

# **Reframing the Employee Motivation Research The Need of Considering the Social/Economic Environment The Evidence of Greek Structural Design Engineers During the Economic Crisis**

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## **ABSTRACT**

Nowadays the modern business operates in an ever-changing environment that is strongly influenced by technological, political, social, economic and scientific developments. Its future and success are based on its ability to manage properly and to develop its human resources that are the most important and at the same time the most difficult resource. During the last period because of the economic crisis that started on 2008 the work environment worldwide changed in a great number of organizations. This sudden change of organization generated new topics in the field of organizational research. The motivation in the workplace has been explored by many scholars throughout the world. The uniqueness of each employee, his interaction with the working environment and the management of the enterprise, the social context of each age and the changing needs of the individual in it, make it difficult to find the “absolute” motivation factors, effective for every employee.

The current research focuses on the in-depth analysis of a small group of employees (qualitative research) in a workplace with a strong influence from the economical crisis, although in the past years was one of the main sectors of the economy. The purpose of this paper is to contribute to existing research on motivation in the workplace by exploring the motivation factors in a dynamic environment, taking into account the social/economic environment and the specific characteristics of the target population. The outcome of the current survey highlights the need of considering the social /economic environment that the survey conducted in.

## **Introduction**

Employee’s motivation contributes to their capacity utilization in order to improve their efficiency and satisfaction. Atkinson (1964) defines motivation as “the control or direct influence on the direction, the courage and the persistence of an act”. Other researchers define it as the internal power that guides human behavior. According to Bourantas (2015), motivation could be defined as "the internal process of pushing man's behavior toward the goals whose realization has the consequence of satisfying his needs". People behave in a certain way because they have certain needs that they want to satisfy. Although

many researchers have attempted to come up with a clear definition of motivation, there seems to be no general agreement about how the term should be defined.

A detailed definition was presented by Analoui (2000) who illustrated that “motivation is the internal drive necessary to guide people’s actions and behaviors toward achievement of some goals. This drive comes from the desire to satisfy certain needs and expectations (Mullins, 2005). Similarly, Kast and Rosenzweig (1979) define motivation as “what perhaps prompts a person to act in a certain way or at least develop a propensity for specific behaviour.” Other researchers see motivation as an internal state that encourages people to behave in a certain way in order to accomplish specific desired goals.

The systematic review of the literature highlights the different approaches to motivation in the workplace. In this research work, the current approach emphasizes on the dynamic and multiple nature of motivation in the workplace as described by a large number of authors. (Hitka and Balazova, 2015 - Elizur, 1994 - Nujjio & Meyer, 2012 - Muslim, Dean & Cohen, 2015 - Kovach, 1995 - Kinnear & Sutherland, 2000 - Hossain & Hossain, 2012 – Jelacic, 2011 - Hitka et al., 2015). According to the above researches the motivation factors are depending on variable factors such as:

- human needs
- social conditions and lifestyle
- internal and external organization environment
- location (country) of the survey
- economic situation - social status of the employee
- standard of living
- employee sex and age
- employee position in the business and his income
- characteristics of the population to be studied and the labor market
- economic environment (normal conditions / economic crisis)

Greece has been in the middle the ongoing debt crisis since November 2009. The above crisis has a series of negative social and economic impacts The major problems are the vicious circle of recession, the unemployment, the pressure on the middle and social class, the rise of the homeless, the increase of desperate people and the deterioration of public health. There was a significant fall in the levels of poverty and a reduction in the well-being of Greek people. Economic crisis is a threatening that influences individual’s approaches in social life and the workplace.

The current research taking into account that social/economic environment, choosing an interesting target population and using the qualitative research method as a tool explores the motivation during the economic crisis, proposes a research framework.

Then adopting Mason’s (2017) consideration generalizes that framework as appropriate for any the motivation research.

## **Mapping motivation research**

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

- Motivation Theories (Content vs. Process theories)

Content theories of motivation are based on the assumption that all people have a similar set of (unchanged) human needs and behave to meet these needs. Meeting these needs is a motivation factor. At the other hand Process theories consider that the behavior of the employees is determined and shaped by both the external and internal environment. Process theories assume that although the needs of individuals are similar, the importance and weight of them are different for the individual (dynamic view) and leads to different behaviors. (Mohammad et al., 2014)

- Extrinsic / intrinsic motivation factors

A large part of the literature on work motivation has been developed around the distinction between extrinsic and intrinsic motivation. (Gerhart & Fang, 2015). The external motivation concerns the formation and maintenance of a particular behavior, linking it to a specific group of (desirable by the employee) benefits (Ryan & Deci, 2000). Intrinsic motivation, on the other hand, results from the inner, psychological needs of the individual and their satisfaction through work. The behavior with intrinsic/ internal motivation is observed when there is no apparent reward other than the activity itself (Deci, 1975).

- The dynamic and multiple character of motivation

Motivation in workplace is one of the most discussed subjects in organizational studies, and more generally in social sciences. As an object in direct relation to human behavior and internal psychological and cognitive processes, motivation is directly influenced by the specific environment (Hitka et al., 2015) in which each person operates (socio-economic-working environment). Despite the many related theories and approaches that have been developed, the many studies that have been conducted, no approach about work motivation has so far been able to offer a satisfactory holistic interpretation of the phenomenon (Latham, 2012), in order to develop a unified theory. Hitka and Balazova (2015) pointed out in their research that motivation factors vary according to:

- human needs,
- social conditions and lifestyle and
- the internal and external environment of the company (Mikro-Makro environment).

### **Social/ Working Environment of Greece**

Due to the impact of the economic crisis and the high and constantly increasing unemployment rates, there is a significant fall in the levels of poverty in Greece and a reduction in the well-being. The austerity program includes reduction of the Public Sector expenses and wages, gradual elimination of various subsidies (health, education)

and social welfare payments, harsh taxation and pension cuts.

The above situation has a series of negative social and economic impacts on the society. The principal ones are the vicious circle of recession, the pressure on the middle social class, the rise of the homeless, the increase of desperate people and the deterioration of public health (Markovits, 2008).

The impact of the crisis on jobs was different in each workplace. More jobs were lost to industry than to services, while employment in agriculture looks to have come to a limit. As far as professional gradation is concerned, the crisis seems to have altered the composition of the workforce.

Directors, technicians and related professions, account for more than 50% of total employment decline. Qualified and semi-skilled workers in manual occupations also experienced significant job losses. Permanent employment (the common form of work in Greece) has declined in recent years, while part-time work has increased. In 2012, 10% of all workers in Greece were on fixed-term contracts and 7.7% a hundred of them worked part-time, compared with 13.8% and 23.1%, respectively, in the European Union. The above data does not include non-standardized forms of self-employment considered as self-employed. (Matzaganis, 2013).

More than one third of the total Greek workers are self-employed, the highest percentage in the European Union. The above population is a relatively heterogeneous group, consisting of farmers with often small land plots, shop owners, other traders, self-employed and members of the freelance professions (law, medicine and engineers). Above group also include an unknown number of employees who provide dependent work that translates into self-employment by providing services to a single provider in a continuous manner, hence acting as employees (OECD 2010). In the self-employed sector, a large number of businesses were closed, resulting in job losses. At this point, it would be useful to point out that an unknown number of self-employed seem to hold a job, even if the business is their net income is zero. This is a case of engineers who have been left with little or no job activity due to the great crisis in the construction sector (Stathakis, 2008).

While job losses have reached an abnormally high number, on the other hand the loss of income for those who are still working is also important (Tsekos, 2015).

The average real gross earnings of workers have lost more ground since the beginning of the crisis than it was acquired over the nine years prior to that. In particular, having increased by 23% in the period 2000-2009, in 2013 the average earnings had fallen below the 2000 level by 9%. Overall, a decline in earnings over the period 2009-2013 was over 26% on average (gross earnings). The increasing tax pressure has brought the above loss even more pronounced in clean terms. Profit from self-employment also declined, but in this case reliable estimates are difficult to record. Note that the above applies to the official sector of the economy. In the so-called informal sector (part of the construction industry, agriculture, tourism and other services), where employers are subject to fewer restrictions, the losses are more (OECD, 2010).

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

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

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

- the specific characteristics of the target population and the its working environment (Greek labor market),
- the work identity of each employee (sample-case studies),
- as well as the socio-economic context in which the research was conducted (economic crisis).

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

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

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

### **1- Greek Labor Market**

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

### **2- Target population**

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

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

### **3- Sample- Independent variables/and later thematic units.**

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

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

- Employee financial status

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

#### **4- Motivation factors**

During the interviews, a great number of motivation factors are investigated, discussed and highlighted, such as:

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

#### **Motivation during the economic crisis**

The analysis of interviews/case studies show that during the period of the economic crisis in Greece, the motivation factors were transformed and adapted to the new needs of the employees. Specifically:

- The motivation factor of stability and security has been replaced by need to belong to a social/working environment (influenced from Social/economic environment).
- The characteristics of the job (interesting job, personal responsibility for the result, job that requires knowledge and skills and can be fulfilled from start to finish) continued to motivate the employees but their influence is limited (influenced from target population)
- The characteristics of the good manager/leader (as a motivating factor) have also been modified by a "person responsible and a man with knowledge and skills to solve any technical problem at work" to "the one who will discuss with their employees their day to day problems, support them and

- would be their link with the Management team (influenced from Social/economic environment)
- The need for communication/information from management about the current situation, future actions and the plans to exit from the crisis has emerged as a key driver of motivation (influenced from Social/economic /firm's environment).
  - A form of social equality/sharing of economic losses act as a motive. The financial difficulties combined with the parallel reduction of income they face make them feel socially degraded while their employers still hold their position. Employees are looking to see the consequences of economic losses on their employers as well (Influenced from Social/economic/firm's environment).
  - The great importance of the alternative (working) choices available to employees (described as Employee Professional Situation) and their current economic situation (influenced from target population/Greek labor market).
  - The need for communication and interaction with the management of the organization (influenced from social/economic /firm's environment).
  - The need to feel that the company understands employee's problems and supports them (influenced from social/economic /firm's environment)
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- The key role of the higher management as the main motivating factor (influenced from Social/economic/firm's environment)

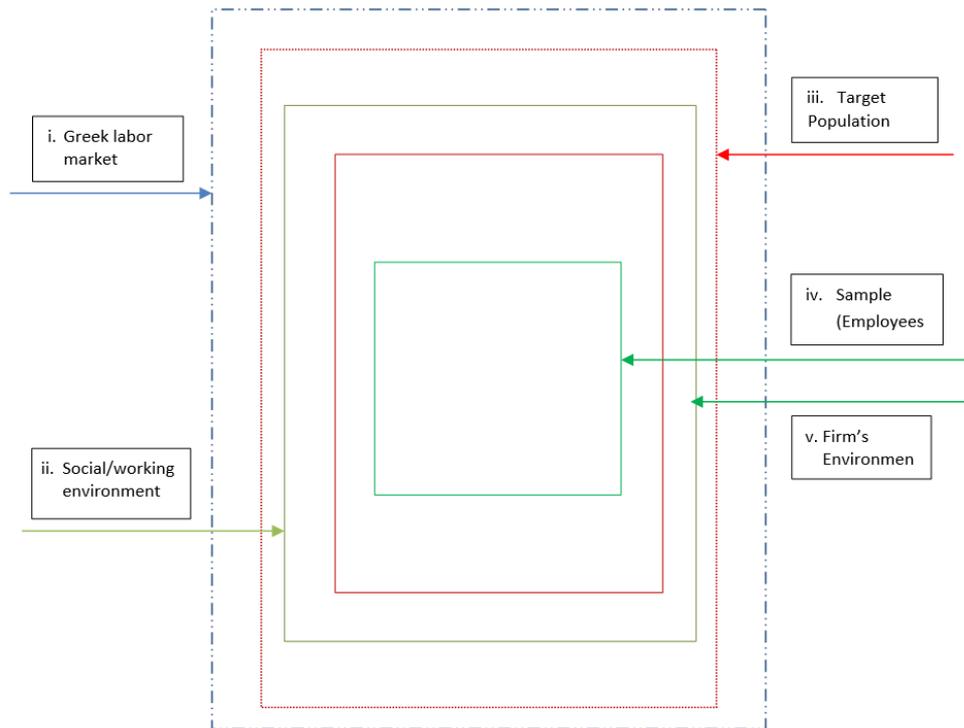
### **Proposed research framework**

Grouping above transformations during economic crisis, we conclude that a number of factors influenced motivation during economic crisis. These factors are:

- i. Greek labor market (High percentage of self employed, trend to self-employment)
- ii. Social/working environment (Economic crisis, insecurity, high unemployment, limited opportunities for development and achievement, reduction of wellbeing, need for belonging, need for communication).
- iii. Target Population (heavily affected by economic crisis, one of the main sectors of Greek economy, during last years upward social mobility -- job characteristics: interesting job with challenges, - Employee role combining freelancer features, High educated employees).
- iv. Firm's internal/external) Environment. (Need for: Communication, Support, Cover Social Needs)
- v. Sample. Employee characteristics – independent variables. (Current family status- Employee professional situation).

Based on the above considerations, the following schematic framework is presented (Figure 1) that is based on the current qualitative research during the Greek economic crisis.

**Figure 1.** Proposed framework (For motivation research)



The generalized mode, that compatible with the qualitative approach, is called the theoretical generalization. The findings of a specific 'local research' and the explanations given for these processes may be decisive or central to the development of a broader theory (Mason, 2017). Adopting above consideration) we can generalize Figure 1 and use that as a framework for any the motivation research.

### Epilogue

During the period 2008-2017 the working environment in Greece changed dramatically. When times change and society is in crisis the human Resources has a crash test. During this storm motivation in work place caught our eyes.

The first attempts to understand human motivation in workplace was that of Frederick Taylor (1911) and that of Elton Mayo (1933). Later, during 1950's and 1960's a great number of motivation theories (Maslow, Herzberg, Vroom, Adam, etc.) developed especially in USA. These theories reflect cultural and economic environment of that time, that it was a period of economic growth.

Adopting the approach of dynamic and multiply character of motivation and taking into account the conclusion of Hitka & Balazova (2015) that motivation factors vary according to the human needs, social conditions and life style, internal and external firm's environment, the current research based on its results, propose general framework for employee motivation research.

The generalized model (theoretical generalization) is compatible with the qualitative approach of the research (Mason, 2017). The findings of a specific

'local research' and the explanations given for these processes may be decisive or central to the development of a broader theory framework.

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