making the search for the other one a lot easier.

The situation in nonprofit organizations with this factor is questionable due to a few reasons. First, it is likely that this factor will play more important role in the profit fields, where financial factor are more important too. Next, the lack of competition is also an important reason. Huge influence of volunteer workforce also reduces the importance of this factor in nonprofit organizations.

Social connections as a motivation factor are also derived from early motivation theories like Maslow's theory of human needs. Unlike the early theorists, the contemporary approach to this factor does not rank it in the hierarchy of needs and observes it as one of the strong motivation factors.

Human need to belong and to be connected with others can be a strong motivating factor. Contemporary research showed that other than family, close friends and colleagues, even a

weaker links with people we know less can motivate employees on their work place, in a performance domain (Walton, et al., 2012, p. 529).

The findings that people can readily adopt the goals and motivation of others emphasizes the importance of social connections in terms of interpersonel connections (Walton, et al., 2012, p. 529). Employee's connection with his colleagues and superiors can equaly affect on his or her motivation to work.

Although all the aforementioned affects nonprofit organization employees, managers from the nonprofit sector derived another motivation factor, similar to the social connections which can be named as **professional network**. It is considered as establishment of international professional relations and bonds, which are, in their nature - social. Cvijanović tried to explain this task as a strong motivation factor in a way of contributing, or given the chance to contribute in developing and constructing international network of co-workers in nonprofit organizations. The connections and network is being constructed through various international projects and mutual work. The reason for deriving this factor is to distance from the possibility to position yourself and benefit through different social connections establishments, which managers in nonprofit organizations find possible regarding previous motivation factor.

There are many ways to motivate employees to work through giving them some rights and extra bonuses. People often do not understand the difference between **employees' rights and fringe benefits**. While the right for a meal break or flexible worktime for moms can be considered as an employee right, fringe benefits represent something else.

Fringe benefits generally fit within one of three fairly standard categories: payment fot time while not working (vacation pay, personal time off and sick leave), various forms of hazard insurance and special services such as financial counseling, legal functions and tuition reimnursement (Weisbord, Charnov & Lindsey, 1995, p. 82).

Recognition is one of the factors which affect human morale, and can easily overpower financial factors. Employees' need for their work and effort to be recognized and appreciated by their supperiors is becoming a very popular tool for contemporary managers in motivatig their employees. In gifted people, recognition can be defined as a fame for glory (Adair, 2006, p. 106). Adair (2006), cited Sir Richard Branson, chairman of the Virgin Group, who emphasized the importance of recognition as a motivaiton factor. He pointed that not only results can be a reason for giving appreciation to others, but effort as well, even if it does not result in the best way (Adair, 2006, p. 107).

Recognition, among the nonprofit organizations' managers is being observed in a slightly different way. Although being aware of the power of recognition as previously explained, Cvijanović thinks that managers deliver another approach - recognition of their programs, projects and organization's work. Once again, they emphasize the role of organization and its society and put it in front of their own contribution and benefits.

Self actualization has been mentioned in the early motivation research, becoming the highest need in the Maslow's hierarchy of needs. It is considered that self actualization means

reaching your own full potential. Still, it is a question in what way individuals can percieve that.

Coon and Mitterer (2013) numbered a few charachteristics self actualizers share: efficient perception of reality, comfortable acceptance of self, others and nature, spontaneity, task centering, autonomy, continued freshness of appreciation, fellowship with humanity, sense of humor and profound personal relationships (p. 403). All the charachteristics in Coon's and Mitterer's research were derived from Maslow's theory, although further observings led to some contemporary conclusions.

In everyday life, self actualization can mostly be seen in happy people. That is the formula that could not be given by any author. Often their feeling for the right thing and justice can be seen as pure philanthropy. Funding, sharing knowledge, making others people life better, can all be observed as a part of self actualization.

Significant number of factors has been discussed related to the ever and fast changing environment. This trend has been especially strong in the last decade of the 20th century, when lots of factors connected to knowledge and learning had been brought to life.

Continuous and organized learning in any organization is becoming a need, at least it contributes ever lasting changes in individuals behavior. The need for such learning is a long lasting need and process, including education, learning on the individual, team and organization level and teams and individuals training (Možina, 2009).

In such ever changing environment, where the need for the knowledge is highly appreciated and strong, **mentoring and coaching** have developed in important motivation factors. Employees reckon the importance of learning and knowledge and find mentoring or coaching as an investment in theirselves, thus a strong reason to work.

Mentoring is a long term process between two persons, a mentor and his protege. It is "off-line" help by one person to another in making "significant transitions in knowledge, work or thinking" (Megginson, et al., 2006, p. 5). It is not a process where only one person benefits from the relation. It is considered that mentoring relationships continue to be recognized as an important aspect of career development for both mentors and proteges (Allen, 2003, p. 135). Next, research has shown that the majority of cited benefits relate to the protege but with organizational and mentor benefits not too far behind: benefits for the protege 40%, benefits for the "business" 33% and benefits for the mentor 27% (Megginson, et al., 2006, p. 30).

Coaching, in its definition, may sound as the same as mentoring. Some define coaching as "a process that enables learning and development to occur and thus performance to improve" (Pardey, 2007, p. 2). A coach has several tasks (Pardey, 2007, p. 2):

1. Facilitates the exploration of needs, motivations, desires, skills and thought processes to assist individual in making real, lasting change.
2. Uses question techniques to guide the individual towards problem solutions.
3. Supports clients in setting appropriate goals and methods of assesing progress in relation to these goals.

4. Creatively applies tools and techniques which may include one to one training, facilitating, counseling and networking.
5. Encourages a commitment to action and the development of lasting personal growth and change.

Mentoring and coaching are powerful motivation factors in nonprofit organizations especially in the case of volunteers. Main differences between coaching and mentoring are shown in Figure 9.

Figure 9. Main differences between coaching and mentoring
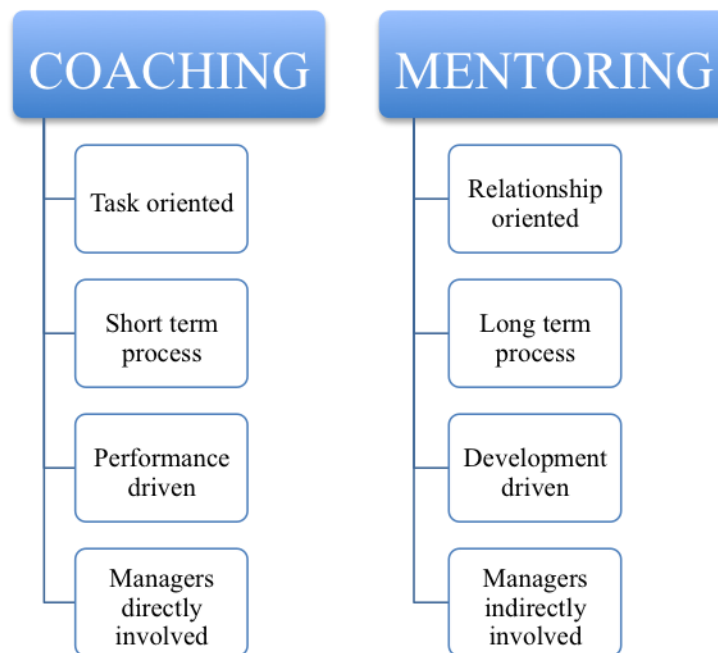
Source: Management mentors Portal, *The Differences between Coaching and Mentoring,* n.d.

Knowledge, or the opportunity to gain some, just as experience, practice and working with people whom one may benefit from, becomes the crucial reason to involve oneself in the work of nonprofit organizations. Although it affects volunteers' motivation the most, other employees of nonprofit organization, management positions as well, consider it as a strong motivation factor. Both are performed through various projects and programs, professional networks and international cooperations that nonprofit organizations are involved in.

Empowerment has evolved from the tool to delegate parts of the work to other employees to an important and useful way of motivating employees. There are many ways empowerment can increase motivation in employees.

The feel of authonomy, importance and recognition are the benefits of empowerment and the way to improve motivation, which results in better employee commitment and work results. Also, empowerment can function as a powerful intrinsic motivator. When using empowerment while motivating, managers should lead and stay in contact with employees, work with them, to ensure become more competent and confident in their work (Hardina, et. al., 2007).

In the case of nonprofit organizations in the field of art and culture, empowerment is important motivation tool. Actually, it is not even considered a motivation tool because of its everyday use, it is a real life practice in the art and culture organizations. Cvijanović mentioned his own experiences in empowering members of art collective "Focus Group" and practiaclly allowing them to lead and manage "SiZ" Gallery. He thinks that empowerment is a natural and logical process in art and culture organizations which leads to greater development of the field, whilst the absence of empowerment could lead to decreased motivation.

Freedom of creativity is related only to smaller sized art and cultural nonprofit organizations. The fact that theese organizations ensure and enable their employees and other participants, such as various artists, resources and environment where they can "unleash" their creativity, makes them a desirable working place. In other words, such organizations do not suffer from strictly made boundaries what can or cannot be done. This principles often result in extraordinary achievements, but it can result in failures as well. Similar to freedom of creativity, **freedom to decide** is also an important motivation factor, but it affects only managerial positions. It suggests freedom of deciding what projects will be done, who will be the participants, where will the projects be taken. Higher level of freedom in creativity, work and decision-making increases motivation at work.

2.3.2 Trends and problems regarding motivation factors in nonprofit organizations

Little attention has been given to determining trends that motivation factors tend to follow. The only way to try to determine motivation factors is by observing early and contemporary motivation theories and findings regarding some of the most important motivation factors, as well as to define trends in motivation factors.

There are numerous motivation factors that can be listed under different motivation factor groups. The benchmarking will be based on already mentioned motivation factors from the previous section.

There are some major issues in determining which motivation factors are contemporary, and which are not. It is much easier to determine which motivation approach, or theory, is more usable and contemporary, than when it comes to motivation factors.

An example can be given on financial motivation factors. Saiyadain claims that the importance of money, as a motivation factor, has unquestionably dropped since it has been first observed as motivation factor in 1950's (Saiyadain, 2009, p. 12). However, there are a few facts that confirm different situation. As first, money as motivation factor, does not have the same power and importnace in all industries and fields, for example, the nonprofit sector. Second, there are issues in determining its power, regarding different environment conditions - its importance and power is much stronger in un(der)developed countries and on lower levels of income. So, observing the power of money as individual motivational factor can result with different findings regarding the country where the research is being done.

Similar examples can be found on the basis of other motivation factors, and it can be concluded that contemporarity can hardly be determined in that way. Environmental

conditions often make it impossible to determine a general influence of individual motivation factor. What can be determined, is the fact that different approaches to motivation as a management tool, have led to evolutions in individual motivation factors observings. Saiyadain's observings are the result of the similar events.

Various evolvings of motivation theories are the example of this case. Maslow's theory may be a little "out of date", but no contemporary theorist can deny the verity of Maslow's claimings and findings. Also, the later updated versions of the earlier theories, including Maslow's, rarely include deletion of motivation factors which were already included in the theories' earlier versions. Motivation factors were observed in different conditions, in different ways, new conclusions were made, new motivation factors were mentioned and their influence was measured.

In a nutshell, motivation factors do not change. The findings about individual factors evolve because of new researches being conducted. New motivation factors may be derived from current research and existing theories. The influence of existing motivation factors and their importance may vary through time, depending of the changeable environment conditions.

Figure 10 shows a visual overview of motivation factors through different time periods. Four time periods are intentionally created so they could represent early, advanced and contemporary stages of motivation studies.

The first period includes factors that were mentioned mostly in need based theories. The second includes factors that were included in cognition and process based theories. Third period represents factors mostly derived from newer, adapted and evaluated researc, which came out from already existed theories. The latest period represents new aspects of motivation and motivation factors. Craemer (2010) summarizes those factors in three groups: autonomy, mastery and purpose.

Figure 10. Attempt of schematization of motivation factors that arised in different time periods

1940-1960	1960-1980	1980-2000	New aspects of motivation
• financial • security • social connections • self-actualization	• personal development • recognition • affiliation • achievement	• family (partner) motives • knowledge gaining • rights • empowerment	• autonomy • mastery • purpose

Different periods were created on the basis of Kanfer's (1990) findings and different motivation study periods. The figure does not discover any possible predictions which factors will increase or decrease in use. The tendation is directed towards self-regulation motives, knowledge and investment in human resources. Such investments are reckoned by contemporary empoIyees as motivation factors (coaching, mentoring).

The idea of the overview is not to detect which motivation factors are contemporary and which are not. None of the motivation factors listed under different time periods can be listed as irrelevant for nowadays use, although many of them root from the earliest motivation research.

2.3.3 Nonprofit organizations' management's motivation factors and problems

It is likely that management in nonprofit organizations will have some characteristical features regarding motivation factors. The specific characteristics of nonprofit sector in general, focus on non-profit goals and managers' individual characteristics could all influence on motivation factors that affect nonprofit organizations' management.

The main sources that define motivation factors for the managers in nonprofit organizations are individual's intrinsic motivation, organization's society and the environment. Environment is considered as the source of some problems or issues that emerge in the nonprofit sector, especially in its managing positions. In this case, environment is the only source that affects both, shaping motivation factors and problems in managers' motivation.

Šarar (2015), town of Rijeka culture head of department, emphasized the problem directly related to the aforementioned issue. The discussion took place while representing the program "Unicult2020" intended for managers and employees in the sector of art and culture. Small nonprofit organizations in the field of art and culture often have to take care about themselves alone. The same goes on with their management. That results with professionals from other fields taking care of management jobs. It is sure that the lack of knowledge and experiance in management structures in such organizations leads to some problems. Also, the problems could emerge in business communication and motivating employees.

Cvijanović can prove it on his own example. As a contemporary art artist, he was actually forced to become a manager in culture as well. The organization of an international exhibition in 2000 was his first project as a manager in culture. He has been involved in this job ever since.

Mišković does not observe this issue as threatening problem. Althought, his primary profession is sociology, he does not think that the lack of managerial knowledge leads to a less quality organization leadership. At least in nonprofit sector, the feeling for profession and culture is highly desirable.

The characteristics of managers' motivation factors in managers in nonprofit sector can be compared with their own characteristics. The fact that most of managers in art and culture organizations are actually professionals in their own field (artists, musicians, dancers) reflect on their motivation factors. Their primary profession is a part of the reason why their motivation factors defer from the profit sector that much.

From the interviews made with Cvijanović and Mišković, it is clear that personal success and benefits are almost non-existant and not important. Both of the managers, an artist and a sociologist, giving the chance to comment different motivation factors, rank highly the ones that emphasize the success results of the projects and organizations they worked on. Also, both managers, given the chance to comment on motivation factors, slightly changed their meaning, in purpose to adapt them for the nonprofit organizations use.

That can be seen in the case of social connections as a motivation factor. Managers recognized the meaning, and gave importance to the factor, having it explained plainly, as Maslow did. What followed from the further explainings and conversation is the construction of another factor, professional networks of co-workers. The reason is that this factor emphasizes the results of organization and projects more that the individual ones.

Higher level of freedom in making decisions, compared to one in profit sector is also observed as an environmental fact that increases motivation level. Despite this only affects managerial and leadership positions, it also affects other employees, because they know that they can count on constant changes and active work.

Freedom of creativity, compared to larger institutions, such as theaters, affects both employees and managerial positions. Managerial positions are affected only in cases when their primary professions overcome managerial work on some projects.

To eventually define the problems in motivating management positions in nonprofit organizations, their position has to be understood well. Smaller organizations, such as "Drugo more" from Rijeka, are established by those same managerial positions, artists and other professionals who had to be involved in management jobs. Their responsibility hierarchicaly goes only to the institutions which finance them, and their organization's work or projects, which justify funding them. This hierarchy goes directly to town government, resort ministry and various funds which finance organization's projects.

The problems in motivating management positions in such nonprofit organizations arise mostly from their environoment, economy situation and hierarchy of decision making that affects them. Mišković (n.d., p. 27) emphasized the problem in authorities, all the important decisions come from town governemnt. The most important are art and culture strategy development and financing art and culture organizations. Almost non-existance of the strategy and high dependence of the decisions from the authorities creates frustration in all participants in nonprofit sector, which negatively affects motivation.

The hierarchy in such organizations leaves managers without formal supervision, except tax and finance controls. What happens with their motivation is that they are forced to motivate themselves, i.e. to be self-motivated. Their motivation comes from the inside, so we can define it as intrinsic, and they typically lead by an example (Suttle, R., n.d.).

Financial factors, although not so important as a motivating factor in nonprofit managers' view, affect their motivation if observed from a different angle. The economic situation forces people to decrease their consumption. Consequently, culture sector lacks its consumers. That

finally reflects negatively on managers' motivation (Mišković, n.d., p. 33). This problem can be added to environment problems.

In the end, Mišković (n.d., p. 28) points that the way that higher authorities, which deliver important decisions regarding nonprofit sector, are chosen and set on such decision-making positions is wrong. Choosing wrong people for the task results negatively for the whole sector. Operative decisions, which can be delivered on lower levels are not so important, while strategy decisions, which have to be delivered on high levels of authority, stay undelivered, because of already mentioned, wrong system of choosing people fot that kind of work.

2.3.4 Nonprofit organizations' employees' motivation factors and problems

Motivation factors that affect employees in nonprofit organizations can vary just as the ones mentioned in the case of managerial positions. Despite the fact that factors vary from one person to another, it is possible to determine a few groups of factors which affect specific group of employees.

There are three groups of employees that nonprofit organizations deal with:

1. Full-time employees,
2. volunteers,
3. part-time professionals.

Depending of the type of employment, different motivation factors will occur, or possibly change their strenght.

Full time employees' motivation factors are very similar to the ones in the case of their management. The reason is that they do not differ so much from the very managers. Often, full time job positions in nonprofit organizations are fulfilled with employees with professions that do not match job requirements. Full-time employees identify with organization's goals (Leete, 2000, p. 424) just as managers do. They enjoy in the freedom supporting environment, and participate in decision making to a much larger volume than the ones in the profit sector.

Volunteers, as the free force reserved mostly for nonprofit sector, are attracted by some other motivation factors related to gaining knowledge and experience, contribution to society and organization or feeeling for affiliation. Similar motivation factors, especially related to contribution to society, were determined in empirical findings based on volunteer workforce in large nonprofit organizations (Reinklou & Rosen, 2013, p. 4).

Part-time professionals are paid workforce chosen to do work on specific project or work. Their motivation factors are related with job characteristics, and, in the case of nonprofit organizations in art and culture, possibility to free their potential and actually do what they really enjoy in. Mišković mentions that those professionals (various artists, theorists, writers) often earn large amounts of money along with their part-time work in nonprofit organizations. Despite those earnings, they have a sense for nonprofit organizations and appreciate the chance given to work on projects where they can experiment.

Nonrofit organizations in art and culture enjoy the benefits of motivation among their employees. Problems in motivating employees do not exist or, if occasionaly occur, can be observed similarly to the ones among managers.

There are several reasons why problems in motivating employees do not exist or occur in irrelevant number of situations. First, the possibility of this problem to occur is bypassed in its very starts - recruiting new employees. Recruitment is done carefully, choosing employees not necesarilly on the base of their education, but also having in mind their personality, working habbits, character or the abbility to work in team. Such way of recruiting makes the possibility of problem in motivating employees seizeably smaller, and most of the time it is bypassed and does not occur at all. This refers to full-time employees and volunteers, but it is much more important in the case of full-time employees.

Second reasons is result of the first one. Employees and volunteers have a significant level of solidarity, share the same passion for work and intrinsic motivation which is partly result of their primary profession (this refers to full time employees). Such environment creates a cohesion among employees, which makes the organization look like the profit one, although it is not.

Finally, possible motivation problems which may occur between volunteers (volunteers do not recieve any financial rewards) and other employees, are avoided or do not exist in practice because of the volunteers' work nature. They work when, as much and what they want, as long as it contributes the overall work of the organization. Mostly, those jobs include less responsible tasks and they work less than other employees. The chance given to benefit from gained knowledge and experience is respected and motivation problems between volunteeers and other employees do not occur.

3 MOTIVATION IN NONPROFIT ORGANIZATION "DRUGO MORE"

This section will include the presentation of the nonprofit organization "Drugo more", research design and methodology. Then, it will offer hypotheses research analysis and finally, results presentation.

3.1 Presentation of nonprofit organization "Drugo more"

"Drugo more" is a nonprofit organization from the field of contemporary art and culture based in Rijeka, Croatia. It was founded more than 15 years ago, and it has been developing ever since. The fact that the organization is constantly developing and growing in its size and operations, is considered as the main success among its employees.

The organization is involved in production, research, education and information dissemination in the field of contemporary arts and culture (Drugo more website, n.d.). "Drugo more", as most of similar organizations is focused on domestic and international contemporary culture scene. It organized many programs from the domain of performance, art, film and music culture. Its field of operations expands to organizing various art and culture events, theoretical lectures and educational programs. Such operations are a great opportunity for younger generations, students and volunteers to gain new knowledge,

experiences and skills in managing an organization and activities in the field of culture scene through lectures, practical work and various workshops (Drugo more website, n.d.).

Strengthening and developing nonprofit art and culture sector is one of the most important and key goals in "Drugo more". This is achieved through local and wider activities such as supporting platforms development, education and any other contributing operations (Drugo more website, n.d.).

"Drugo more" is "trying to connect different forms of activities, balancing between culture and activism, pure art form and socially engaged content, testing some forms and their functions, young people and their free creative time, politics on a local and national level" (Drugo more website, n.d.).

As a successful member of nonprofit art and culture sector, "Drugo more" connected and cooperated with many similar organizations like Molekula, Art-kino Croatia, Multimedijalni institut, Queer Zagreb, Peek&Poke and many others.

3.1.1 Vision

The organization's vision is "to become one of the strongest organizations for contemporary culture creativity and theory promotion, and central information, mediation and education centre for cultural activities" (Drugo more website, n.d.).

3.1.2 Employees

It is very important to clarify the organization's situation with its employees and other groups involved in its work. This is important so the research results could be better better understood and understand possible differences between different employee groups.

To simplify the reading, all the groups of workers will be noted as employees, although it is clear that only small number of people are constantly working in the organization, and are full-time employees. When it comes to workforce, nonprofit organization "Drugo more" is a typical example of organization which operates in the field of art and culture.

Just as in most cases in the field of art and culture, "Drugo more" has four different employee types that can be sorted in two main groups: full-time and part-time employees. Both groups branch in two different employee types. Full-time employees are represented by managers and other full-time employees and part-time employees are represented by volunteers and part-time professionals (Figure 11).

Managers are the smallest group of employees in this sector. In most cases, this employee group is represented by one member who also represents a director of organizations. "Drugo more" is no different in this case. Managers in nonprofit organizations in the field of art and culture are rare. They are genereally involved in organizations' work from the begginings, and quiet often, they founded those same organizations by themselves. There is a high number of managers whose primary profession is other than management. They were forced to learn and get managerial skills and knowledge to run organizations. Those professions are mostly from several art and culture fields like artists, writers, musicians, dancers and many others. For

example, "Drugo more" manager and director, Davor Mišković is a sociologists, who has been running the organization successfully since its beginnings.

Figure 11. Different employee groups in nonprofit organization "Drugo more"

The second type of full-time employees in this sector are other full-time employees. In the organization's vocabulary they are called just employees. Nonprofit organization "Drugo more" has four full-time employees. This type of employees mostly works on administration tasks. Unlike some other sectors, especially profit one, nonprofit sector in the field of art and culture shapes this type of employees to become as polyvalent as possible. Employees work on different projects, administration tasks, different project competitions, fundraising, marketing and other tasks. It is the result of many influences, the first one being the financial situation, which makes the nonprofit sector underpaid in comparison to profit one. Consequently, it is highly desirable to get the most for less in employees. The second influence comes from the sector's characteristics. Flexibility in their work reflects on employees' characteristics as well, and makes them very usable. Finally, most of full-time employees in this sector were involved in organizations' work before they were actually hired. This is achieved mostly through work with volunteers.

Volunteers are one of the two types of part-time employees in nonprofit sector. They are probably most common type of employees in nonprofit sector, and are very interesting for many researchers. What characterizes them is that they are the source of free workforce for nonprofit organizations. Surely, they benefit in non-financial way. In the case of "Drugo more", their contribution is very important when organizing larger projects and when larger number of workforce is needed. They are mostly given easier tasks, with less possibility of mistakes, but still involved in every part of organization's operations.

Part-time professionals are a very interesting group of employees in nonprofit sector. They are closer to "being involved" in organization's work than being its employees. Unlike volunteers, they are paid workforce, mostly highly ranked and recognized professionals in their own field, such as successful artists, theorists, painters, musicians, writers and many others. What is interesting about them is that, in most cases, their earnings with their primary work are very high. Working with organizations sunch as "Drugo more" gives them opportunity to unleash their true potential and do what they really enjoy in. Mišković mentioned an example of

successful artist, who worked on a car industry advertising, and whoose engagement was too expensive for "Drugo more" to pay. But as his work was not restricted with some paradigms, and freedom of creativity could substitute the lack in financial receiving, he agreed to a lower rate.

"Drugo more" gathers around a hundred individuals involved in its work, projects and operations. This number includes full-time employees, volunteers and part-time professionals. It is important to note that the number does not represent employees who work on every project and everyday tasks. Projects differ in size, their scope and importance. Consequently, the number of involved employees change as well.

3.2 Motivation in nonprofit organization "Drugo more" research design and methodology

The research in "Drugo more" will be based upon secondary data analysis and primary data collection and analysis. Primary data includes semi-structured interviews with two managers and questionnaires taken directly from organization's employees.

The results will be relevant to compare and use for managers in nonprofit sector in the field of art and culture, especially in organizations which are similar in size as "Drugo more". Semi-structured interviews were done with the manager of "Drugo more", Davor Mišković, and another nonprofit organization manager and contemporary artist, Nemanja Cvijanović.

Further primary data collecting was succeded with qualitative questionnaires, which were done among "Drugo more" employees - full-time employees, volunteers and part-time professionals. Managers were also included in questionnaires. Because of the fact that "Drugo more" has only one manager, a few more were included in this research, all from similar organizations based in Rijeka, Croatia.

Research methodology is described in Table 3. The research included three different hypotheses:

1. Motivation factors in nonprofit organizations are mostly non-financial,
2. Nonprofit organizations' managers have a big influence on employees' and volunteers' motivation,
3. Employees' motivation is positively related to their willingness to work.

All of "Drugo more" full-time employees, four of them, were included in the research and given questionnaires. Ten volunteers and five part-time professionals, all working in "Drugo more" were also covered with questionnaires. Five nonprofit organizations' managers, including Mišković from "Drugo more" were given questionnaires.

Table 3. Research methodology

I. THE SOURCE OF QUALITATIVE RESEARCH			
I. a. Research questionnaires design		I. b. Hypotheses design	
II. CONCEPTUAL MODEL DEVELOPMENT AND EXPLANATION			
III. QUALITATIVE RESEARCH EMPIRICAL DATA COLLECTION			
III. a. Secondary data analysis		III. b. Relevant data content analysis	
IV. QUALITATIVE SEMI-STRUCTURED INTERVIEWS			
V. QUALITATIVE QUESTIONNAIRES			
V. a. Managers	V. b. Other full-time employees	V. c. Volunteers	V. d. Part-time professionals
VI. QUALITATIVE DATA ANALYSIS			
VII. RESULTS ANALYSIS AND INTERPRETATITON			
VIII. ADVICES FOR MANAGEMENT AND FURTHER RESEARCH			
IX. RESEARCH CONCLUSION			

Questionnaires were divided in three parts for all four types of employees. The first part included motivation factors' rating, the second included statemetents rating related to manager's influence on employees and the third included statements rating related to willingness to work. Managers had a chance to express their opinion about both, their willingness to work and employees' motivation and willigness to work (Appendixes C, D, E and F).

3.3 Financial motivation factors strenght research in "Drugo more"

To research financial motivation factors strength, respondents were given questionnaires (Appendixes C, D, E and F) with main motivation factors that relate to every employee type. Different employee type had slightly modified motivation factors to choose from, because some of those factors do not affect motivation of specific employee type. Respondents had to evaluate each of the factors on a Likert scale. The strenght of financial motivation factors was confirmed by its ratings and comparison with other motivation factors for each of employee types.

3.3.1 Other full-time employees' financial motivation factors strenght in "Drugo more"

All of the full-time employees in "Drugo more" were covered in this research. There is a total of four employees in "Drugo more". This applies to all the research done in this thesis, regarding other full-time employees in "Drugo more".

Logically, we start the research results with this type of employees because they are the only ones, among their manager, who receive salary for their work, and, compared to one member of managerial positions in their organization, they make a relevant group to start the research.

Before the research took place, managers who had the chance to be interviewed predicted that full-time employees, other than full-time employed managers, will rate financial factors higher than other type of employees who receive any financial earnings. The research showed that the predictions were correct, but no matter the higher grades compared to other employees types, financial motivation factors were rated lower than some others.

Managers based their opinion on a similar basis as Zupan (2001) in her book *Reward the succssful.* Zupan (2001) says that "for most employees, salaries are the most important source of resources to survive and improve the quality of their lives". It is true that, what managers confirmed in their interviews (see Appendixes A and B), salaries are very important in the living of an employee. But the nonprofit sector is different than the profit one. Consequently, the way that Zupan (2001) reccomends a framework to follow, it cannot be done in most of smaller nonprofit organizations. The system of rewarding in nonprofit organizations, especially small ones as "Drugo more" cannot be exclusively observed through financial resources.

As seen in Figure 12, financial motivation factors are represented in the first two columns by salary and other financial bonuses. Salary was graded much higher, showing that full-time employees are not strongly motivated by additional financial incomes. As predicted in the interviews with nonprofit organizations' managers, no matter the sector characteristics, employees need to survive, and they consequently rate regular financial incomes higher. 50% of respondents rated salary with maximum possible value, as the strongest motivation. The other 50% rated it lower, saying that salary is normal or good motivation factor.

Figure 12: "Drugo more" full-time employees' motivation factors ratings dispersion
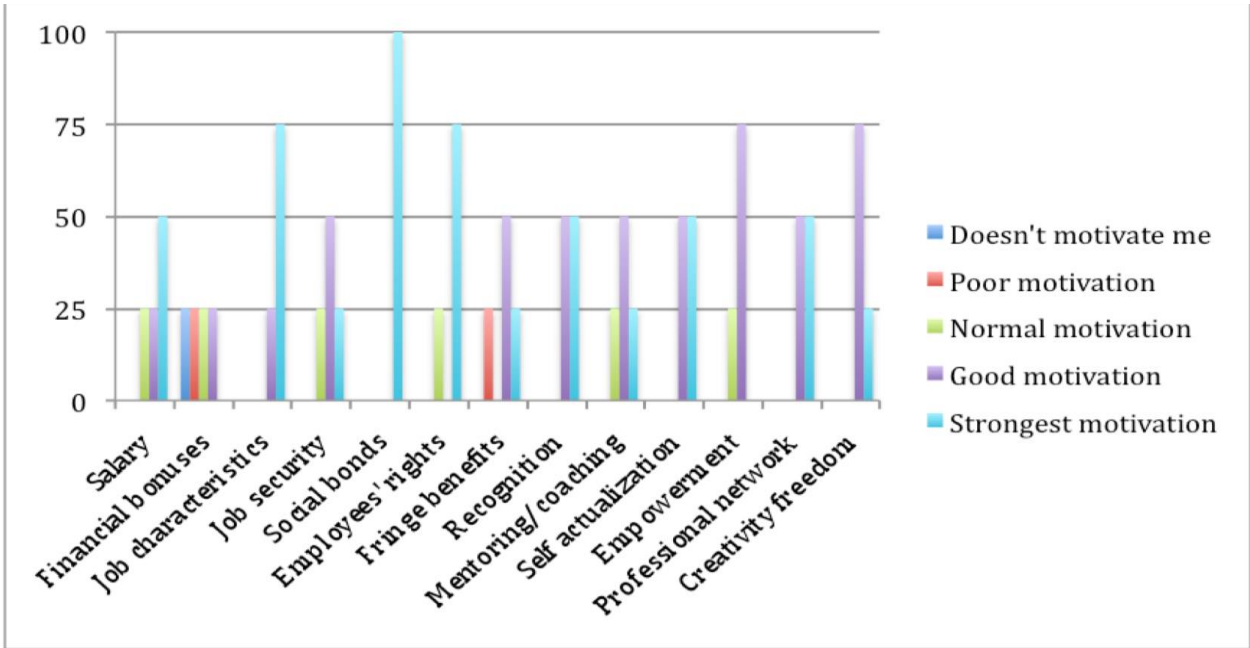
Other financial bonuses were rated with 25% answering that it does not motivate respondents, 25% rated it as a poor motivation, 25% as a normal strength motivation factor and only 25% as a strong one. Nobody rated the strength of this factor with the highest value.

It is interesting to note that no matter the importance of financial motivation factors in their lives, full-time employees rated some of the offered motivation factors higher. Social bonds and job characteristics stand out with 100% and 75% respondents rating them as the strongest.

If we compared average grade for each motivation factor (Figure 13), we would end up with results that place financial motivation factors lower than many other offered motivation factors. Although with a good average grade, 4.25 out of 5.0 possible, salary is rated lower than six other motivation factors. Respondents rated employees' rights, recognition, self-actualization and professional network with 4.5, job characteristics with 4.75 and social bonds with highest value, 5.0.

Freedom of creativity is rated equally as salary. Salary is rated as the 7th motivation factor by its overall strenght.

The second financial motivation factor, other financial bonuses has the lowest values, and it is the least powerful motivation factor for full-time employees in "Drugo more". Its average grade is 2.5.

The combination of two included financial factors that were relevant for this type of employees makes an average grade 3.37 and would rank as the least powerful motivation factor of them all, no matter the high grades and importance salary makes in employees' lives.

Figure 13: Nonprofit organziations' motivation factors average grades by other full-time employees
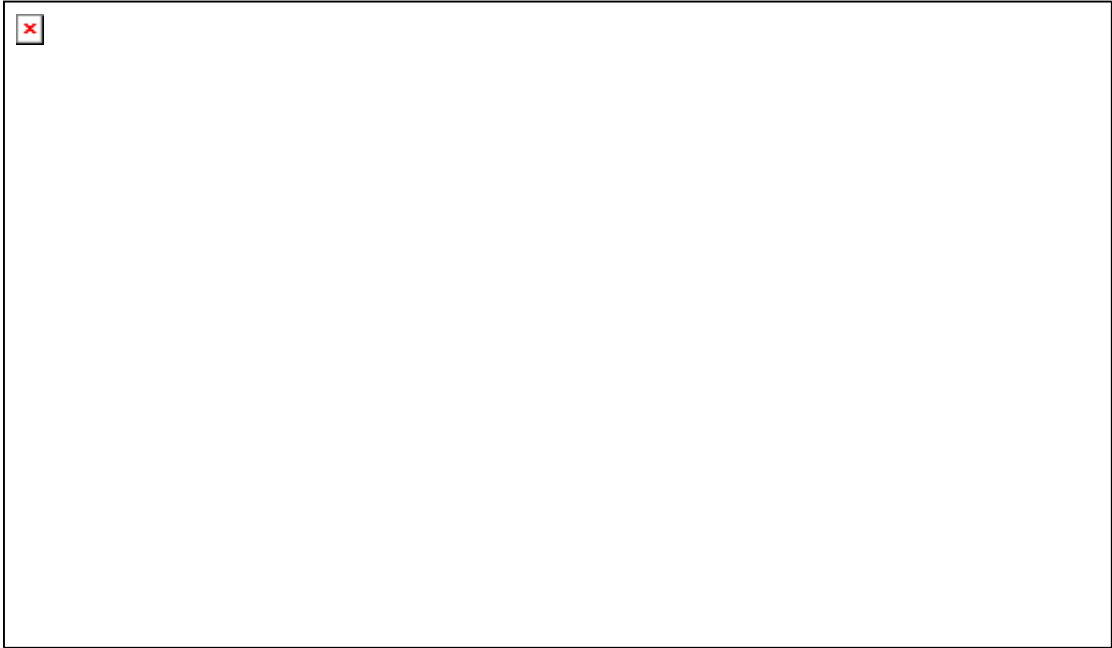
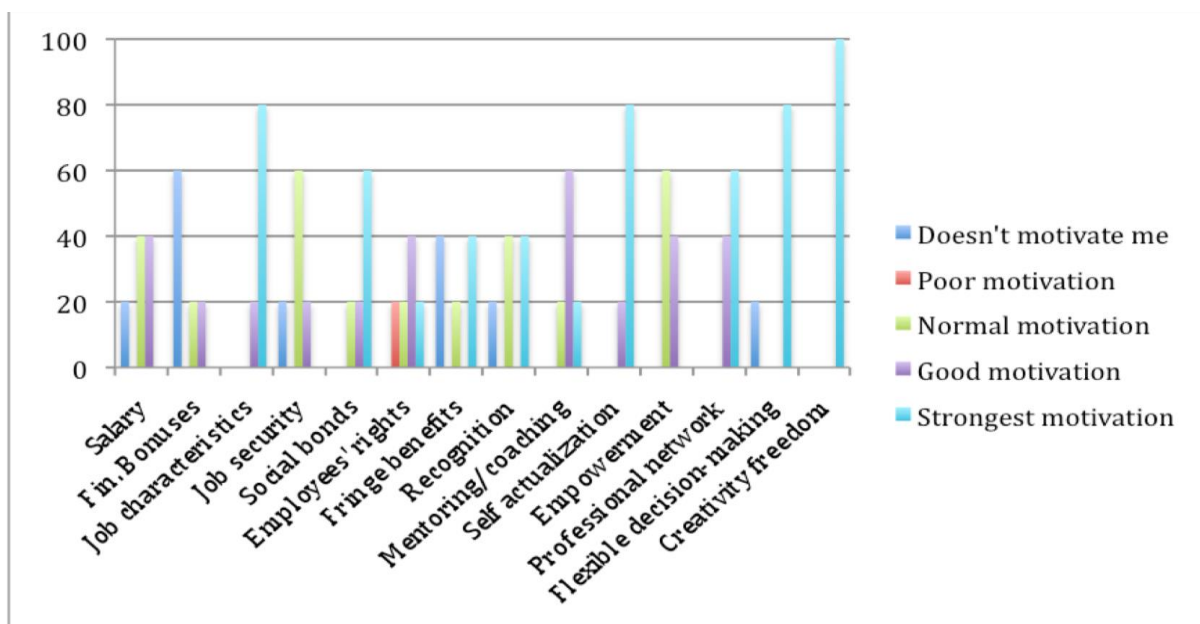### 3.3.2 Managers' financial motivation factors strength

The research was continued on a second type of workers in full-time employees group. That would be managerial positions. The results from this research include respondents from a few nonprofit organizations in the field of art and culture from the city of Rijeka, not only "Drugo more". The fact that most organizations, similar to "Drugo more" have only one managerial position within its organization required a few more respondents for the research results to become relevant and useful. "Drugo more" manager was one of the respondents included in the research.

The predictions made in the interviews (Appendixes A and B), showed that managers really struggle between their passion for the work they do and their real needs for financial resources. It is clear that this debate is highly subjective, and so are the results.

The predictions were once again right, placing the financial motivation factors even lower than in the case of other full-time employees, no matter the managers' awareness of its importance in their lives.

Salary, just as in the case of the previous type of employees, outscored various financial bonuses. 40% of managers rated salary as a good motivation factor, 40% as a normal and 20% said it doesn't motivate them at all. Various financial bonuses do not motivate 60% of respondents, 20% rated them as a normal strength motivation factor and 20% as a good one (Figure 14).

Figure 14: Nonprofit organizations managers' motivation factors ratings dispersion

Both financial motivation factors offered are among lowest rated motivation factors managers could rate (Figure 15). Salary's average grade is 3.0 and financial bonuses were graded with 2.0. Individually, various financial bonuses are the lowest rated motivation factor of them all, while salary outscored only job security which average grade is 2.8. Fringe benefits got the same average result as salary.

Combined together, financial motivation factors have an average grade of 2.5 which is by far the lowest rated motivation factor, as long as managers are concerned.

The strongest motivation factors among managers are freedom of creativity with the average grade 5.0, self-actualization and job characteristics, both with the average grade 4.8.

The dispersion of grades for different motivation factors is much higher among managers than among other full-time employees. Their opinions among each other differ more. That can be seen on example of a few motivation factors which were offered to rate. Great dispersion of grades can be seen in employees' rights. For 20% of managers it is a poor motivation factor, 20% think it has a normal strength, 40% think it is a good motivation factor, while 20% think it has the strongest power possible. Flexibility in decision making is the strongest possible motivation factor for 80% of the respondents while other 20% think it doesn't motivate them at all.

This diversity can't be the result of misinterpretation of motivation factor meanings, because respondents received detailed explanation of all the motivation factors offered along with their questionnaires.

Figure 15. Nonprofit organziations' motivation factors average grades by managers
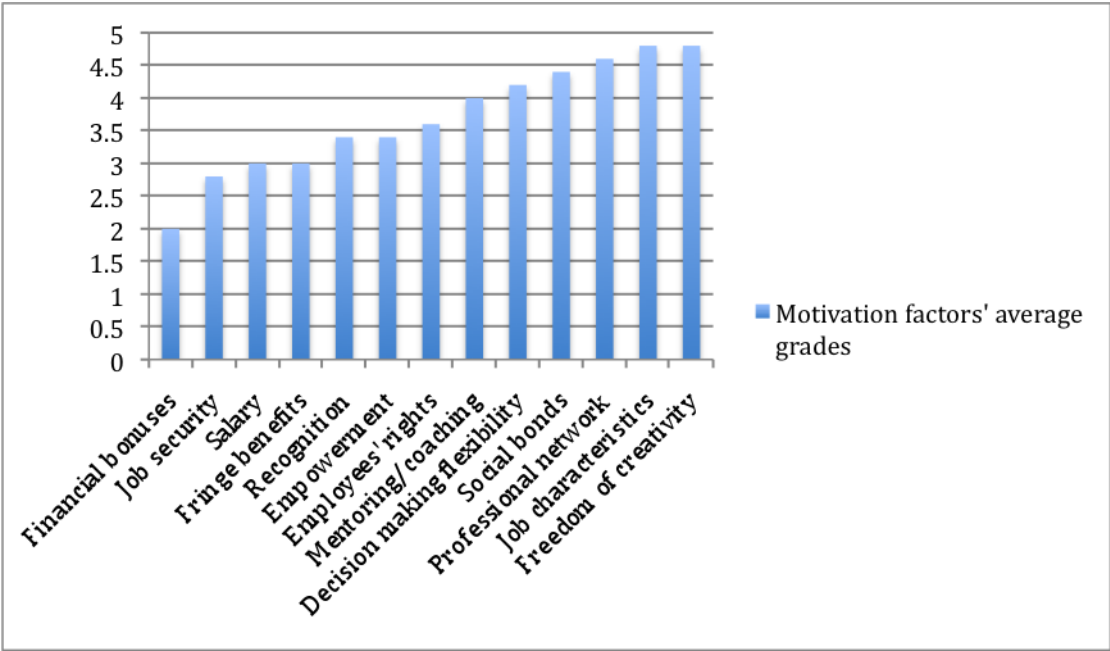
3.3.3 Part-time professionals' financial motivation factors strength in "Drugo more"

Part time professionals receive a fee for their work, for they are not full-time employees in "Drugo more". Interviewed managers predicted that their solidarity towards such organizations will affect their flexibility and tolerance in fee appointing. Some of the reasons for that are mentioned in previous explanation of part-time professionals as nonprofit organizations' employees in section 3.1.2.

Unlike formerly researched type of employees, part-time professionals could grade less motivation factors. Nature of their work in "Drugo more" defines what motivation factors

could affect them at all. After eliminating irrelevant motivation factors, there were nine motivation factors to base the research on.

Figure 16: "Drugo more" part-time professionals' motivation factors ratings dispersion
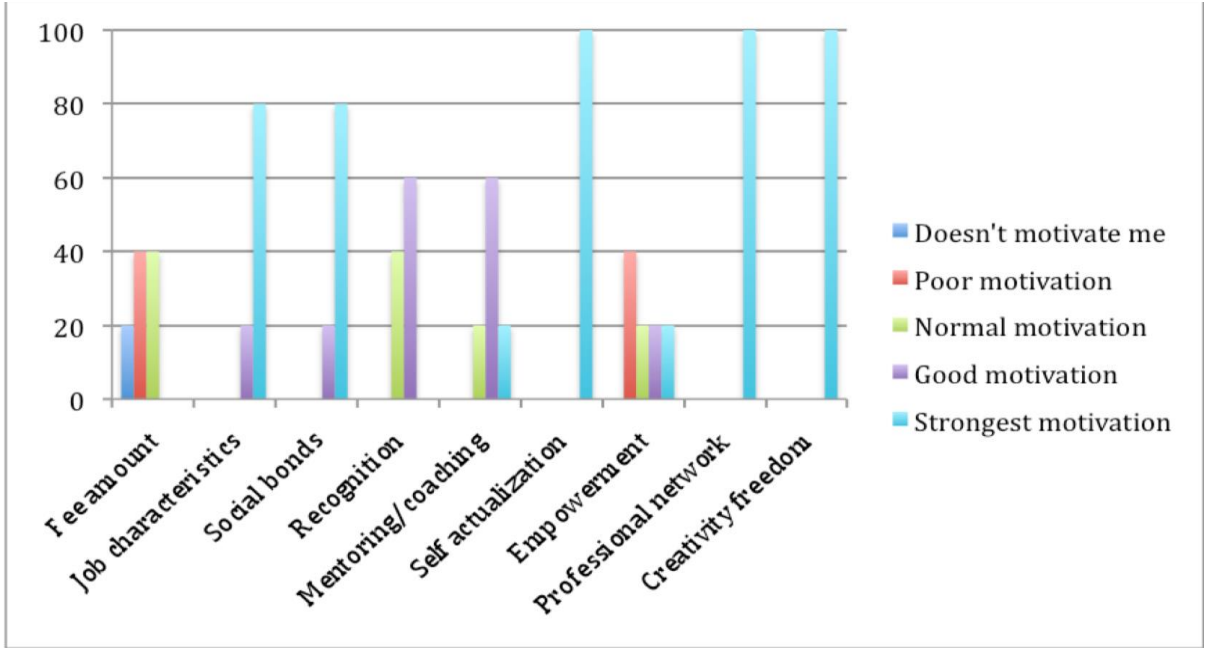
Part-time professionals had only one financial factor to rate, the amount of their fee. Figure 16. discovers that only financial motivation factor, fee amount, has respondents answering it does not motivate them at all. All of the other motivation factors motivate respondents with a different, stronger force (Figure 16).

Figure 17: "Drugo more" part time professionals' motivation factors' average grades
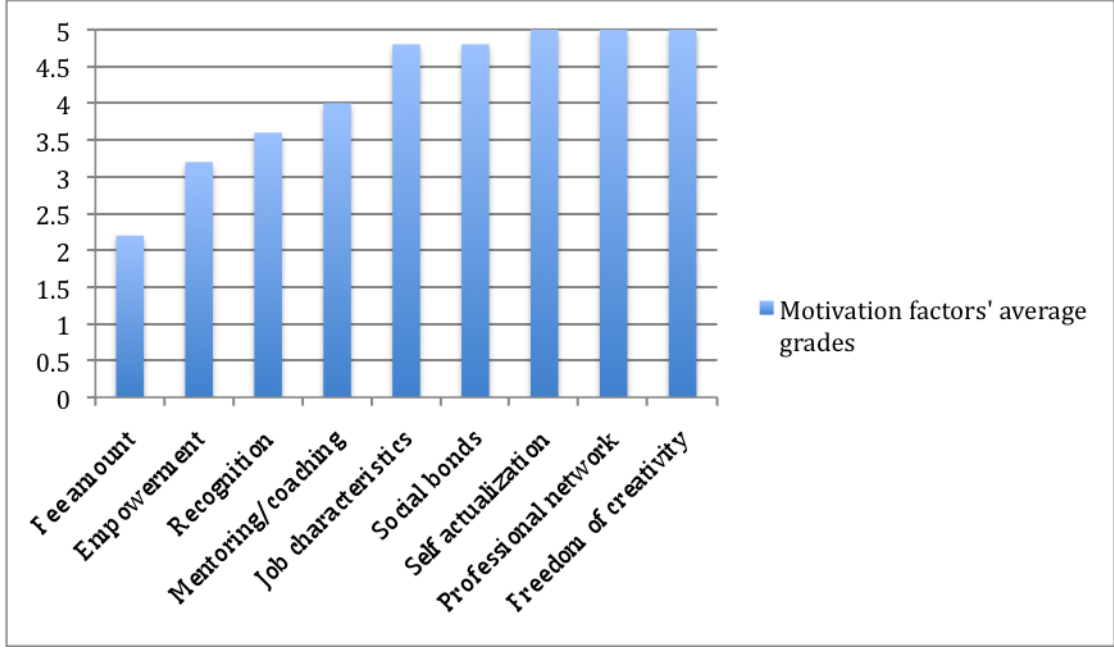
The fee amount is the lowest rated motivation factor for part-time professionals in "Drugo more" (Figure 17). For it is the only financial motivation factor, it can be concluded that financial motivation factors are the least powerful motivation factors for this type of

employees in "Drugo more". With the average grade of 3.2, empowerment outranks the fee amount for 1.0 whole grade.

The highest ranked motivation factors are similar to those among managers. Freedom of creativity, professional networks and job characteristics all got 100% respondents to rate them as the strongest motivation factors.

3.3.4 Volunteers' motivation factors strength in "Drugo more"

Volunteers are the second type of part-time employees and the last type of employees to be included in this research. They are observed the last because financial motivation factors do not affect them at all. Volunteers are the source of free workforce and therefore other factors affect their motivation. Their large number in nonprofit sector, especially in the field of art and culture, directly contributes to the confirmation of the first hypothesis.

Figure 18: "Drugo more" volunteers' motivation factors' ratings dispersion
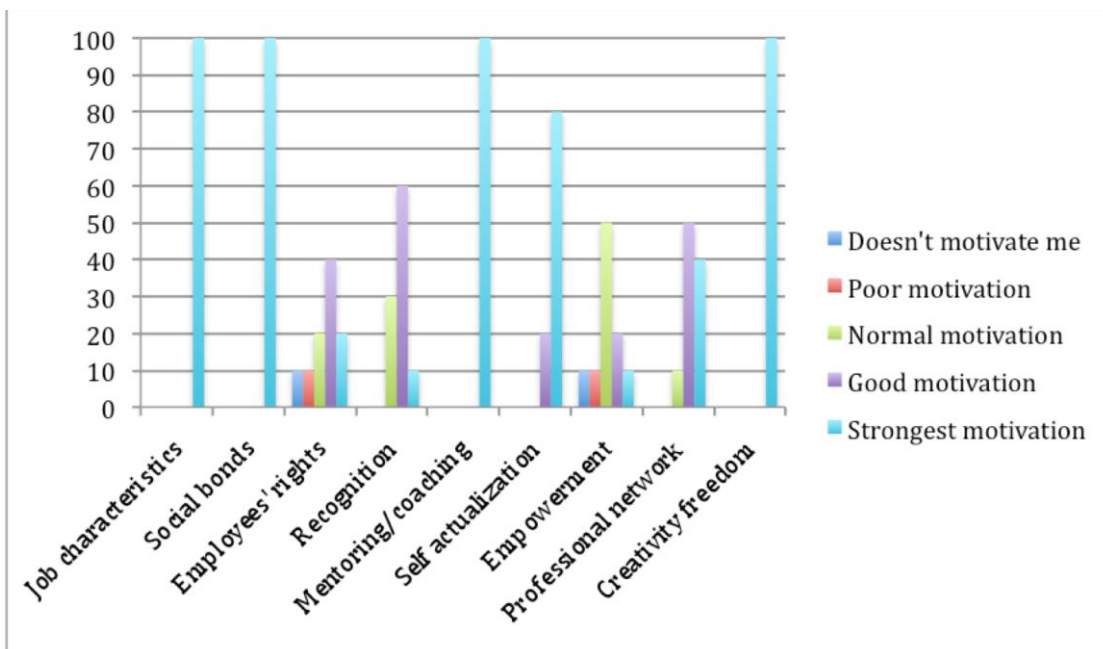
Volunteers were still included in the research in order to define what influences their motivation the most. Just like in the case of part-time professionals, motivation factors were optimized for volunteers, so they had a chance to choose between a smaller number of motivation factors than full-time employees. Moreover, all of the financial factors were deleted from the list, for they are not relevant for this type of employees. There was a total of ten volunteers from "Drugo more" included in this research.

As it could be predicted, volunteers in "Drugo more" aim for benefits that could replace the financial ones. They see their work as self-actualization but as an investment for the future. 100% of them rated job characteristics, social bonds, mentoring or coaching and freedom of creativity with highest possible values (Figure 18). They see mentoring and coaching as an opportunity to learn and gain new experiences and skills.

Figure 19. "Drugo more" volunteers' motivation factors average grades
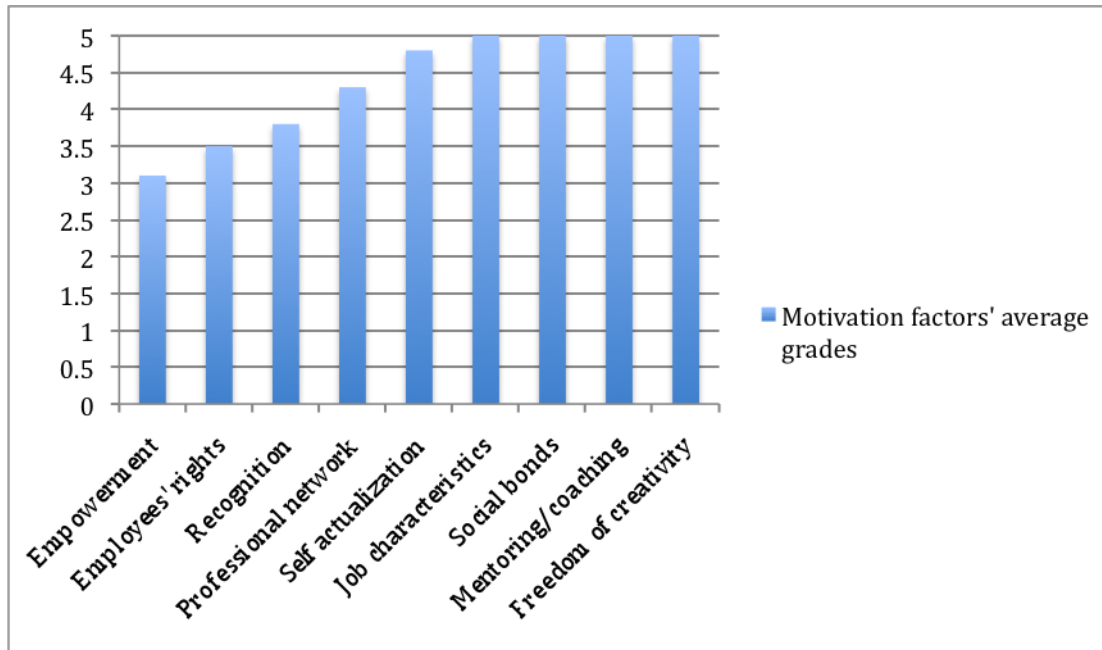
The differences between volunteers and other type of employees can be seen in social bonds and empowerment. Social bonds are strong motivation factor for all of respondents, while 60% of them thinks that empowerment isn't as strong motivaton factor, unlike other types of employees.

Volunteers' motivation factors average grades are shown in Figure 19 where it can clearly be seen which motivation factors strongly affect the volunteers' motivation. Although lacking financial motivation factors, which could easily be put in the figure with lowest grades, Figure 19 shows strength relation between other motivation factors which are important for volunteers.

3.3.5 Mutual comparison of motivation factors

It is possible to compare the results of individual financial motivation factors among different employee types.

Figure 20 shows that most financial motivation factors are rated poorly by respondents. The only factor that was rated as a good one was salary, in the case of other full-time employees. Various financial bonuses among full-time employees and managers, and fee amount among part-time professionals were both rated poorly.

If we combine the grades for each employee type, we would get even worse results, which supports first hypothesis' claim, that motivation factors in nonprofit organizations in the field of art and culture are mostly not financial.

Volunteers, as one of four different employee types included in the research is not included in Figure 20 because financial motivation factors do not affect them, and are equal to 0.

Generally, financial motivation factors are among the least powerful motivation factors that affect employees in "Drugo more" and managers from similar organizations. The only financial factor that showed significant importance and strength is salary among full-time employees. Nevertheless, it is still being outscored by many other motivation factors having in mind average grades.

To support the first hypothesis, we can compare results of financial motivation factors with some others, this time including volunteers as respondents.

Job characteristics, social bonds, creativity freedom, self-actualization and professional network are all being highly graded among respondents from all groups. However, there are slight differences between different employee types which are logical. For example, volunteers rated mentoring or coaching with a maximum possible value. Other-full time employees rated social bonds as the strongest motivation factor. Part-time professionals maximized the importance and strength of professional networks and creativity freedom.

Figure 20. Financial motivation factors average grades among different employee types
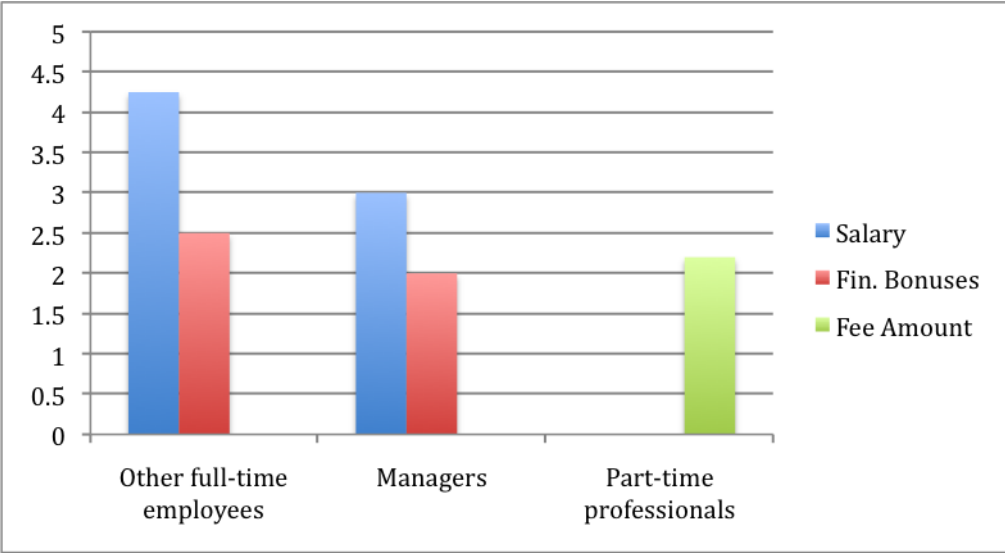
Looking at the results, it can be concluded that financial motivation factors are, in average, among least powerful motivation factors for employees in "Drugo more" and similar nonprofit organizations in the field of art and culture. Comparing the average grades of financial motivation factors with others in every type of employees group, we conclude that every type of employee graded them lowest among all motivation factors. There are numerous motivation factors that are more important than the financial ones for every employee type included in research, except volunteers who are not relevant to support the hypothesis because financial motivation factors do not affect them. On the other hand, volunteers' importance in "Drugo more" and similar organizations in the field of art and culture is so intense, that one may conclude that they directly support the hypothesis confirmation.

3.4 Nonprofit organizations' leaders influence on nonprofit organizations' employees motivation

The connection of leaders in nonprofit organizations with their employees is much more complex and diverse from the one in profit sector. The specifics of nonprofit sector, nonprofit organizations' managers, employees' and job characteristics all affect this influence.

The differences become larger when narrowing the circle around some certain organizations, in our case nonprofit organization "Drugo more", a representative of small nonprofit organizations in the field of art and culture.

The interviewed managers were aware of the fact that they had a big influence on their employees. The problem was in determining the level of that influence and its differences between different employee types.

For example, it was fairly easy to conclude that nonprofit organizations' managers will have a stronger influence on volunteers, than on part-time professionals. That is the result of the differences in knowledge and experience between managers, volunteers and part-time professionals and business relation between them. Volunteers have least knowledge and experiences and are logically greatly influenced by the managers. On the other hand, part-time professionals can be more experienced than managers, come from other fields, and consequently respect nonprofit organizations' managers, but cannot be affected by their opinions as much as volunteers.

Full-time employees share other kind of problem when it comes to determining their manager's influence on them. The way that work is done in "Drugo more" discovers a friendly relation between employees and their manager. That kind of relation, with no visible hierarchy and pressure to work makes determining manager's influence on its employees very hard. Effective and successful way of hiring full-time employees contributes the problem.

3.4.1 Managers' awareness of their power and research results in nonprofit organizations

Managers of nonprofit organizations deal with several very different types of employees, which are all very important part of their organizations. Whereas their influence on part-time employees' motivation, both volunteers' and part-time professionals' motivation is simpler and easier to predict, their influence on full-time employees' motivation is more complex and harder task. Their influence on different type of employees differs just as their relation with them.

Managers' awareness of their power and their attitude toward the afforementioned problem was measured with a questionnaire they were given. Two of the managers had an opportunity to express their opinion in semi-structured interview. It discovered the managers' attitude and opinion about their influence on the motivation of their employees.

Both of the interviewed managers had an opportunity to work in larger nonprofit organizations in the past. Both of them are running small nonprofit organizations from the field of art and culture, one being "Drugo more". They are both aware of the fact that the

influence of the manager in larger and smaller sized nonprofit organizations differ a lot. Both of them agree that the field of art and culture is so specific, that the type of employees and others related to the field create a working environment characteristic for this type of organizations.

Mišković emphasized two facts that confront in his managerial work, relying mostly on other full-time employees, but can be applied on volunteers and part-time professionals.

The first is the way of leading nonprofit organization like "Drugo more". The leading is democratic, with no traces of commanding or autocratic leading style. Most of the decisions are made through team-work agreements, having in mind everybody's opinion. Every full-time employee is working on most of the tasks, less or more important ones. There is a high level of mutual respect and confidence between full-time employees and their manger.

The second is very simple and contradictory to the first one. The organization's manager is responsible for every important decision, and no matter the team-work decision making and everybody's inclusion, full-time employees have to wait for the manager to decide. Decision making complexity, right and power are all in the hands of the manager. This is the point where full-time employees feel the hierarchy in their organization the most, together with the influence of their manager. All things previously mentioned refer to operative and strategic decision making which results with the existence and efficacy of the organization.

Volunteers and part-time professionals differ in their connections towards manager in a nonprofit organization. Their roles are very different as well. They are not included in decision making, other than the ones that refer to specific projects which organizations organize. They are the lowest members in hierarchy of nonprofit organization, but still a very important part of it. No matter then reason why they volunteer in an organization, manager's influence on them is strong, but not as important as on other full-time employees. This is because of the differences in importance of the work these two employee types have.

Part-time professionals are very special regarding this issue. Often, it can happen that their influence on managers is larger than the opposite one. The reason is their profession, knowledge and experience. They become part of nonprofit organization's workforce depending of the need for them. They are mostly hired for special tasks, projects, lectures or tribunes. Their high profession and knowledge level makes them able to compare and deal with managers. In many instances it can happen that their relation is more similar to as colleagues than business partners. No matter this relation, they are affected by the managers' influence. It is because managers are the ones that organize such happenings and run the organization. Managers think of this influence more as a respect and politeness than hierarchy influence.

Research results showed that managers are aware of their power and influence on their employees. Also, research results showed that they are aware of specific employee characteristics in nonprofit sector in the field of art and culture. That can be seen from managers' opinion that employees do not need to be motivated on their workplace. Given the question, 40% of managers included in the research does not agree and thinks that employees

do not need to be motivated. 20% of the managers does not have a specific opinion about it, 20% agree and 20% completeley agree (Appendix G).

These results discover that managers are familiar with their employees and realize that they do not need to be motivated to do the job right. These root back to good hiring politics and volunteers' involvedness.

However, it does not reflect on manager's efforts in motivating their employees. No matter their awareness and opinion that employees do not need to be motivated, in comparison with other sectors and organizations, 60% of managers motivate their employees with strong efforts, while 40% motivate them with normal efforts. Given the question if they think that their behavior affects their employees, 60% of managers completely agree and 40% agree fairly (Appendix G).

Most of the managers are not sure if they use the right motivation techniques and ways, even 60% of them, but none of them disagrees with the statement. Other 40% are more positively assured of the statement (Appendix G).

Most of the managers believe that employees find their opinion important. To illustrate, 60% strongly agrees with this statement and 40% completely agree (Appendix G).

Even 60% of managers completely agree with the statement that employees can learn from their example. 40% strongly agree with it (Appendix G).

3.4.2 The influence of managers on the motivation of other full-time employees in nonprofit organizations

Other full-time employees received a similar questionnaire as managers. Second part of the questionnaire was modified especially for each type of employees in this research, and so was for full-time employees (Appendix D).

The research results were mostly positive. Since this type of employees is a group of workers that work full-time together in same organization, the answers are similar. Second part of the questionnaire for other full-time employees had 15 questions, mostly intended to measure their opinion about their motivation and manager's influence on their motivation.

The second part of the questionnaire was named "motivation", to avoid any prejudice about manager's involvement and to receive answers as objective as possible.

The answers showed that full-time employees respect their manager and that he affects them and their motivation on work. 100% of respondents stated that they think they need to be motivated to do their job and the same percentage of respondents is motivated to do so. There is no question that this type of employees in "Drugo more" has a high level of motivation (Appendix H).

Although managers who had an opportunity to express their opinion in interviews stated that strong motivation is not needed, they do motivate their employees. They support that statement with employees' characteristics, sector characteristics and effective hiring. It was a question, how will full-time employees perceive that.

75% of full-time employees in "Drugo more" strongly agree with statements that manager motivates them on their work, his behavior affects them and his motivation techniques are good. The same percentage completely agrees with the statement that they can learn from their manager, while other 25% strongly agree with it. Asked about their consideration about their manager opinion about their work done in organization, half of the respondents completely agree with the statement and other half strongly agrees with it. Full-time employees strongly or totally agree with the statement that they consider their manager as a good example on the workplace (Appendix H). All of the respondents completely agree that their manager is ready to listen their opinion, even if it goes for something negative workplace (Appendix H).

The largest gap or differences in answers was detected in a statement that a manager can motivate employees to do the tasks which aren't as interesting to them. 50% of respondents completely agree with the statement, while other half is indifferent towards this statement (Appendix H).

3.4.3 The influence of managers on volunteers' motivation in nonprofit organizations

The results gathered from volunteers differ slightly from the ones gathered among full-time employees. Obviously, the most important reason is the difference in thinking between these two employee types, then their position in the hierarchy of the organization and finally, the number of respondents, which was doubled in the case of volunteers. Still, measured in percentage, full-time employees are covered better in the research because all of the full-time employees were included, compared to reasonable percentage of volunteers.

Volunteers' results showed a significant similarity in their thinking, no matter they do not work together full-time, or even do not work together on every project in "Drugo more". The largest dispersion of answers was detected in the first question, where personality plays a big role. Given the opportunity to agree with the statement about their consideration if they need to be motivated on the job, half of the respondents strongly agree, 20% completely agree, 20% is indifferent towards the statement and 10% is closer to disagreement. In depth interviews could clear this statement, but it is likely that some of the volunteers believe that they are already motivated to do the job (Appendix I).

Other statements showed very positive answers. In many statements all of the respondents completely agree with it, or a really high percentage of them does. Just like in the case of full-time employees, all of them completely agree that they are motivated to do their job. Furthermore, all or most of volunteers completely agree that the manager motivates them and that his behaviour affects them on their workplace. 100% of volunteers completely agree that the manager uses the right motivation skills. Most of the statements meant to measure the volunteers' opinion about their manager's influence on their motivation and the quality of their relation were ranked maximally by most of the volunteers. All of the volunteers completely agree that they can learn from their manager as well (Appendix I).

The results from volunteers differ in some parts than the ones from full-time employees. Still, the second part of the questionnaire proved manager's high influence on volunteers' motivation and strong connection between them. The predictions that volunteers are

motivated and that they respect their manager highly was also proved by high percentage of positive answers and opinions.

3.4.4 The influence of managers on part-time professionals' motivation in nonprofit organizations

Part-time professionals are type of employees who are the least influenced type of employees by their manager, because of the nature of their relation. Yet, the results among part-time professionals showed that managers affect their motivation. It can be explained as the result of mutual respect and enjoy that their work together reflects on their motivation.

60% of the part-time professionals strongly agree that they need to be motivated to do the job, while 40% are indifferent. All of the respondents completely agree that they are motivated to do the job and that manager motivates them. Majority, 80% strongly agrees with the statement that manager's behavior affects them on the workplace (Appendix J).

It can be seen that part-time professionals respect managers' work and their knowledge in the organization. All of them completely agree that they find manager's opinion about their done work important and that managers generally respect a well done work. Part-time professionals completely agree that they find opinions, critics and managers' advices helpful. 80% of respondents completely agree that their manager is a good example to follow (Appendix J).

Results discover that special relation between part-time professionals and managers in "Drugo more" does not reflect negatively when it comes to managers' influence on part-time professionals' motivation. It is clear that this relation is different than the one with other full-time employees or volunteers, and that this influence is based more on mutual respect than on hierarchy. Still, we have to conclude that manager's influence on part-time professional's motivation exists and that it is positive.

3.5 Research of the motivation's influence on employees' willingness to work

The purpose of this part of the research was to define whether motivation of employees is positively related with their willingness to work. Given that all of the respondents showed significant levels of being motivated, the next part of the research will seek to demonstrate that they are willing to work as well, and that there is a connection between those two determinants.

3.5.1 Managers' opinion about employees' and managers' willingness to work

Managers were questioned about their and the willingness of employees to work. Their opinion about employees' willingness to work, as results showed, is very positive.

The majority of managers, 80% of them, completely agree that employees are willing to work extra hours and weekends, if needed. 60% of managers completely agree that employees do their job the best way they can and that they contribute to the success of the organization in the best way possible. Other respondents strongly agree with these statements, so all of the managers have a positive opinion on the employees' willingness to work (Appendix G).

Their opinion about employees' readiness to do the tasks they do not like and which are not their primary occupation is less positive, but not negative. The dispersion of answers on these questions is greater, but no answer was negative; only a few indifferent answers were detected (Appendix G).

When it comes to managers' willingness to work, the results showed that positive predictions were justified. The answers differ, but they stay in high positive area with most of managers strongly or completely agreed with offered statements.

80% of managers completely agree that they accept to work overtime, do tasks which are not their primary occupation, do their job the best way they can and enjoy working on projects without having direct benefits from them. Others strongly agree with the statements (Appendix G).

All of the managers strongly or completely agree that they go to work happily, agree to work on weekends and tasks which are not all as interesting to them, if needed (Appendix G).

Given the opportunity to agree with the statement that they identify themselves with organization's success, 80% of the managers completely agreed, while 20% was indifferent. This was the only indifferent opinion in this part of the research (Appendix G).

3.5.2 Other full-time employees' willingness to work

The second group of full-time employees in nonprofit organization "Drugo more" also showed highly positive relation towards their willingness to work. Just like managers, other full-time employees came out with strong or complete agreement with the offered statements.

75% of full-time employees in "Drugo more" completely agree that they are ready to work extra working hours and on weekends, if it is needed. The same percentage of employees completely agrees that they do their job and tasks the best way possible, enjoy working on projects without directly benefiting from them and identify themselves with organization's success and are happy because of it. Other 25% strongly agree with the statements (Appendix H).

Although rated highly with an average grade of 4.25 out of possible 5.0, the worst rated statements were the ones claiming that employees go to work happily and agree to work on tasks which are not as interesting to them. Still, the majority of the answers are grouped in strong or complete agreement with the statements.

Unlike former research, the one that measured willingness to work showed no statement with 100% of respondents answering the same. That counts for managers as well. It is interesting to note that this dispersion of answers is present only in group of full-time employees in nonprofit organizations, what will be proved in the following researches among part-time employees in "Drugo more" (Appendix H).

From the answers gathered we can conclude that high motivation among other full-time employees in "Drugo more" reflects positively on their willingness to work.

3.5.3 Part-time professionals' willingess to work

The answers of part-time professionals are, like those of full-time employees, positive regarding their willingness to work. Looking at the percentage and dispersion of answers we can conclude that their willingness to work is rated even more positive.

Part-time professionals mostly completely agree with the statements regarding willingness to work. Even six out of eight statements were rated by 100% of part-time professionals (Appendix J).

All part-time professionals from "Drugo more" completely agree that they go to work happily, manager positively affects their willingness to work, they accept to work overtime, on weekends, do their job the best way possible and enjoy working on different projects without directly benefiting from them (Appendix J).

All of those statements show similar opinions among part-time professionals and their high willingness to work. Only two statements were not rated equally by 100% of respondents.

80% of respondents completely agree that co-workers affect them positively and that they identify themselves with the organization's success. Other 20% on both statements strongly agree with the statements, still proving that their willingness to work is very high (Appendix J).

In a nutshell, it can be concluded that the correlation between motivation and willingness to work among part-time professionals in "Drugo more" exists, it is positive and even higher than in the case of other full-time employees.

3.5.4 Volunteers' willingness to work

The research of the willingness to work among volunteers in nonprofit organization "Drugo more" showed some remarkable results.

Although volunteers were not together while fulfilling the questionnaires and they are the only representatives which do not receive any financial fees, the results showed that their willingness to work is the highest among every employee type in the nonprofit organization "Drugo more".

100% of volunteers completely agree with all statements that were offered to grade (Appendix I). Obviously, it can be inferred that the correlation between their motivation and willingness to work is perfectly positive.

3.6 Research conclusion synthesis

Research results proved all of the hypotheses that were tested in this thesis. The conclusions had to be brought logically out from the percentage of positive answers, because data processing with statistic programs was not an option. This issue will be further explained in section 3.8.

It can be concluded that motivation factors in nonprofit organizations in the field of art and culture are mostly non-financial. This conclusion has been drawn out of the four different

employee types in this kind of organizations. The fact that volunteers are very important in nonprofit sector, and that they are a source of free workforce, directly supports this hypothesis. Financial motivation factors among other full-time employees showed out to be stronger than in the case of managers and part-time professionals. Overall, financial motivation factors are among least powerful in the case of employees in organizations in nonprofit sector from the field of art and culture.

The role and influence of leaders of nonprofit organizations on their employees is very important. Research results turned out to be even more positive than expected, especially in the case of part-time professionals. Although very different among each other, all types of employees in "Drugo more" respect their manager and the manager strongly affects their motivation. In general, leaders of nonprofit organizations indeed have a significant influence on their employees and volunteers.

The last hypothesis was also confirmed. The fact that motivation of employees is positively related with their willingness to work is another conclusion drawn from the research. First, all of the respondents among all types of employees answered that they are motivated with the maximum possible grades. It was easy to link this high motivation with the statements that rank their willingness to work. The willingness to work among other full-time employees showed out to be a little lower than in the case of part-time workers, both, volunteers and part-time professionals. However, it was still highly ranked. The answers among part-time workers showed perfect correlation in the case of volunteers, and a very high, almost perfect correlation between the variables in the case of part-time professionals. Overall, the answers confirmed the conclusion that the correlation between motivation and willingness to work exists, it is positive and very strong.

3.7 Advice for the management

Bearing in mind that nonprofit organizations like "Drugo more" are very specific and managers mostly come from other professions it is hard to summon some of the advice for managers to follow. Still, given the opportunity to research the field within "Drugo more" operations, we can number a few pieces of advice to follow in order to guarantee the organization's success.

Managers have to invest in their economical knowledge. It will surely help them to lead both organizations and employees. Managerial knowledge is important just as the experience. Moreover, it is crucial for the managers to have at least a minimum of managerial knowledge for running the organization. Furthermore, it can save time and money, by avoiding eventual mistakes.

The second suggestion would be to connect the organization with as many similar organizations, on a local and international level. Contemporary art and culture needs such connections so it can bring to the audience something new and interesting. Such programs will guarantee media space, audience, easier access to workforce, and, not less important - financial sources. All of the previously mentioned will lead to the development of the organization and long-term existence on the market. Secondary affect would be sector development and consequently, again, more financial sources.

The last advice is to ensure and maintain good connections among employees. Although, the research showed this is not hard to accomplish, it is important for the managers not to forget the importance of good social connections in organization. It can be assured by the hiring process, determining which employees suit the organization best.

The importance of motivation and communication has to always be held in mind. It will reflect on the employees' willingness to work and consequently on organization's overall performance which will help and assure the organization to be successful and survive on the market.

3.8 Master thesis writing limitations and advice for further research

There were a few huge limitations which affected the writing and conclusion of this thesis, and because of the nature of the organization they could not be avoided.

The first limitation is the impossibility of data processing in SPSS, or any other program for statistical data processing. A few facts affected this issue. The first is that the most important variable, motivation, in the case of this research, did not vary at all in answers of all employee types. Further, the variables were not numeric, but ordinal. The fact that the variable doesn't vary (motivation, but many others as well), makes it impossible to do regression or correlation analysis in SPSS program. If the variable does not vary, those calculations just cannot be done.

Forcing SPSS to count correlation by slight changes in variable, just to ensure the detection of variance, ends up with obvious results in some cases (perfect correlation between variables in the case of volunteers) or illogical and statistically not significant results, which could not have been used for bringing any conclusions.

Even if the variable would vary, the number of respondents, although very high in percentage, was not big enough to use other methods of calculation by using SPSS.

The conclusions had to be brought by logically summarizing the results without SPSS calculations. The detailed description of the results led to the creation of graphs which explained and supported the conclusions.

The second limitation is the number of possible respondents, employees, in nonprofit organizations in the field of art and culture. The similarity between such organizations makes the number of their employees similar as well. We can conclude that because of that small number of employees, further researchers will be having hard time trying to support their claims by collected data processing.

Special relation among other full-time employees and their manager also makes a limitation. Their relation in the employee-manager relation rarely becomes visible, because of their friendly relation and lack of work pressure. Determining their relation is hard, but when observed properly, research can be done.

The last limitation is the small number of real managers in nonprofit organizations in the field of art and culture. They are rare and sometimes unaware of their role. Finding such managers

can be a hard task, but the fact that they share strong connections in their work, makes this task a bit easier.

The advice for further research would be to collect data from similar organizations in this field, and run the data processing using statistical programs. The data can be collected from similar organizations from more countries, just to ensure a relevant number of respondents.

The research can be easily expanded on nonprofit organizations from other fields, on the differences between nonprofit organizations from the field of art and culture which differ in the size of organization, differences between organizations from various countries, differences between findings in profit and nonprofit sector and many more.

CONCLUSION

The field of art and culture in the nonprofit sector is a very special field on the market and a unique field for its management to work in. The differences that determine this field and make it so much different from the profit sector and other fields in the nonprofit sector create a specific environment for its management.

The nonprofit orientation and lack of financial support create such environment in which non-financial motivation factors prevail. Although employees, who decided to work in this field, are aware of this problem, they still appreciate motivation and their manager as their leader.

Managers are confronted with a few different employee types: other full-time employees, part-time professionals and volunteers. All of those employee types have different relation with their management, different tasks and different motivation factors which affect them.

In the nonprofit organization "Drugo more", the differences between those employees types and management exist, but are small. The largest differences are visible in the case of other full-time employees. All of the employees generally value financial motivation factors poorly, supporting the claim that motivation factors in nonprofit organizations in the field of art and culture are mostly nonfinancial.

Consequently, the management has to turn to other motivation factors and other ways to motivate their employees. Their relation with different employees types determines the way they will motivate them. Simultaneously, the management is aware of small differences between other workforce and itself when it comes to work tasks. Because of that similarity, managers point the lack of culture development strategy, financial support and local government involvement as the main problems in their motivaton.

The research succeeded to prove that managers, regardles of their specific relation with nonprofit organization's workforce, have a big influence on the employees' motivation. All of the employee types showed that they respect their manager and his opinion.

Their motivation affects their willingness to work. All of the respondents in the research have high levels of willingness to work. Willingness to work among part-time employees, both volunteers and part-time professionals, is slightly higher than among other full-time

employees, this finding comes as no surprise. Although lower than among other employees, willingness to work among other full-time employees is still very high.

A small number of full-time and part-time employees in "Drugo more" and variables characteristics affected the results processing. Consequently, conclusions had to be expressed by describing research results the best way possible. Interviews were a strong support to all of the statistics made out from the questionnaires. Connecting the findings from those two primary sources of information brought a logical and interesting conclusions about the motivation in nonprofit sector.

The thesis research results can surely help contemporary and future nonprofit organizations' managers in solving problems related to motivation in their organizations. It can be a good starting point for future researches as well.

The field of art and culture in the nonprofit sector is definitely a very interesting field for managers to work. It brings a more humane approach to management in general. The development of the field requires strong support from all the involved levels of responsibility. Hopefuly, future researches will contribute to the cultural management development and development of this very interesting field in general.

REFERENCE LIST

1. Adair, J. (2006). *Leadership and Motivation: The fifty-fifty rule and the eight key principles of motivating others.* London: Kogan Page Limited.
2. Allen, T.D. (2003). Mentoring others: A dispositional and motivational approach. *Journal of Vocational Behavior*, *62*(1), 134-154.
3. Anheier, H.K. (2005). *Nonprofit organizations: theory, management, policy*. New York: Routledge.
4. Aswathappa, K. (2007). Human Resource and Personnel Management: Text and Cases (4th ed.). Retrieved January 8, 2015, from https://books.google.hr/books?id=-xIWlA_UHnAC&pg=PA363&dq=erg+motivation+theory&hl=hr&sa=X&ei=avSzVLyM PMj8ygPw6oKwDA&ved=0CBoQ6AEwAA#v=onepage&q=erg%20motivation%20theo ry&f=false
5. Aswathappa, K., & Ghuman, K. (2010). *Management: Concept, Practice and Cases.* New Delhi: Tata McGraw Hill Education Private Limited.
6. Barnet, T. (n.d.). Motivation and Motivation Theory. Retrieved December 10, 2014 from http://www.referenceforbusiness.com/management/Mar-No/Motivation-and-Motivation-Theory.html
7. Bauer, T., & Erdogan, B. (December, 2012). An introduction to Organizational behavior. Retrieved January 6, 2015, from http://2012books.lardbucket.org/books/an-introduction-to-organizational-behavior-v1.1/s09-02-need-based-theories-of-motivat.html
8. Beugre, C.D. (1998). *Managing fairness in organizations.* Westport: Quorum Books.
9. Berman, E.M., Bowman, J.S., West, J.P., & Van Warth, M. (2010). *Human resource management in public service: paradoxes, processes and problems* (3rd ed.). Thousands Oaks, California, Sage Publications Inc.
10. Bežovan, G. (1996). Privatni neprofitni sektor i razvoj socijalnog režima u Hrvatskoj [Private nonprofit sector and social regime development in Croatia]. *Revija za socijalnu politiku*, *3*(2), 299-311.
11. Champion, M.R. (2008). Creating Engagement: The use of Expectancy Theory in Corporate Customer Service Teams. Retrieved January 20, 2015, from https://books.google.hr/books?id=AXpx_E9hvvMC&pg=PA20&dq=expectancy+theory &hl=hr&sa=X&ei=8DK-VNKNA4fAPLrLgJgB&ved=0CDIQ6AEwAw#v=onepage&q=expectancy%20theory&f =false
12. Chopra, S. (2002). Motivation in Management. Retrieved December 19, 2014, from http://books.google.hr/books?id=Dg1Z-6i-nfcC&printsec=frontcover&hl=hr&source=gbs_ge_summary_r&cad=0#v=onepage&q&f =false
13. Condrey, S.E. (2010). *Handbook of human resource management in government* (3rd ed.). San Francisco. Joey-Bass.
14. Coon, D., & Mitterer, O.J. (2013). *Introducing psychology: Gateways to mind and behavior* (14th ed.). Boston, MA: Cengage Learning.

15. Craemer, M. (2010). Motivating Employees in 21st Century. Retrieved June 20, 2015, from http://blog.seattlepi.com/workplacewrangler/2010/04/05/motivating-employees-in-the-21st-century/

16. Deci, E.L., & Ryan, R.M. (1985). Intrinsic Motivation and Self-Determination in Human Behavior. Retrieved January 16, 2015, from https://books.google.hr/books?id=p96Wmn-ER4QC&pg=PA62&dq=cognitive+evaluation+theory+of+motivation&hl=hr&sa=X&ei=NXm6VP3cH87KOfbNgbAG&ved=0CBoQ6AEwAA#v=onepage&q=cognitive%20evaluation%20theory%20of%20motivation&f=false

17. DiMaggio, P. (2003). Nonprofit Organization and the Intersectoral Division of Labor in the Arts. In Powell, W.W., & Steinberg R. (Eds.), *The Nonprofit Sector: A Research Handbook.* (pp. 432-461). New Haven, CT: Yale University Press.

18. Dimovski, V. (2002). *Management neprofitnih organizacij. Management: Nova znanja za uspeh* [Nonprofit organizations management. Management: New knowledge for success]. Radovljica: Didakta, 694-732.

19. Drucker, P.F. (1990). *Managing the Non-profit Organization.* New York: Butterworth-Heinemann.

20. Drugo more - organization's website. Retrieved April 11, 2015, from http://www.drugo-more.hr/wordpress/

21. Dunning, D. (2011). *Social Motivation.* New York: Psychology Press.

22. Entrepreneur Portal. (2014). Nonprofit Corporation. Retrieved April 13, 2014, from http://www.entrepreneur.com/encyclopedia/nonprofit-corporation

23. Experience Portal. (2014). What Sectors Make Up The Non-Profit Industry? Retrieved November 10, 2014, from https://www.experience.com/alumnus/article?channel_id=nonprofit&source_page=additional_articles&article_id=article_1159823736672

24. Fuller, A.R. (2008). *Psychology and Religion: Classical Theorists and Contemporary Developments* (4th ed.). Plymouth: Rowan & Littlefield Publishers, Inc.

25. Fusion, J. (n.d.). Motivation & Goal Setting Theory. Retrieved January 18, 2015, from http://smallbusiness.chron.com/motivation-goal-setting-theory-1187.html

26. Goettler, J. (2010). *The Everything Guide to Starting and Running a Nonprofit: All You Need to Establish, Manage and Maintain a Successful Nonprofit Business.* Avon, MA: F+W Media Inc.

27. Golembiewski, R.T. (2001). *Handbook of Organizational Behavior: Second edition, Revised and Expanded.* New York: Marcel Dekker, Inc.

28. Graham S., & Wetner B. (1996). Theories and Principles of Motivation. In Berliner D.C., & Calfee R. (Eds.), *Handbook of educational psychology* (pp. 62-84). New York: Macmillian.

29. Griffin, R.W., & Moorhead, G. (2008). Organizational Behavior: Managing Pepople and Organizations (10th ed.). Retrieved January 12, 2015, from https://books.google.hr/books?id=pRUgGzDn3DoC&pg=PA95&dq=erg+theory&hl=hr&sa=X&ei=avezVM7SIYGTPOfKgJgK&ved=0CCIQ6AEwAQ#v=onepage&q=erg%20theory&f=false

30. Hall, P.D. (2004). Historical Perspectives on Nonprofit Organizations in the United States. In Herman, R. (Eds.), *The Jossey-Bass Handbook of Nonprofit Management and Leadership* (pp.3-38). San Francisco, CA: Jossey-Bass Publishers.

31. Hall, P.D., (2006). A Historical Overview of Philanthropy, Voluntary and Nonprofit Organizations in the United States, 1600-2000. In Powell W.W., & Steinberg, R. (Eds.), *The Nonprofit Sector: A Research Handbook* (pp. 32-65). New Haven, CT: Yale University Press.

32. Hardina, D., Middleton, J., Montana, S., & Simpson, R.A. (2007). *An empowering approach to managing social service organizations.* New York: Springer Publishing Company, LLC.

33. Herzberg, F. (1968). One More Time: How Do You Motivate Employees? Retrieved January 14, 2015, from http://lyle.smu.edu/emis/even8364/fall2009/Journal%20Articles%2009/How%20Do%20 You%20Motivate%20Employees.pdf

34. Hoff, A., Ellis, G., & Crossley, J. (1988). Employment Motive of Summer Job Seekers in Recreation Settings: A Test of Herzberg's Motivation-Hygiene Theory. *Journal of Park and Recreation Administration*, *6*(1), 66-80.

35. Hofmans, J. (2012). Individual differences in equity models. *Psicologica*, *33*(3), 473-482.

36. Holland, T.P., & Ritvo R.A. (2008). *Nonprofit Organizations: Principles and Practices.* New York: Columbia University Press.

37. Kanfer, R. (1990). Motivation theory and industrial and organizational psychology. In Dunette, M.D., & Hough, L.M. (Eds.), *Handbook of industrial and organizational psychology* (pp. 75-170). Palo Alto, CA: Consulting Psychologists Press.

38. Kenrick, D.T., Griskevicius, V., Neuberg, S.L., & Schaller, M. (2011). Renovating the Pyramid of Needs: Contemporary Extensions Built Upon Ancient Foundations. Retrieved January 3, 2015, from http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3161123/

39. Leete, L. (2000). Wage equity and employee motivation in nonprofit and for-profit organizations. *Journal of Economic Behavior & Organization*, *43*(4), 423-446.

40. Locke, E.A. (1996). Motivation through conscious goal setting. *Applied & Preventive Psychology*, *5*(2), 117-124.

41. Lussier, R.N. (2009). *Management Fundamentals: Concepts, Applications, Skill Development* (5th ed.). Mason: South-Western Publishers.

42. Management Library Portal (2014). Administrative management. Retrieved November 21, 2014, from http://www.vectorstudy.com/management-schools/administrative-management

43. Management Mentors Portal (n.d.). The Differences between Coaching & Mentoring. Retrieved January 15, 2015, from http://www.management-mentors.com/resources/coaching-mentoring-differences/

44. Maslow, A.H. (1943). A Theory of Human Motivation. *Psychological Review*, *50*(4), 370-396.

45. McClelland, D.C. (1987). Human motivation. Retrieved January 7, 2015, from https://books.google.hr/books?id=vic4AAAAIAAJ&pg=PA124&dq=motivation+classifi cation&hl=hr&sa=X&ei=61euVLW1G4GdPe6fgYgJ&ved=0CCEQ6AEwAQ#v=onepag e&q=motivation%20classification&f=false

46. McClelland, D.C., & Burnham, D.H. (2003). Power Is the Great Motivator. Retrieved January 16, 2015, from http://wweb.uta.edu/management/Shumate/Cases/Power%20is%20the%20Great%20Motivator.pdf

47. McKenna, E. (2000). *Business Psychology and Organisational Behaviour: A Student's Handbook* (3rd ed.). Philadelphia: Taylor & Francis Inc.

48. McLeod, S.A. (2007). Maslow's Hierarchy of Needs. Retrieved January 9, 2015, from http://www.simplypsychology.org/maslow.html

49. Megginson, D., Clutterbuck, D., Garvey, B., Stokes, P., & Garret-Harris, R. (2006). *Mentoring in Action: A practical guide* (2nd ed.). London: Kogan Page Ltd.

50. Mickov, B. (2010). *European management models in contemporary art and culture.* Novi Sad: Stojkov.

51. Milner, J.B. (2005). *Organizational Behavior 1: Essential Theories of Motivation and Leadership.* New York: M.E. Sharpe, Inc.

52. Mišković, D. (n.d.). Riječka kultura: istraživački izvještaj, interpretacija i refleksija. Retrieved March 21, 2015, from http://www.drugo-more.hr/wordpress/wp-content/uploads/2012/09/D.Miskovic-Rijecka-kultura1.pdf

53. Montana, P.J. & Charnov, B.H. (2008). *Management* (4th ed.). New York: Hauppauge.

54. Možina, S. (2009). Učenje, izobraževanje, usposabljanje in razvoj kadrov [Learning, education, training and development of the staff]. In Svetlina, I., & Zupan, N. (Eds.), *Menedžment človeških virov* [Human resource management], (pp. 467-520). Ljubljana: Tisk Littera Picta, d.o.o.

55. Nonprofit Finance Fund org. (2014). State of the arts and culture sector: 2014 survey. Retrieved May 5, 2015, from http://www.nonprofitfinancefund.org/sites/default/files/arts_survey_091014_printfriend.pdf

56. Pakdel, B. (October, 2013). The Historical Context of Motivation and Analysis Theories Individual Motivation. *International Journal of Humanities and Social Studies*, *3*(18), 240-247.

57. Pardey, D. (2007). *Coaching* (1st ed.). Oxford, Butterworth-Heinemann.

58. Pattanayak, B. (2006). *Human Resource Management* (3rd ed.). New Delhi: Jay Print Pack Private Ltd.

59. Pavičić, J., Alfirević, N., & Aleksić, Lj. (2006). *Marketing i menadžment u kulturi i umjetnosti* [Marketing and Management in Art and Culture]. Zagreb: Masmedia.

60. Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). *Business* (9th ed.). Boston, MA: Houghton Mifflin Co.

61. Princeton University Portal. (2014). From What Sources Do Nonprofit Arts and Cultural Organizations Receive Financial Support? Retrieved May 17, 2014, from http://www.princeton.edu/culturalpolicy/quickfacts/artsorgs/support.html

62. Pritchard, R.D. (1969). Equity Theory: A Review and Critique. *Organizational behavior and human performance, 4*(2), 176-211.

63. Pritchard, R. D., & Ashwood E. L. (2008). *Managing Motivation: A Manager's Guide to Diagnosing and Improving Motivation.* New York: Routledge, Taylor & Francis Group.

64. Reeve, J., Deci, E.L., & Ryan, R.M. (2004). Self-Determinant Theory: A Dialectical Framework for Understanding Sociocultural Influences on Student Motivation. In McInerney, D.M., & Van Eaten, S. (Eds.), *Big Theories Revisited* (pp. 31-60). Charlotte, NC: Information Age Publishing, Inc.

65. Reinklou, M., & Rosen, J. (2013). Motivating and retaining volunteers in non-profit organizations. Retrieved January 18, 2015, from http://www.diva-portal.org/smash/get/diva2:639371/FULLTEXT01.pdf

66. Robbins, S.P., Judge, T.A., Odenaal, A., & Roodt, G. (2009). Organisational Behaviour: Global and Southern African Perspectives (2nd ed.). Retrieved January 15, 2015, from https://books.google.hr/books?id=9-jcsiS8RSoC&pg=PA148&dq=mcclelland+theory+of+needs&hl=hr&sa=X&ei=qvK4VM_3F4rmyQPP_YEw&ved=0CBoQ6AEwAA#v=onepage&q=mcclelland%20theory%20of%20needs&f=false

67. Roberts, C. (2014). Five functions of Management and Leading. Retrieved September 10, 2014, from http://smallbusiness.chron.com/five-functions-management-leading-56418.html

68. Roos, W. (2005). The relationship between employee motivation, job satisfaction and corporate culture. Retrieved December 20, 2014, from http://uir.unisa.ac.za/xmlui/bitstream/handle/10500/2584/thesis_roos_w.pdf?sequence=36

69. Saiyadain, M.S. (2009). *Human Resources Management* (4th ed.). New Delhi: Tata McGraw - Hill Publishing Company Limited.

70. Schermerhorn, J.R. (2006). *Management* (11th ed.). Retrieved January 13, 2015, from https://books.google.hr/books?id=rk4xL2XNrocC&pg=PA38&dq=theories+x+and+y&hl=hr&sa=X&ei=TWO1VMTtOurhywOntYLABQ&ved=0CCIQ6AEwAQ#v=onepage&q=theories%20x%20and%20y&f=false

71. Sessoms, G. (n.d.) What is the purpose of Nonprofit Organizations? Retrieved April 10, 2015, from http://smallbusiness.chron.com/purpose-nonprofit-organizations-56562.html

72. Simmel, G. (1994). Critical assessments. Retrieved January 7, 2015, from https://books.google.hr/books?id=fU73I9mSkAwC&pg=PA43&lpg=PA43&dq=psychical+motivation&source=bl&ots=K6_SKDqfno&sig=tXtYNl_ho8GrfRFmIl3gnpV_9cw&hl=hr&sa=X&ei=TGCuVIPfM4L7ywPP24GwAQ&ved=0CFUQ6AEwBw#v=onepage&q=psychical%20motivation&f=false

73. Stewart, M. (2010). Shifting the Trajectory of Civilization: Theories X and Y, Revisited. *Oxford Leadership Journal*, *1*(3), 1-5.

74. Suttle, R. (n.d.) What is a Self-Motivated Manager? Retrieved February 5, 2015, from http://smallbusiness.chron.com/selfmotivated-manager-35840.html

75. Šarar, I. (2015, January 13). *Unicult2020: Sveučilišni program za povećanje kulturnog kapaciteta Rijeke* [Unicult2020: University program for increasing culture capacity in the town of Rijeka]. Rijeka: Novi List.

76. Thomas, K.W. (2000). *Intrinsic motivation at work: building energy and commitment* (1st ed.). San Francisco, CA: Berret-Koehler Publisher, Inc.

77. Walesh, S.G. (2000). *Engineering your future: the non-technical side of professional practice in engineering and other technical fields* (2nd ed.). Retrieved January 12, 2015,

from
https://books.google.hr/books?id=PT7YsciprGwC&pg=PA101&dq=theories+x+and+y&
hl=hr&sa=X&ei=K2a1VJuCCYHnyQPxu4KICg&ved=0CBoQ6AEwAA#v=onepage&q
=theories%20x%20and%20y&f=false

78. Walton, G.M, Cohen, G.L., Cwir, D., & Spencer, S.J. (2012.) Mere Belonging: The Power of Social Connections. *Journal of Personality and Social Psychology*, *102*(3), 513-532.

79. Wei, L.T. & Yazdanifard, R. (2014). The impact of Positive Reinforcement on Employees' Performance in Organizations. *American Journal of Industrial and Business Management*, 4, 9-12.

80. Weisbord, E., Charnov, B.H., & Lindsey J. (1995). *Managing People in Today's Law Firm: The Human Resources Approach to Surviving Change.* Westport, CT: Quorum Books.

81. Werner, J.M., & DeSimone, R.L. (2009). Human Resource Management (5th ed.). Retrieved January 19, 2015, from https://books.google.hr/books?id=1nixs6VZnl0C&pg=PA53&dq=reinforcement+theory+of+motivation&hl=hr&sa=X&ei=e0m9VNv8EYLBPcaRgegN&ved=0CCIQ6AEwAQ#v=onepage&q=reinforcement%20theory%20of%20motivation&f=false

82. Wolf, T. (1999). *Managing a nonprofit organization in the twenty-first century.* New York: Fireside.

83. Zupan, N. (2001). *Nagradite uspešne: Spodbujanje uspešnosti in sistemi nagrajevanja v slovenskih podjetjih* [Reward the succesful: Originating efficacy and rewarding systems in Slovenian companies]. Ljubljana: GV Založba.

84. Zupan, N. (2009). Plače in nagrajevanje zaposlenih [Salaries and rewarding employees]. In Svetlik I., & Zupan N. (Eds.), *Menedžment človeških virov* [Human resource management] (pp. 521-565). Ljubljana: Tisk Littera Picta d.o.o.

APPENDIXES

TABLE OF APPENDIXES

Appendix A: Semi-structured interview with Davor Mišković

1. **As a manager in "Drugo more" you can introduce us to the organization the best. Could you describe organization's field of operations? Describe the structure of employees and hierarchy of decision making in organization.**

"Drugo more" is a nonprofit organization with a field of operations in art and culture. Managing functions are divided from executive ones. Managing functions include general meeting which occurs once or twice a year. It includes discussion about the most important problems and organization's strategy.

There are four full time employees, not including the director - manager of the organization. The hierarchy among employees exist, although it is much more flexible than in the profit sector. The way of commanding is also much more flexible, not even close to authoritative, but much closer to democrative. There is a high level of delegation of authorities in the organization, but responsibilities always stay in manager's domain - this is the result of legal framework, which does not support that kind of delegation.

Volunteers and part-time professionals are also considered as employees of the organization, but their contribution is more notable on some projects where the need for such workforce is needed. Part-time professionals are mostly different artists, theorists and writers, and their work in "Drugo more" can be observed like a kind of outsourcing.

2. **Comment your work in nonprofit sector, your motivation for work in that sector and in organization "Drugo more". Where does your motivation come from? Are you self motivated or being motivated by someone else?**

I think that intrinsic motivation arises from the interest for the field of art and culture. That is where most of my motivation comes from. My position as a manager in nonprofit organization and the kind of leadership is much harder to achieve in other sectors. The kind of freedom of decision-making and managing the organization is also much higher compared to other sectors, despite the fact that complete freedom of making decision never exists.

One of the examples can be "Molekula" - leadership on micro-level, contribution to society on micro-level. You think that you are doing something good for your society and that is motivating.

On the other hand, I experienced work in larger organizations, like Ministry of Culture. The fight for position (and for higher salaries) is stronger than ability to act, work and contribute. I would name that situation as the continuity of decision-making avoiding! Changes (on better) do not exist, actually nothing changes in our environment at all.

3. **Comment managing positions/functions in nonprofit sector, and the fact that most of the managing positions in the sector are being held by people with other professions (professionals from other fields - artists for example). Those professionals do not have any education in management, and yet they are forced to learn and run various organizations.**

Practice of managing is gained through experience. In the field of art and culture, orchestra conductors have the most similar job to the one of profit sector organizations' manager. They manage a number of highly skilled professionals, what makes the job even harder than in the case of regular managers. This fact was mentioned by Peter Drucker as well, and he actually thought that managers should learn from the case of orchestra conductors.

The fact that nonprofts are run by artists and other professions does not necessarily make an organization handicapped. I can give example of entrepreneurship. Many different professions enter into the world of entrepreneurship without any economic or management knowledge, but still success in their work. Creation and development of a product or service, creativity itself, makes such people successful, no matter the lack of management knowledge. Their entrance in business is also similar to the ones in nonprofit sector - they entered the market with an idea of creation, not making money as their primary goal.

4. Could you number the main problems in nonprofit organization's managers' motivation from your experience?

About the problem of motivation, I would rank administrative pressure as the main problem in the sector. What I mean under the term of administrative pressure is constant legal pressure which is only getting higher. Institutions require only greater number of documents, procedures are getting more complicated in finances, tax on cultural services is already involved (consequently making our services more expensive)... In short terms, administrative complexity is really decreasing my motivation.

Institutions actually "bypass" and transfer administrative costs on cultural subjects, like our nonprofit organization, which also reflects on time needed to get this done. In our case, number of issued documents can count a few tens of them (number of volunteer working hours, financial reports, programs reports, project reports, resources spending document, money spending document...).

Accountant knowledge is also required. Legal system is too complicated for small organizations. For example, it is required to own a firefighting document to run such organization. This is a problem because, first, it is expensive, and second, it is illogical, and not needed in any way. Law is constructed in a way that in practice cannot be performed.

All of these problems reflect on our motivation and decrease it. The system is not really adjusted for nonprofit organizations to function, just as for small entrepreneurship.

5. Comment overall employees' motivation in nonprofit sector. Could you differ full time employees from volunteers and others? Your personal opinion about the drives of their motivation from "Drugo more" example.

Volunteers work with the logic of gaining experience. Their motivation arises from their will to be a part of something, something you can see and feel, something you can contribute in - something where they see their work is resulting in some way.

Full time employees have a similar motivating engine, but they work more and they do some tasks which require higher level of responsibility. Their salaries are surely lower than the average of profit sector.

Our partners or part-time professionals are very important for our organization. They contribute with their knowledge and experience. Their motivation arises from the ability to unleash their potential and do what they actually want to do. Those professionals are mostly various artists, theorists or writers. They know that whole nonprofit sector is underpaid so they, in a way, agree to be underpaid as well.

An example can be given on one artist that worked with us on some projects, but also worked for a few large companies in a car industry, as an advertise designer. Despite the fact that he earned huge amounts of money in a car industry, he gladly accepted our offer to work on some projects, because he knew that the freedom of creativity is much larger in our organization. In a car industry, he had to follow some conventional rules, which led to market succes. But that did not mean, that he did the job as he wanted, and enjoyed in it. We allow such professionals to experiment, to try new programs, new solutions, to unleash and free their creativity. We represent their construction place.

A lot of succesful and innovative ideas were born in that way and in similar organizations. The role of small nonprofit organizations is similar to the role of some artists' service. Right for mistakes is typically larger in our case. Some of the projects turn out to be very successful, sometimes we fail, but balance really exists. This motivates artists and other professionals - challenges and experiments. Here, they do what they really enjoy in, and on other places they make others' wishes come true.

6. Give your opinion about the money as a motivation factor in nonprofit sector. Could you give your opinion having in mind different employees' levels in your organization? How does the financial situation affect nonprofit organizations?

We all live from money that we earn, so we cannot say it is not a relevant and important factor. We have to earn a minimum of financial resources to live our lives.

Our organization is very successful at fundraising. We have a long continuity of existence, which is not so often in a case of nonprofit organizations. The pressure of existence is all around us.

A sense for solidarity among employees is very important in organization's culture. Their cognition that one day they might work for a minimum salary, and the other for a higher - if organization prospers, is very important and reflects on motivation. We had a similar situation in our organization and employees reacted well.

Problems between volunteers and other employees (paid ones) do not exist. Volunteers work as much as they wish, their responsibilities and duties are much lower than in the case of full time employees. They are not given the tasks with high responsibility. In practice they do what they enjoy in, not what they are told to do, although sometimes the need for such tasks

occurs and they do it. The structure between volunteers and others gets constructed, and it results in a way that it seems like a profit organization, where everybody works for his salary. I think that people are fulfilled with the work itself in the organization. Everybody finds their own interest.

However it is true that money is less important as a motivation factor than in other fields.

7. What are the main problems in motivating other employees in your organization and how do you avoid them?

Recruitment and employees selection is done in a way that chosen ones have that sense for solidarity towards each other. Respect towards organization and its results are also very important. That results with no, or vey few number of employees' motivation problems. They are all aware that a good project will be recognized from media, donors and public, and they will benefit from it. In that way, everybody is motivated to work. Benefits from work are closely related with motivation.

I think that everybody is aware that I work more than employees - it is just the way it goes. I think that I am a positive example. They can see a leader which takes on responsibility and work.

Volunteers can learn from me as a manager of the organization. They came in a touch with something they could not learn through regular education.

8. Do you think that you can motivate your employees to be better in their work? How?

I think that I can and I do. How? Hard work and my vision of the organization's future.

9. Do you think that motivation is positively related with employees' willingness to work? Is there a difference between employees and yourself as a manager of the organization?

I think that it is positive. Motivation surely leads to stronger willingness to work, among employees and me as a manager. That can be visible from their solidarity towards each other and organization itself. How? They are ready to work more and harder, accept to work overtime, on weekends, even the jobs that they do not necessarily enjoy in.

Still, I have to emphasize that they are aware of the flexibility of the work in this sector and all its benefits. What I mean by that is, that they are rady to work more when needed, but know that when there is not so much work they can count on shorter working time. They can be sure that they can have a free day much easier than some employee in profit sector. Flexibility of the sector definitely increases motivation which results in their willingness to work.

The difference in willingness to work between other employees and me as a manager exists in a way that I carry the highest responsibility. Responsibility makes the difference and makes the work harder, so I think that I still have the highest level of willingness for this work.

If I had to compare the level of willingness to work between me and other employees and partners, I would say that smallest differences exist between me, full time employees and volunteers, while part time professionals carry lower levels in general.

The fact that they work on specific projects makes the comparison a little irrelevant because specific projects which they accept to work on, assume that their willingness to work on that project is high. Similar approach can be made with volunteers. You can actually predict that their willingness to work is high. Because it is their will to volunteer and work or not to.

Appendix B: Semi-structured interview with Nemanja Cvijanović

1. Please, describe your beginnings in nonprofit organization management and your work in nonprofit sector.

In 2000, together with my friends Igor Eškinja and Andrej Gagić, I started association called "Oblik i sadržaj" (Form and content). Our goal was to promote and produce contemporary visual arts in the town of Rijeka, region and on international level. The need for such association emerged because of one international exposition organization, and that was my first contact with management in art and culture.

Since I, in last ten years, along with my professional work in the field of contemporary visual arts, simultaneously worked on the development of culture politics and profession through nonprofit sector, I can say that most of my work was volunteer work. That counts for local, regional and international level in nonprofit sector.

Contemporary visual arts makes artist different than those from the past. Consequently, managing that field is more important. It is more important because of the message that this art carries. Unlike former, "beautiful" art from the past, contemporary art forces people to think and has a message that refers to whatever an artist can think of. Mostly those messages are sent to make our world a better place and to critic the movements that are negative.

2. Can you comment your motivation in your work and influence of financial motivation factors on your motivation?

In my 12-year work experience in nonprofit organization management, volunteering always prevailed any kind of paid work. Therefore I can surely claim that my motivation was not to earn, or any kind of financial benefit (salary, fees, financial bonuses).

My main motivation was and still is, social capital. What I mean by that is developing wide international network of professional co-workers and creating strong preconditions for contemporary art and culture development. This is done on a regional and international level.

Consequently, to achieve those goals you have to act and work. I was doing that through "Gallery SIZ" programs on local and international level. "Gallery SIZ", or "Samoupravna interesna zajednica" (Self-managing interest community) is an artist run space in the town of Rijeka. It gathers about 15 contemporary artists and some art and design collectives from Croatia, region and a few international artists. Gallery's main goal is market positioning with a different model of profit managing.

The base of our motivation arises from cooperation of our community and refers to common projecting and programs performance in our community.

3. Can you point the main problems in motivation in nonprofit secotr in the field of art and culture?

The main problem in motivation in nonprofit organizations in the field of art and culture from Croatia is non-existence of developed culture strategy. Consequently we face inadequate co-financing in arts and culture. The gap between Europe standards and Croatia in that field is too large. Mentioned problems reflect to our work, or better said, impossibility to work in wanted way, and finally decreases our motivation to work.

4. How do you see your employees' and co-workers' motivation? Do you have any problems with motivating them?

Until now, all of my co-workers, employees and volunteers whom i worked with, never had any problems with being motivated. I have never seen somebody being unmotivated, or needed to be strongly motivated to do the job. All of participants in the work of "Gallery SIZ" were already motivated just by the nature of the programs and projects that were done.

I understand the importance of money in life, but in my case that is just not what motivates me to do the job. If I compare it with other employees, I am aware that somebody gives the money bigger importance as a motivating factor, but overall I am sure that all participants in this field of nonprofit sector are not motivated strictly with financial motivation factors.

5. How do you motivate your co-workers and employees? Do you think that you have been successful in that part of your work?

I think that I managed and succeeded to motivate my co-workers and employees in my work. After four years of program managing in "Gallery SIZ" I motivated younger members of artist collective "Focus group" to involve and continue my work (Iva Kovač, Elvis Krstulović). I mentored them and left program managing in the next two years to them. I think that I have succeeded in motivating younger generations to do that work. I think it is important to leave such work, managing the association and professionals to younger people.

6. Do you think that motivation in your work and similar organizations is important?

Yes, I think it is. I am assured that employees in nonprofit sector in the field od art and culture are already motivated to do such work, but being motivated on your work by your manager is still very important.

In smaller sized nonprofit organizations the feel for motivation is slightly different because of the stick between all the employees and manager involved in its work. The influence of the manager in such organizations is still as important as in the case of larger organizations, but the relation is different. I could say it is almost a friendly relation with less pressure to work. This is something characteristic for small organizations in nonprofit sector, especially in the field of art and culture.

7. Do you think that motivation reflects to somebody's willingness to work? Is there any difference between you and other employees in nonprofit organizations?

I do. Motivating definitely leads to a higher willingness to work. I think that professionals and managers are slightly more motivated to do the job, and therefore have higher willingness to work. But, the difference, in my opinion is small, so there is almost no difference between me, as a manager and other employees in nonprofit organization.

Appendix C: Questionnaire given to nonprofit organizations' managers

PART 1 - MANAGERS - MOTIVATION FACTORS

Please, rate the following motivation factors from 1 to 5 (1 - "It doesn't motivate me at all", 2 - "Poor motivation", 3 - "Normal motivation", 4- "Good motivation" and 5 "Strongest motivation"). Motivation factors refer to your personal opinion and your work environment.

SALARY	1 2 3 4 5
VARIOUS FINANCIAL BONUSES	1 2 3 4 5
JOB CHARACTERISTICS	1 2 3 4 5
JOB SECURITY	1 2 3 4 5
SOCIAL BONDS	1 2 3 4 5
EMPLOYEES' RIGHTS	1 2 3 4 5
FRINGE BENEFITS	1 2 3 4 5
RECOGNITION	1 2 3 4 5
MENTORING/COACHING	1 2 3 4 5
SELF ACTUALIZATION	1 2 3 4 5
EMPOWERMENT	1 2 3 4 5
PROFESSIONAL NETWORK	1 2 3 4 5
FLEXIBLE DECISION MAKING	1 2 3 4 5
FREEDOM OF CREATIVITY	1 2 3 4 5

PART 2 - MANAGERS - MOTIVATION

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

 1.   Employees need to be motivated on work.

        1 2 3 4 5

2.   I motivate employees on the workplace.

        1 2 3 4 5

3.   I think that my behavior affect my employees.

        1 2 3 4 5

4.   I think I use right motivational skills which affect my employees.

          1 2 3 4 5

5.   I think my employees find my opinion important.

          1 2 3 4 5

6.   I respect a well done work from my employees.

          1 2 3 4 5

7.   Employees get a good feedback from me.

          1 2 3 4 5

8.   I am being supportive if employees do some kind of mistake.

          1 2 3 4 5

9.   I am ready to listen to my employees' opinion, even if it is a negative   one.

          1 2 3 4 5

10.   I advice my employees if they run to some kind of problem.

          1 2 3 4 5

11.   I think employees can learn from my example.

          1 2 3 4 5

PART 3 - MANAGERS - EMPLOYEES' WILLINGNESS TO WORK

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I think that, when needed, employees are willing to work more.   (hours)

          1 2 3 4 5

2.   I think that, when needed, employees are willing to work on   weekends.

          1 2 3 4 5

3.   I think that, when needed, employees are willing to do the jobs that   they don't enjoy in.

          1 2 3 4 5

4.   I think that, when needed, employees are willing to work on jobs   which aren't their primary work.

          1 2 3 4 5

5.   Employees do their jobs the best way they can.

1 2 3 4 5

6.   Employees contribute to organization's success the best way they can.

1 2 3 4 5

PART 4 - MANAGERS - MANAGERS' WILLINGNESS TO WORK

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I go to work happily.

1 2 3 4 5

2.   I accept to work overtime, extra working hours, when needed.

1 2 3 4 5

3.   I accept to work on weekends, when needed.

1 2 3 4 5

4.   I accept to work on some tasks which aren't my primary work.

1 2 3 4 5

5.   I accept to work on tasks and projects which aren't all as interesting to me.

1 2 3 4 5

6.   I identify organization's success with my own.

1 2 3 4 5

7.   I do my job and tasks the best I can.

1 2 3 4 5

8.   I enjoy in working on projects despite I don't directly benefit from   them.

1 2 3 4 5

Appendix D: Questionnaire given to "Drugo more" other full time employees

PART 1 - EMPLOYEES - MOTIVATION FACTORS

Please, rate the following motivation factors from 1 to 5 (1 - "It doesn't motivate me at all", 2 - "Poor motivation", 3 - "Normal motivation", 4- "Good motivation" and 5 "Strongest motivation"). Motivation factors refer to your personal opinion and your work environment.

SALARY	1 2 3 4 5
VARIOUS FINANCIAL BONUSES	1 2 3 4 5
JOB CHARACTERISTICS	1 2 3 4 5
JOB SECURITY	1 2 3 4 5
SOCIAL BONDS	1 2 3 4 5
EMPLOYEES' RIGHTS	1 2 3 4 5
FRINGE BENEFITS	1 2 3 4 5
RECOGNITION	1 2 3 4 5
MENTORING/COACHING	1 2 3 4 5
SELF-ACTUALIZATION	1 2 3 4 5
EMPOWERMENT	1 2 3 4 5
PROFESSIONAL NETWORK	1 2 3 4 5
FREEDOM OF CREATIVITY	1 2 3 4 5

PART 2 - EMPLOYEES - MOTIVATION

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I think I need to be motivated at work.

        1 2 3 4 5

2.   I am motivated to do my job.

        1 2 3 4 5

3.   Manager motivates me on my workplace.

        1 2 3 4 5

4.   Manager's behavior affects me on my workplace.

1 2 3 4 5

5.   Manager uses right motivational skills to motivate me.

1 2 3 4 5

6.   I respect and find useful my manager's opinions, critics and advices.

1 2 3 4 5

7.   My manager can motivate me to do the tasks which aren't as interesting to   me.

1 2 3 4 5

8.   I think I can learn from my manager.

1 2 3 4 5

9.   I find my manager's opinion about my work important.

1 2 3 4 5

10.   My manager respects a well done work.

1 2 3 4 5

11.   I get a good feedback from my manager.

1 2 3 4 5

12.   My manager is always ready to listen to my opinion (for negative information as well).

1 2 3 4 5

13.   My manager supports me if I do something wrong.

1 2 3 4 5

14.   My manager advises me constructively if I can't solve a problem myself.

1 2 3 4 5

15.   I find my manager as a good example to follow.

1 2 3 4 5

PART 3 - EMPLOYEES - WILLINGNESS TO WORK

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I go to work happily.

            1 2 3 4 5

2.   My colleagues affect positively on my willingness to work.

            1 2 3 4 5

3.   My manager affects positively on my willingness to work.

            1 2 3 4 5

4.   I accept to work overtime (extra working hours) when needed.

            1 2 3 4 5

5.   I accept to work on weekends, when needed.

            1 2 3 4 5

6.   I accept to work on some tasks which aren't my primary work.

            1 2 3 4 5

7.   I accept to work on tasks and projects which aren't all as interesting to me.

            1 2 3 4 5

8.   I do my job and tasks the best I can.

            1 2 3 4 5

9.   I identify organization's success with my own and am happy for its   success.

            1 2 3 4 5

10.   I enjoy in working on projects despite I don't directly benefit from   them.

            1 2 3 4 5

Appendix E: Questionnaire given to "Drugo more" volunteers

PART 1 - VOLUNTEERS - MOTIVATION FACTORS

Please, rate the following motivation factors from 1 to 5 (1 - "It doesn't motivate me at all", 2 - "Poor motivation", 3 - "Normal motivation", 4- "Good motivation" and 5 "Strongest motivation"). Motivation factors refer to your personal opinion and your work environment.

JOB CHARACTERISTICS	1 2 3 4 5
SOCIAL BONDS	1 2 3 4 5
EMPLOYEES' RIGHTS	1 2 3 4 5
RECOGNITION	1 2 3 4 5
MENTORING/COACHING	1 2 3 4 5
SELF ACTUALIZATION	1 2 3 4 5
EMPOWERMENT	1 2 3 4 5
PROFESSIONAL NETWORK	1 2 3 4 5
FREEDOM OF CREATIVITY	1 2 3 4 5

PART 2 - VOLUNTEERS - MOTIVATION

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I think I need to be motivated at work.

        1 2 3 4 5

2.   I am motivated to do my job.

        1 2 3 4 5

3.   Manager motivates me on my workplace.

        1 2 3 4 5

4.   Manager's behavior affects me on my workplace.

        1 2 3 4 5

5.   Manager uses right motivational skills to motivate me.

        1 2 3 4 5

6.   I respect and find useful my manager's opinions, critics and advices.

        1 2 3 4 5

7.   My manager can motivate me to do the tasks which aren't as interesting to me.

1   2   3   4   5

8.   I think I can learn from my manager.

1   2   3   4   5

9.   I find my manager's opinion about my work important.

1   2   3   4   5

10.   My manager respects a well done work.

1   2   3   4   5

11.   I get a good feedback from my manager.

1   2   3   4   5

12.   My manager is always ready to listen to my opinion (for negative information as well).

1   2   3   4   5

13.   My manager supports me if I do something wrong.

1   2   3   4   5

14.   My manager advises me constructively if I can't solve a problem myself.

1   2   3   4   5

15.   I find my manager as a good example to follow.

1   2   3   4   5

PART 3 - VOLUNTEERS - WILLINGNESS TO WORK

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I go to work happily.

1   2   3   4   5

2.   My colleagues affect positively on my willingness to work.

1   2   3   4   5

3.   My manager affects positively on my willingness to work.

1   2   3   4   5

4.   I accept to work overtime (extra working hours) when needed.

1   2   3   4   5

5.   I accept to work on weekends, when needed.

        1 2 3 4 5

6.   I accept to work on some tasks which aren't my primary work.

        1 2 3 4 5

7.   I accept to work on tasks and projects which aren't all as interesting to me.

        1 2 3 4 5

8.   I do my job and tasks the best I can.

        1 2 3 4 5

9.   I identify organization's success with my own and am happy for its   success.

        1 2 3 4 5

10.   I enjoy in working on projects despite I don't directly benefit from   them.

        1 2 3 4 5

Appendix F: Questionnaire given to "Drugo more" part time professionals

PART 1 - PROFFESIONALS - MOTIVATION FACTORS

Please, rate the following motivation factors from 1 to 5 (1 - "It doesn't motivate me at all", 2 - "Poor motivation", 3 - "Normal motivation", 4- "Good motivation" and 5 "Strongest motivation"). Motivation factors refer to your personal opinion and your work environment.

FEE AMOUNT	1 2 3 4 5
JOB CHARACTERISTICS	1 2 3 4 5
SOCIAL BONDS	1 2 3 4 5
RECOGNITION	1 2 3 4 5
MENTORING/COACHING	1 2 3 4 5
SELF ACTUALIZATION	1 2 3 4 5
EMPOWERMENT	1 2 3 4 5
PROFESSIONAL NETWORK	1 2 3 4 5
FREEDOM OF CREATIVITY	1 2 3 4 5

PART 2 - PROFESSIONALS - MOTIVATION

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I think I need to be motivated at work.

        1 2 3 4 5

2.   I am motivated to do my job.

        1 2 3 4 5

3.   Manager motivates me on my workplace.

        1 2 3 4 5

4.   Manager's behavior affects me on my workplace.

        1 2 3 4 5

5.   Manager uses right motivational skills to motivate me.

        1 2 3 4 5

6.   I respect and find useful my manager's opinions, critics and advices.

        1 2 3 4 5

7.   I find my manager's opinion about my work important.

            1 2 3 4 5

8.   My manager respects a well done work.

            1 2 3 4 5

9.   I get a good feedback from my manager.

            1 2 3 4 5

10.   My manager is always ready to listen to my opinion (for negative information as well).

            1 2 3 4 5

11.   My manager supports me if I do something wrong.

            1 2 3 4 5

12.   My manager advises me constructively if I can't solve a problem myself.

            1 2 3 4 5

13.   I find my manager as a good example to follow.

            1 2 3 4 5

PART 3 - PROFESSIONALS - WILLINGNESS TO WORK

Please, rate the following statements from 1 to 5 (1 - "I don't agree at all", 2 - "I don't agree", 3 - "Indifferent", 4- "I strongly agree" and 5 "I completely agree").

1.   I go to work happily.

            1 2 3 4 5

2.   My colleagues affect positively on my willingness to work.

            1 2 3 4 5

3.   My manager affects positively on my willingness to work.

            1 2 3 4 5

4.   I accept to work overtime (extra working hours) when needed.

            1 2 3 4 5

5.   I accept to work on weekends, when needed.

            1 2 3 4 5

6.   I do my job and tasks the best I can.

            1 2 3 4 5

7.   I identify organization's success with my own and am happy for its success.
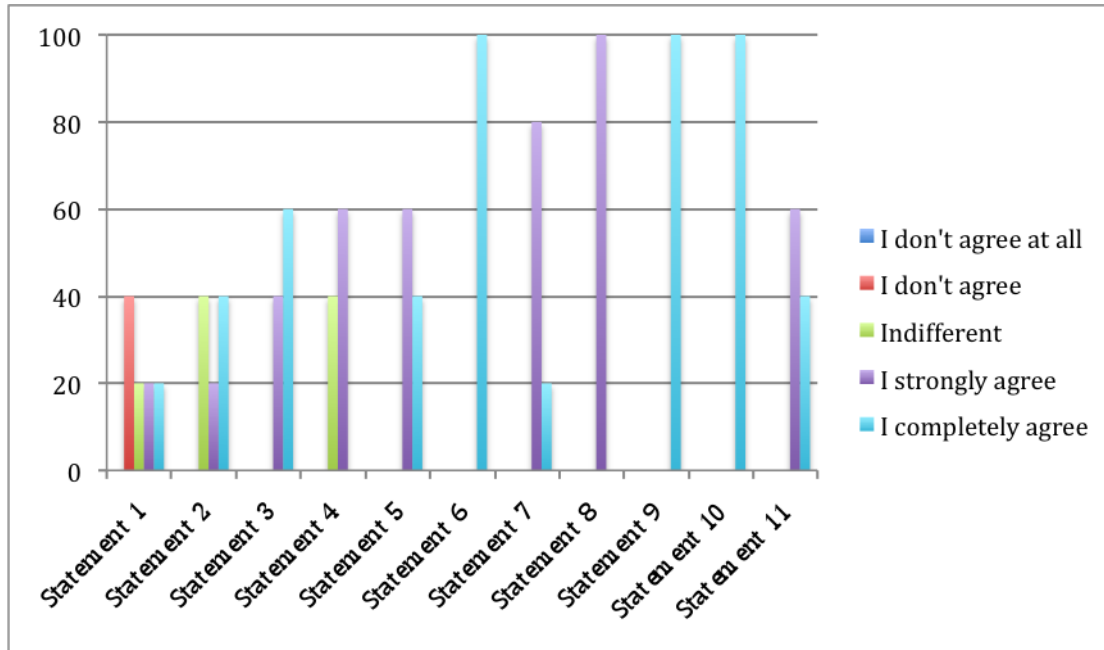
1 2 3 4 5

8.   I enjoy in working on projects despite I don't directly benefit from them.

1 2 3 4 5

Appendix G: Managers' statements ratings dispersion (Appendix C)

Figure 1. Managers' questionnaire part 2 - statemets ratings dispersion

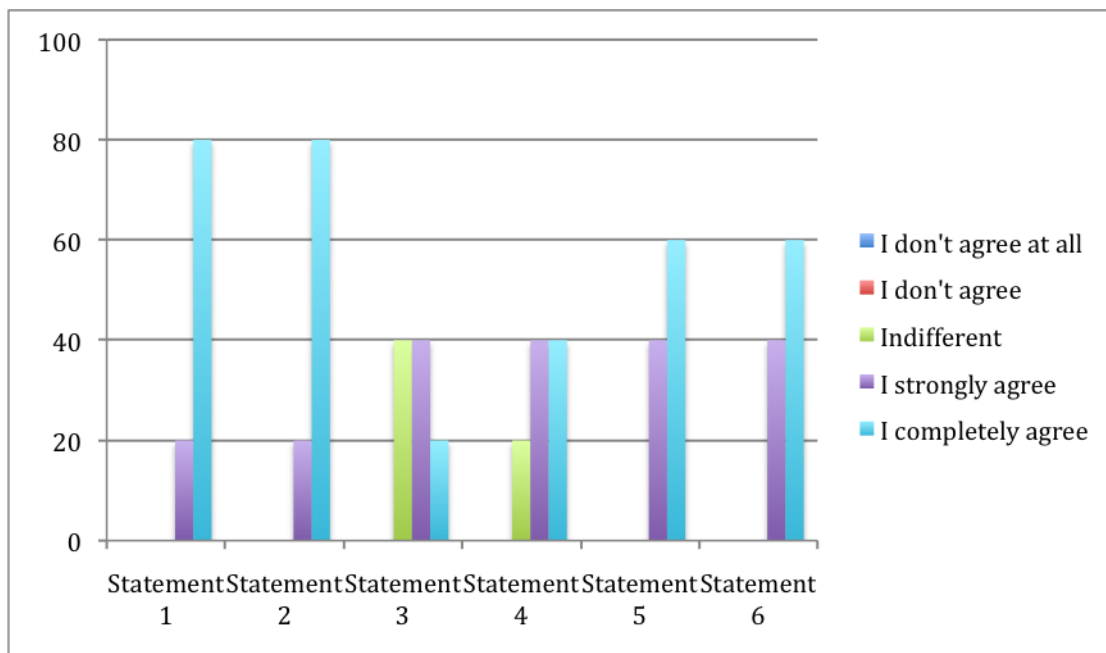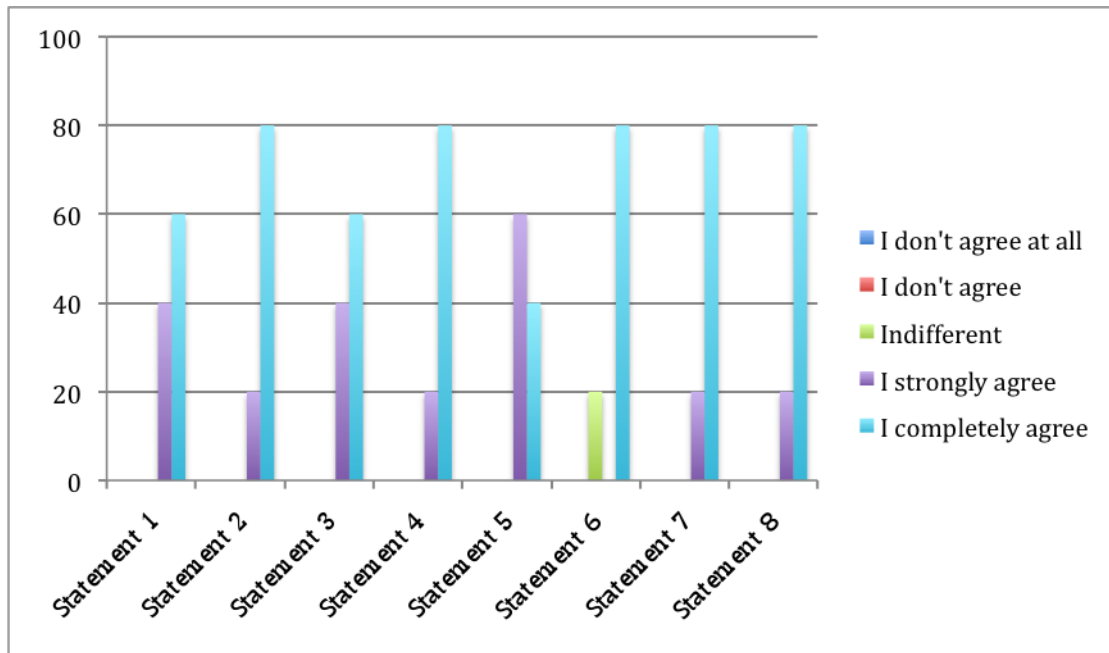*Figure 2.* Managers' questionnaire part 3 - statements ratings dispersion

Figure 3. Managers' questionnaire part 4 - statements ratings dispersion

Appendix H: Other full-time employees' statements ratings dispersion (Appendix D)

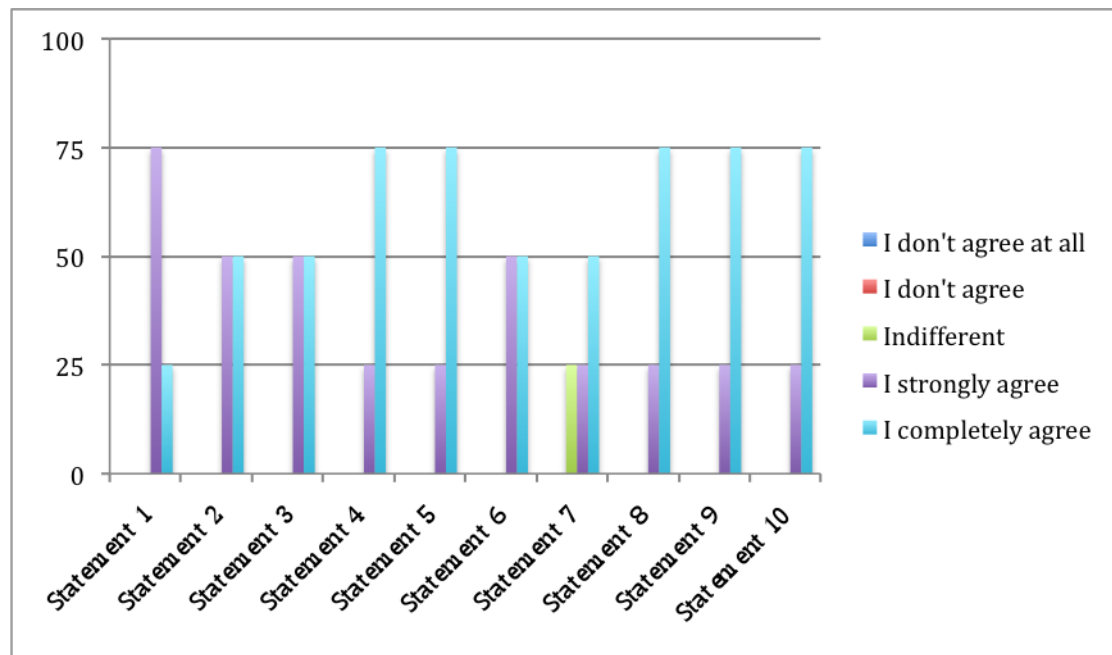*Figure 4.* Other full-time employees questionnaire part 2 - statemets ratings dispersion

Figure 5. Other full-time employees questionnaire part 3 - statemets ratings dispersion

Appendix I: Volunteers' statements ratings dispersion (Appendix E)

Figure 6. Volunteers' questionnaire part 2 - statemets ratings dispersion
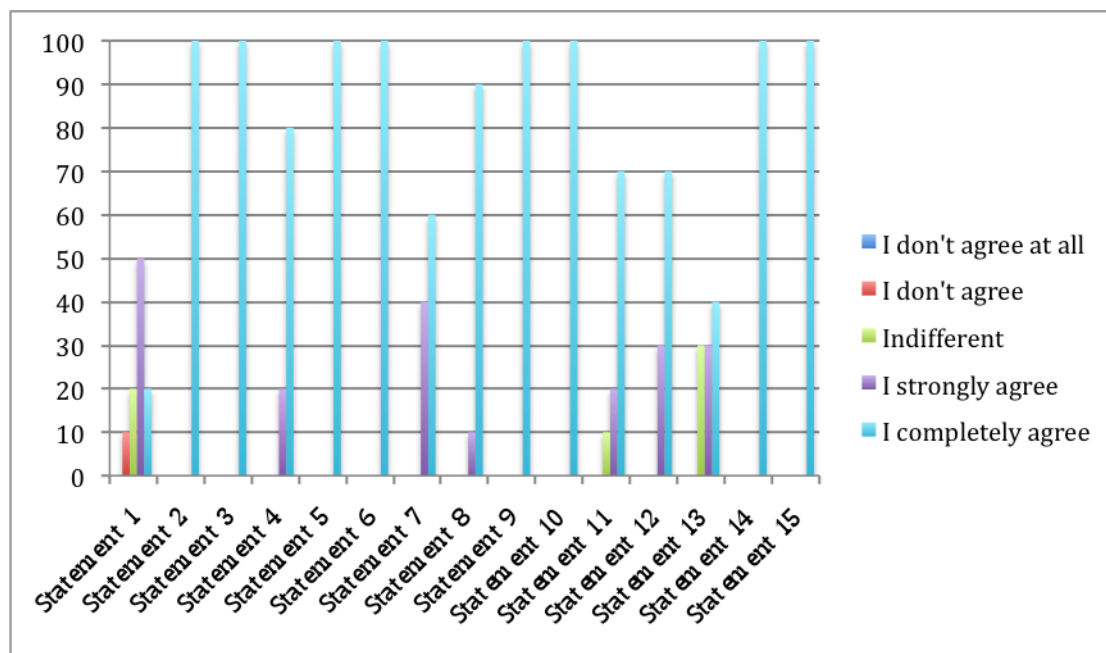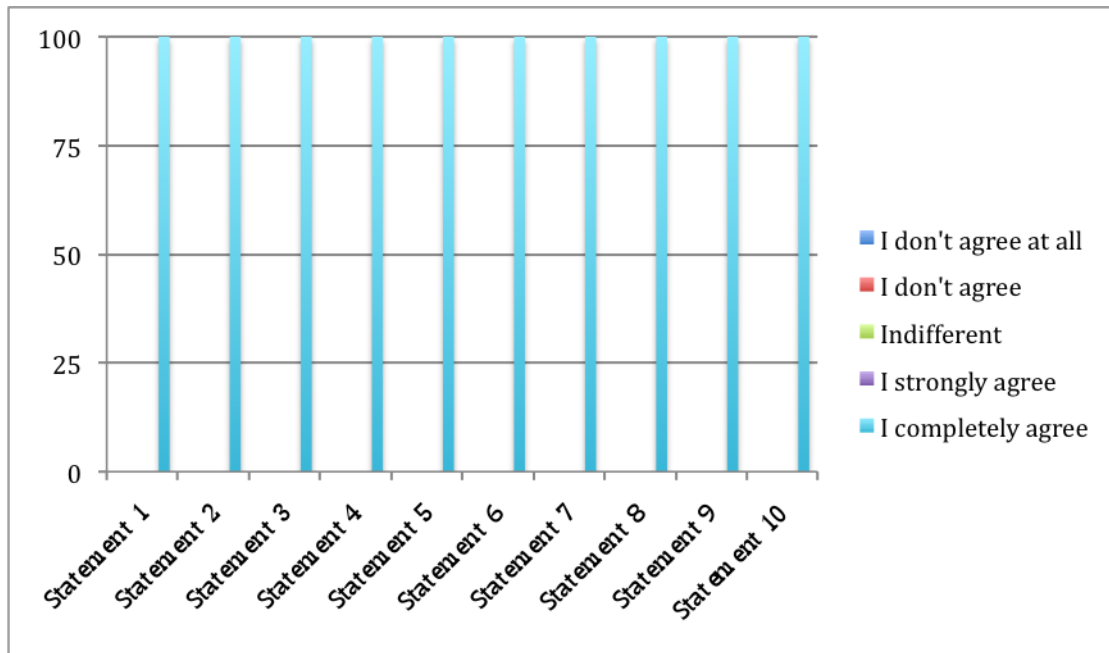
Figure 7. Volunteers questionnaire part 3- statemets ratings dispersion

Appendix J: Part-time professionals' statements ratings dispersion (Appendix F)

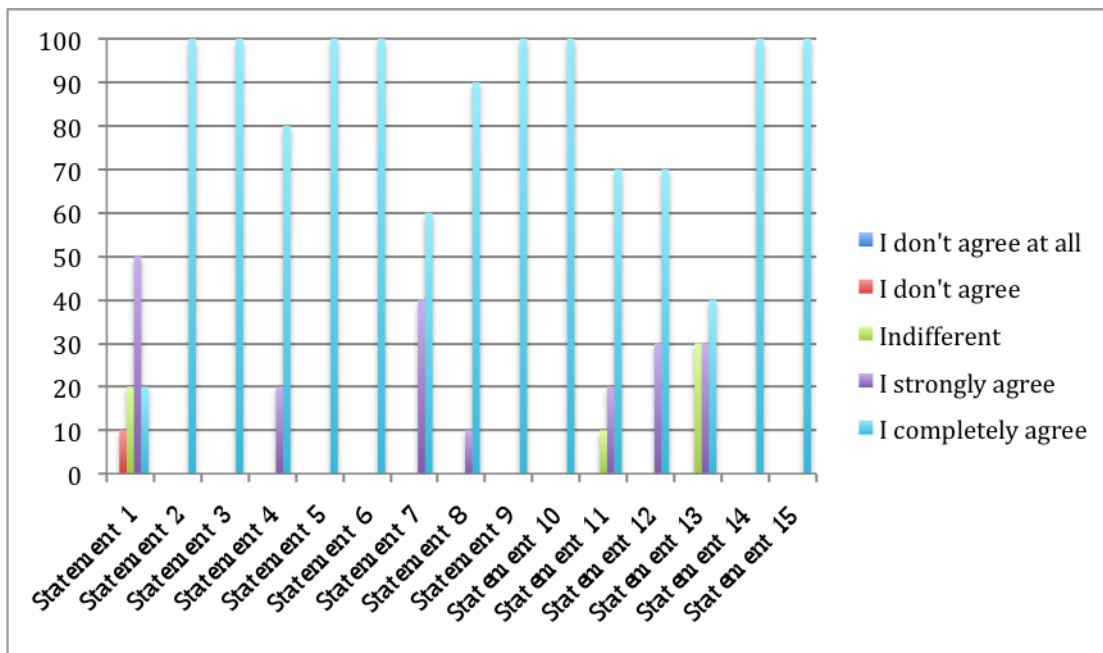*Figure 8.* Part-time professionals questionnaire part 2 - statements ratings dispersion
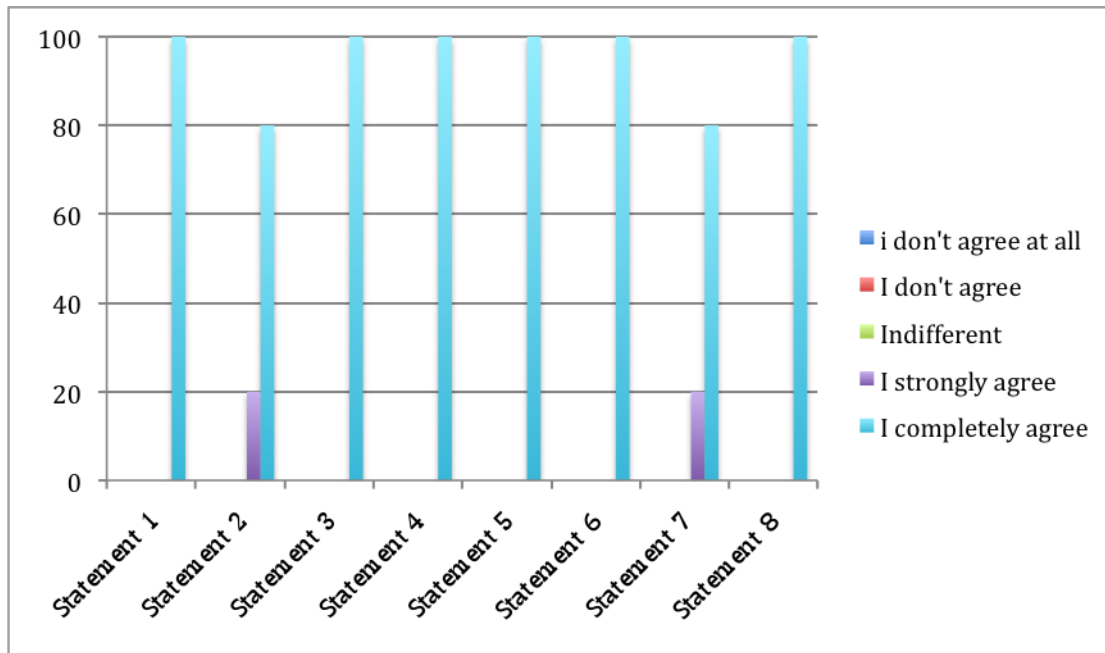
Figure 9. Part-time professionals questionnaire part 3 - statements ratings dispersion

Appendix K: Povzetek magistrskega dela v slovenskem jeziku

Neprofitni sektor je zelo poseben ter pomemben del naše družbe in okolja. Organizacije, ki delujejo v neprofitnem sektorju, zagotavljajo tiste izdelke in storitve, ki jih organizacije iz profitnega sektorja ne morejo ali ne želijo zagotoviti. Ena izmed najbolj zanimivih vej neprofitnega sektorja je vezana na umetnost in kulturo.

Zanimivo je preučiti, na kakšen način se menedžment, ki je pogosto povezan samo s profitnim sektorjem in velikimi korporacijami, vključuje v neprofitni sektor na področju umetnosti in kulture. Poleg dejstva, da morajo menedžerji uspešno voditi organizacijo in skrbeti za njeno finančno stabilnost, se v neprofitnem sektorju, še posebej na področju umetnosti in kulture, soočajo s kompleksno strukturo zaposlenih v svojih organizacijah.

Neprofitne organizacije se razlikujejo od profitnih v samem bistvu. Poleg tega, da ponujajo storitve, ki jih profitne organizacije ne morejo ali ne želijo ponujati, je razlika opazna že v samem poimenovanju. Različni avtorji različno definirajo neprofitne organizacije, vsem pa je skupno, da se od profitnih razlikujejo po tem, da pri njih doseganje dobička ni glavni cilj obstoja. Na najpreprostejši način torej neprofitne organizacije definiramo kot organizacije, ki v nasprotju od profitnih ne sledijo maksimiranju dobička kot glavnemu cilju svojega obstoja. Pomembno pa je poudariti, da neprofitne organizacije, kljub dejstvu, da doseganje dobička ni njihov glavni cilj, smejo dosegati dobiček iz svojega poslovanja.

Neprofitne organizacije v zgodovini človeštva obstajajo že od nekdaj. Nekateri avtorji v to kategorijo organizacij postavljajo Katoliško cerkev in celo knjižnico v Aleksandriji iz časa antičnega Egipta. Neprofitne organizacije so se od takrat spreminjale, sodobno obliko pa so začele dobivati v 20. stoletju, ko so v Združenih državah Amerike doživele močan razvoj. Sodobne neprofitne organizacije z vidika pravnoorganizacijske oblike večinoma delimo na: podjetja, zavode, ustanove in društva.

Menedžment v neprofitnih organizacijah se razlikuje od menedžmenta v profitnih organizacijah. Razlike v glavnem izhajajo iz značilnosti neprofitnega sektorja in organizacij znotraj njega ter različnih vej v neprofitnem sektorju. V literaturi opisane sodobne funkcije menedžmenta v neprofitnih organizacijah se razlikujejo od avtorja do avtorja. Večina avtorjev kot najpomembnejše navaja načrtovanje, organiziranje, menedžment človeških virov, motiviranje ter t. i. fundraising in kontroling. V magistrskem delu se osredotočamo na motiviranje kot eno izmed najpomembnejših funkcij menedžmenta v neprofitnih organizacijah.

Motivacijo je zelo težko opredeliti. Čeprav obstajajo številne definicije motivacije, je težko izbrati in določiti tisto, ki bi bila idealna za uporabo v menedžmentu.

Med številnimi avtorji izpostavljamo definicijo Chopra, ki navaja, da je pri ljudeh motivacija proces pridobivanja pravilnih in želenih stvari, ki jih želijo doseči. V magistrskem delu so predstavljene različne motivacijske teorije, ki so izhodišče različnih motivacijskih dejavnikov in načinov motiviranja, ki jih lahko uporablja menedžment. Zajeti so finančni in drugi dejavniki motiviranja, ki neposredno vplivajo na motivacijo zaposlenih in menedžerjev v organizacijah.

Raziskovalni del magistrskega dela temelji na rezultatih dveh večjih intervjujev in več anket, izvedenih med zaposlenimi v neprofitni organizaciji "Drugo more" iz Reke in pri več menedžerjih podobnih organizacij z istega področja. Ankete so bile sestavljene posebej za vsako od štirih različnih vrst zaposlenih v organizaciji: redno zaposleni menedžerji in zaposleni, občasno zaposleni volonterji in honorarno zaposleni profesionalci. Zaključki so bili izpeljani na podlagi rezultatov anket in odgovorov menedžerjev v intervjujih.

Rezultati raziskave so pokazali, da so motivacijski dejavniki, ki neposredno vplivajo na motiviranost zaposlenih v neprofitni organizaciji "Drugo more" in v podobnih neprofitnih organizacijah, večinoma nefinančni. Čeprav so med različnimi skupinami zaposlenih prisotne majhne razlike, je mogoče sklepati, da so finančni motivacijski dejavniki ocenjeni precej slabše od drugih navedenih motivacijskih dejavnikov.

Nadalje so rezultati anket in odgovorov v intervjujih pokazali, da se odnosi med menedžerji in različnimi skupinami zaposlenih razlikujejo, predvsem zaradi razlik med redno zaposlenimi, honorarno zaposlenimi in volonterji. Kljub temu pa je vpliv menedžerjev na motivacijo vseh skupin zaposlenih pozitiven in močan. Vse skupine zaposlenih so pod močnim vplivom menedžerjev in tudi cenijo njihovo mnenje.

Ob koncu je raziskava pokazala tudi, da je želja po delu v pozitivni korelaciji z motivacijo zaposlenih. Iz rezultatov je razvidno, da je želja po delu nekoliko višja pri skupinah zaposlenih, ki so v organizaciji občasno zaposleni, in pri volonterjih ter honorarno zaposlenih kot pri redno zaposlenih. Čeprav je motivacija redno zaposlenih nižja od drugih skupin zaposlenih, je želja po delu še vedno na zelo visoki ravni. Sklepamo lahko, da motivacija pozitivno vpliva na željo po delu pri zaposlenih v neprofitnih organizacijah, ki so podobne neprofitni organizaciji "Drugo more".