

2017

# Impact of reward management on employment retention and performance

Alexandrou, Georgios

Business Administration Programm, School of Economic Sciences and Business, Neapolis  
University Pafos

---

<http://hdl.handle.net/11728/10378>

*Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository*

**ΠΑΝΕΠΙΣΤΗΜΙΟ ΝΕΑΠΟΛΙΣ ΠΑΦΟΥ**  
**ΣΧΟΛΗ ΔΙΟΙΚΗΣΗΣ ΕΠΙΧΕΙΡΗΣΕΩΝ**  
**ΜΕΤΑΠΤΥΧΙΑΚΟ ΠΡΟΓΡΑΜΜΑ ΣΠΟΥΔΩΝ ΣΤΗ ΔΙΟΙΚΗΣΗΣ**  
**ΕΠΙΧΕΙΡΗΣΕΩΝ**  
**MASTER IN BUSINESS ADMINISTRATION – MBA**

**ΔΙΠΛΩΜΑΤΙΚΗ ΕΡΓΑΣΙΑ-BACHELOR'S THESIS**

“Impact of reward management on employment  
retention and performance”

Georgios Alexandrou

NUP ID 1143102384

Submitted in partial fulfillment  
of the requirements for the degree of  
Master of Business Administration,  
Neapolis University of Paphos, Cyprus

Advisor Dr Akrivos Christodoulos

## **Brief**

This study aims to assess the importance of rewarding experienced and high performing staff. During the times when the amount of financial rewards is restricted by the economic climate, retaining high performers with rewards has to be achieved while making all staff feel valued. Thus, this research study shall focus on identifying how these rewards impact employee performance and how well the current reward system operates.

The answers to all research questions will be based on literature review. Thus, by conducting a comprehensive review of the published work concerning the subject (Sekaran, 2003). The results of the literature review will lead to empirical research on the relationship between employee motivation and job satisfaction.

Table of Contents

<b>Chapter One</b> .....	5
<b>1.0 Introduction</b> .....	5
<b>1.1 Aim of the Study</b> .....	7
<b>1.2 Research Questions</b> .....	7
<b>1.3 Methodology</b> .....	8
<b>Chapter Two Review of Literature</b> .....	9
<b>2.0 Behaviour Motives</b> .....	9
<b>2.01 The Theories of Instincts</b> .....	9
<b>2.02. The Theories of Momentum and Strengths</b> .....	10
<b>2.1 The Categories of motives</b> .....	11
<b>2.2 The Concept of Motivation</b> .....	13
<b>2.3 Theories of motivation</b> .....	15
<b>2.3.1. Content Theories</b> .....	15
<b>2.3.3. The Theory of Two Factors - F. Herzberg</b> .....	18
<b>2.3.4. The Theory of Acquired Needs - D.Mc Clelland</b> .....	19
<b>2.4. THEORIES OF PROCEDURES</b> .....	20
<b>2.4.1 Goal theory</b> .....	20
<b>2.4.2 Target mechanisms</b> .....	21
<b>2.5 Examples of Dynamic Involvement of Employees</b> .....	22
<b>2.5.1. Direct manager-employee communication</b> .....	22
<b>2.5.2. Creating a positive climate in the work environment</b> .....	22
<b>2.5.3. Creating a winning climate</b> .....	23
<b>2.6 Teamwork incentives</b> .....	24
<b>2.7 Incentives of competition and moral incentives</b> .....	24
<b>2.8 The maintenance of motivation</b> .....	25
<b>2.9. Remuneration as a form of motivation</b> .....	26
<b>Chapter Third - Methodology</b> .....	28
<b>3.0 Methodological Design</b> .....	28
<b>3.1 Questionnaire</b> .....	28
<b>3.2 Sample and general elements of the survey</b> .....	29
<b>3.3 Method of analysis of research data</b> .....	29
<b>Chapter Four Results</b> .....	31

Chapter Five.....	40
<b>5.0 Conclusions</b> .....	40
<b>5.1 Recommendations</b> .....	42
References.....	45

## Chapter One

### 1.0 Introduction

Performance Management of Human Resources (Performance Management) is a process where corporate goals are identical to the agreed objectives of each employee individually, ways of measuring them, the time limit to have to carry them, and the personal development plan of each. Great emphasis is placed on training and personal development so as to achieve the corporate strategy and the creation of high performance workforce.

Performance Management debuted about 60 years ago as a process of defining employee salary. The companies used it as a motivational tool to increase their profitability. In practice it worked well, but only for those who had only their professional motivation of financial rewards. For employees, those who were looking to further their professional everyday personal development, improving business environment, or (later) a balance between work and personal life, up to then its performance evaluation methods were inadequate. This became very clear in the 1980s, mainly in the US and Britain, where it was found that there was a need for a different approach to manage and reward employees. Today there are more specific and specialized processes and techniques. Many of the earlier performance evaluation methods have been absorbed in what we call 'management' of performance that aims to provide a more holistic and interactive process of general Management. Concepts such as Talent Management, the Personnel Management by Objectives and Continuous Constructive Feedback are some of those which govern modern Human Performance Management models.

Human resources management refers to the practices and policies required for the care of the aspects which, of all the tasks of Management, relate to the matters of personnel. Specifically, these are the recruitment, training, evaluation, compensation and provision of a safe, ethical and fair environment for the employees of a company, in order to lead to employee retention and provision of incentives.

Employee retention relates directly to how employees are rewarded. Replacing employees in a company can be an arduous and expensive task. Even in more secure industries such as the public sector, performance needs to be managed and staff should be motivated as in

the private sector. Retention of experienced staff in both these industries is important, in order to create a competitive advantage and achieve organisational success. Motivation is a psychological process that stimulates, directs and maintains behaviour towards a target (Kostaridis-Euclid, 1997). Because, of course, motives cannot be observed, conclusions can be drawn from human behaviour. Specifically, stimulation answers the question why someone does something? The direction refers to why someone does these specific things and not something else? Finally, duration – retention tries to explain why someone continues to do something?

Torrington et al. (2011) describe the importance of workplace rewards as: Reward is clearly central to the employment relationship. While there are plenty of people who enjoy working and who claim they would not stop working even if they were to win a big cash prize in a lottery, most of us work in large part because it is our only means of earning the money we need to sustain us and our families. How much we are paid and in what form is therefore an issue which matters hugely to us (Torrington et al., 2011, p.514). Paying employees for productivity has been the cornerstone of industrial and business development for centuries. Financial reward has always been important in managing employee's performance, but over the last 25 years, other elements of compensation have developed to provide employers with more scope to reward, and thus, motivate employees. Armstrong and Taylor (2010, p. 331) state that *“performance is defined as a behaviour that accomplishes results. Performance management influences performance by helping people to understand what good performance means and by providing the information needed to improve it. Reward management influences performance by recognising and rewarding good performance and by providing incentives to improve it”*.

The rewards that we apply to both individual and team performances are therefore critical in determining how affective our reward strategy will be. Wilson (2003, p.128) describes rewards and their purpose as including systems, programmes and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance.

In particular, it is commonly accepted that understanding the motivation helps to understand the behaviour. Understanding the behaviour, in turn, leads to predictability of

behaviour, which, in the production area is a primary aim. If, now, we can predict a pattern of behaviour, we can influence the manifestation (change conditions, alter its characteristics). Based on this, we can make decisions about how we select the right people for the right jobs, what should be the proper training of employees, what are the most appropriate job design and work environment, how to coordinate efforts to increase job satisfaction, with the aim of increasing the productivity or improving the quality of the work produced. there is a close relationship between the parameters: motivation - performance - job satisfaction. Changes in one of these has an effect on the other (Berry & Houston, 1993).

### **1.1 Aim of the Study**

This study aims to assess the importance of rewarding experienced and high performing staff. During the times when the amount of financial rewards is restricted by the economic climate, retaining high performers with rewards has to be achieved while making all staff feel valued. Thus, this research study shall focus on identifying how these rewards impact employee performance and how well the current reward system operates.

### **1.2 Research Questions**

1. What is motivation and how are its different forms related?
2. How do the different forms of motivation influence employee satisfaction?
3. What is the impact of rewards on employee retention?
4. Does rewards lead to job satisfaction?
5. What is the impact of job satisfaction on employee retention?
6. What makes an employee loyal to a particular organization?
7. What are the antecedents of employee retention and how reward management affects employee retention?



8. What are the main factors associated with employee dissatisfaction and the role of reward management in employee retention.

### **1.3 Methodology**

The aim of this thesis is to elaborate on the relationship between employee intrinsic incentives and employee job satisfaction and to provide organisations and managers useful information on this topic. The answers to all research questions will be based on literature review. Thus, by conducting a comprehensive review of the published work concerning the subject (Sekaran, 2003). The results of the literature review will lead to empirical research on the relationship between employee motivation and job satisfaction.

## Chapter Two Review of Literature

### 2.0 Behaviour Motives

Motivation is one of the main study topics for psychology. By the term motivation of behaviour we mean the inner power that leads a person to an act. Much of the work done by researchers is based on experiments on animals that could more easily cope with experimental conditions, but there are also experiments in people trying to identify the conditions and conditions that direct human action. Psychological theories about behavioural motivations have their roots in hedonism, in the view that each body tends to seek pleasure and avoid pain. This trend leads to long-term action and decision-making aimed at positive results and the avoidance of negative ones. Such views have been backed by Bentham, Locke and John Stewart Mill.

Theories on behavioural motivations can be classified into 3 categories. 1. Theories of instincts 2. Theories of momentum and amplification 3. Cognitive theories

#### 2.01 The Theories of Instincts

According to the ethological approach animal behaviour can be interpreted based on instinct. This view, however, was later disputed after continuous experiments, and it was found that instinct is not the determining factor that was originally believed to have. It has been noticed that aggression, sexual behaviour, or motherhood have in many cases acted as learning behaviours and were determined by social factors in the environment they were living in. In the field of psychology according to Freud, if "instinct" is learned behaviour, then it is eliminated modified or substituted in the same way as acquired through learning. On the other hand, McDougal denounced instinct as "inherited or inherent predisposition, which causes the possessor to perceive or observe the objects of a class, to experience a particular kind of emotional upheaval when he sees a similar object and to act in a certain way with regard to this subject, or at least to experience a move towards a similar action "(Zergenhahn 2001).

## 2.02. The Theories of Momentum and Strengths

Theories of momentum argue that decisions about current behaviour are largely based on the consequences of the past. In essence, it is the "law of the result" according to Thorndike and the "hedonism of the past" as it was called by Allport (Hardy, 2000). According to Hull, the need for behaviour stems from the lack of uniformity, ie the imbalance between normal functions such as hunger or thirst. What exactly is the behaviour according to Hull is defined by the habit. That is, from the Stimulation-Response combinations. Thus push for action is a function of the intensity of the need and the intensity of the habit. Human motivations could not be interpreted satisfactorily by the theory of momentum, because an incentive situation can arise from an external stimulus and not an internal imbalance. This situation was called behaviour according to Pavlov's work and later with Skinner's work. Rewarding or rewarding behaviour can be considered as every enjoyable consequence for the individual. Thus, the correlation between behaviour and the pleasant consequence creates dependence, ie repetition of behaviour. There are two forms of dependent learning: 1. The classical dependence according to Pavlov (Zergenhahn 2001) 2. The conducive dependence according to Skinner (Zergenhahn 2001).

Their main difference is the effects of addictive behaviour. In conclusion, these theories are eradicated by Bandura's social learning theory (1969), the process of amplification becomes a subjective subject as it relates to the mental processes of the individual, interpreting in his own way the environment and the stimuli that exist in it. Bandura's theory was called "social cognitive theory," and we can say that it is the most important psychological theory that interprets "the social foundations of thought and action."

The German psychologist Kurt Lewin is the protagonist of human behaviour. Lewin's theory states that people at certain times have some physiological and psychological needs. This has two consequences: 1. These needs create tension that the individual tries to temper them by resorting to some action. 2. These needs have an impact on the attractiveness of some action-results to mitigate the tension situation

This attractiveness was named by Lewin as "courage," which is directed to the desired goal. As soon as the goal is achieved, there is a decrease in the intensity, the attractiveness of the target, and the forces that pushed the person towards there (Zergenhahn 2001). The basis of Lewin's theory is the expected value that the individual perceives in the action he is doing. In Lewin's cognitive theory the attractiveness is determined by the current processing of information and not by the past. This is how human thoughts and beliefs are being incorporated. A basic concept in Lewin's theory is the "living space" that states the psychological reality as perceived by the individual, which is not identical to the natural environment (Zergenhahn 2001). The environment is influenced in various ways to perceive the needs, values, and motives of the individual;

According to Lewin, behavioural determination is a function of the two:  $B = f(P, E)$  [the behaviour (B) is a function of (f) the person (P) and the environment (E)]. Cognitive theories of behavioural motivation have the following characteristics: 1. They are unrepresentative, ie they do not attach importance to past "stimulus-response" correlations, but to current beliefs and expectations of current information that the individual gets. 2. They are "the hedonism of the future," that is to say, the beliefs and expectations of the future are the determining role of the expected, that is, the correlation of response-outcome. 3. Behaviour is considered oblique and focal or directional, not mechanistic. That is, it is considered to be targeting a result. Since the 1960s, the theory of motivation, which is primarily based on cognitive thinking, focuses on logical and mental processes (Schultz, and Schultz, 2000).

## 2.1 The Categories of motives

According to many scholars, motivation is the most important element in the process of motivation. Incentives are what direct and give the person the impetus to achieve a goal. Incentives can be classified into three main categories (Luthans, 1992): i. The primary motives, which lie in the subconscious of man and relate to his basic needs. Primary incentives aim to reduce the intensity of basic needs. In this category are the motivation of thirst, hunger, sleep, avoidance of pain, etc. ii. The general motivations, which are inherent and not the result of learning. They relate to the nature of the human being but do not relate to their biological needs. In this category belong the motivation of the capacity that comes from the need of the person to

manipulate and control his environment, the motivation of the curiosity that is the result of the need of the person to know, the motivation of the activity connected with the need of creation and the motivation of love, the more complex motive because it is inherent but also as a degree acquired (Robbins, 2002).

iii. The secondary motives that the individual acquires during his or her life and are related to his / her environment. It is very important to study the behaviour of individuals in the context of their work. An incentive to be able to be classified into this class should be the result of learning. In this category are the motivation of social inclusion, motivation of success, prestige and power.

As we have seen above, the behaviour of the individual is determined by the motivations that direct it. Thus, the incentive with the most driving force is the one for which the employee will try more than the others who have less power. According to two surveys (Nirtin Nohria et al., And Linda-Eling Lee, 2008) conducted in large corporations, they show that each organization should emphasize four specific incentives to improve employee motivation and hence their performance

These are:

- ❖ The motivation of acquisition that is linked to the need of individuals to acquire material goods but also experiences that will help them to improve their social position. According to the above survey, organizations can respond to this motivation by providing a satisfactory reward system, linking reward to performance, distinguishing effective work performance, and enabling growth to efficient employees.
- ❖ The motivation of the bond that is the result of the need for the person to establish links with other individuals and groups in order to strengthen the feeling that the person belongs to a group he / she feels proud of. The response to this motivation is an organization that strengthens a culture that supports teamwork, values, cooperation, and is open to sharing good practices.
- ❖ The motivation of understanding connected with the need of the person to understand his environment. So, in order to fulfill this motivation, each job should be understandable, interesting and challenging for the employee.

❖ The motivation of defense, ie the need for the person to be protected from external dangers and to be fair. This motivation within the working environment translates into the desire of the employee to be able to freely express his ideas and views. Transparency and understanding of the procedures followed by the management of an organization and the fair distribution of resources among employees help to satisfy the defense of motivation. A notable finding of the above study is that non-satisfaction of the defense motivation is one of the reasons why some employees resist any kind of change in their working environment. According to the above survey, the motivation of employees depends on the satisfaction of all four quoted motives, which cannot be hierarchically addressed, and not one to replace the other. Ultimately, if an organization fails to respond to all four motivations then it is very likely that the employee is not profitable or even abandon his job. It is, therefore, perceived that an organization to ensure the participation of employees and the willingness to offer all their abilities to achieve the goals of the organization should provide them with the appropriate incentive

## **2.2 The Concept of Motivation**

Incitement is a basic psychological process, which is very important in the understanding of human behaviour and is interwoven with the concept of work satisfaction. Its complexity is evidenced by the fact that fifteen relevant theories are cited in the literature, supported by thirty-two deduction variants (Camilleri, 2007) According to Markovic (2002) for the English motif it is preferable to use the Greek word " Motivation "in relation to the word" incitement ". This is because the word "incitement" can also contain a negative meaning and be associated with the negative side of guiding individuals to selfish and dangerous goals. Etymologically, the term "motivation" stems from the Latin word movere which means "to move". In general, it is difficult to give a specific definition of motivation.

Some researchers mentioned by Atkinson (1964) argue that it is the inner force that guides human behaviour. Others believe it is an internal process that gives behaviour a purpose, while according to Maehr and Braskamp (1986) it is a process by which people possess the resources they hold, such as time, talent and energy as they desire. More specifically, we could define

motivation as "The emotional state that drives or motivates a person to act in a certain way" (Kosdidos, 2001). The majority of the definitions that have been given over time in relation to the above concept have a common denominator, relate to motivation with events or factors that activate, direct and maintain human behaviour over time.

In other words, motivation of employees is the force that is defined by the effort of individuals to satisfy their needs and urges them to act with enthusiasm and perseverance in order to achieve the goals set by the organization. The central concept of the term "motivation" is motivation or drive. Motivation is an internal power that comes from the existence of an emergency, which can be defined as a lack or as a normal or psychological imbalance of man. Needs and, by extension, motives can be primary (oxygen, food, water) or secondary (love, respect, etc.) and lead to the corresponding goal. A goal is defined as anything that can fully or partially meet this need (Buradas, 2002).

As a result of the above we can say that motivation is based on motivation, motivation has two dimensions, the inner one, which derives from the internal motives of each person and the external, which stems from the motivation of the environment to the public. John Adair (2004) calculates the participation of the two dimensions with the 50:50 rule, arguing that 50% of the incentives come from the individuals themselves, while the rest of the 50% from the environment, and especially from the leadership found in it. In conclusion, the three elements that define motivation in the working environment are effort, organizational goals and individual needs. The Motivation process according to RL Daft (2009) suggests that individuals have needs such as the need for money, or the need for achievement and recognition.

An unmet need creates the motivation that leads to a particular behaviour with the aim of satisfying it. In other words, the behaviour and generally the action of a person has as a purpose the satisfaction of his needs. Once a behaviour is considered to be successful, then the individual receives his reward in the sense that his or her needs are met. The reward therefore affirms that the person is behaving appropriately and that in order to achieve similar results he must continue in this way and in the future. We can distinguish two categories of rewards: internal and external rewards (Kenneth Wayne Thomas, 2002). Internal rewards come from the satisfaction the person feels when performing a job. It is the inner satisfaction experienced by the employee alone.

Examples of internal reward are the recognition and rewarding of an employee's efforts, the pleasant feeling of completing a project or solving a problem (Kazantzoglou, 2012).

External rewards are usually provided by third parties eg by the employer and include promotions, salary increases and supplementary benefits. Based on the category of rewards, it is also characterized by motivation in internal and external. From the above we find that analysis of the induction process presents difficulties because it is an internal process that is different for each employee. Naturally, a key element in motivating employee behaviour is to meet economic - basic needs. On the other hand, however, we must not forget that the category and the intensity of the needs are distinct for each individual and differentiated during their lifetime.

### **2.3 Theories of motivation**

The theories of motivation, in terms of work, are of particular importance in developing performance models of employee performance because they focus on work efficiency and the factors that improve it (Papanis, 2007). Of course, as we shall see below, no motivation theory can be applied in the same way because each employee is a different personality that reacts separately, resulting in different results. These theories are divided into two main categories. Induction theories of the first category examine the nature of motivation and are called content theories. While those included in the second category examine the process of motivation and are known as procedural theories. Additionally, some other equally important theories have been developed, which we could not incorporate into one of the above categories, such as the McGregor Douglas X and W theory.

#### **2.3.1. Content Theories**

Theories of this category examine what human needs, hierarchies and how people try to satisfy them. They try to investigate what really motivates the individual, that is, those factors that are incentives for positive or even negative behaviour. Some of the major scholars - theoreticians who have developed theories of this category are: A. Maslow, Cl. Alderfer, F. Hertzberg and D. McClelland.



These theories are a basic tool in understanding the content of motivation. On the other hand, however, their weak element is that they do not adequately analyze the factors that motivate individuals in their working environment and therefore can not be applied to human resource management themselves.

### **2.3.2. The Pyramid of Human Needs - A.H.Maslow**

Maslow in 1943 developed a theory according to which the human behaviour is defined on the basis of the needs that a person is required to satisfy. Thus he distinguished five categories of needs, which he ranked hierarchically on a scale of priority depending on the importance subconsciously attributed to each of them (Bourantas 2002). On the basis of this hierarchical pyramid are the biological (basic) needs that are associated with its existence as a biological organism, such as the need for oxygen, water, food, clothing, etc. These needs are the first that man tries to satisfy and their satisfaction is necessary for its survival. At the next level are the security needs that arise from the need of the person to feel the sense of certainty associated with his feelings and the feeling of his self-preservation. They refer to the existence of a stable and provide for an environment free from all sorts of threats and fears.

This category includes the need to secure work, housing, care, etc. And in general the need for a decent living. Here are the social needs that include the need for the person to social contact, social relations, acceptance and friendship. At the penultimate level are the needs for assessment (or recognition). The person does not only have the need to belong to a group, but also has the desire to be recognized and enjoy the appreciation of his environment. Self-esteem, power, reputation, self-esteem, importance, third-party appreciation represents the main needs of this category. Finally, at the top of the hierarchy of human needs lies the need for self-realization related to the spiritual and psychological existence Person. In this category belongs the need of the individual to fulfill his goals and to achieve his ideals. We could say that the needs of this category are more abstract and represent the internalized values of each person (Papanis, 2007).

According to the above theory, every need at the bottom of the pyramid has a priority over a need that is higher on the scale. When, then, the needs of one level have been satisfied, then the individual is active to meet the next level needs. On the other hand, the more a need is met, the

less an incentive factor. Later in 1968 Maslow himself improved his theory and stressed that satisfying the need for self-realization leads the individual to seek greater satisfaction.

The theory of Maslow's hierarchy of needs, although not developed to apply to the workplace, has been the basis for the application of various employee motivation systems. The most important element is that the satisfaction of basic needs is the primary pursuit of the individual, but it is not the only incentive factor. According to Yseresis (2001), subsequent researches (1972, 1976) revealed that if a person has satisfied the needs of a level, he will not always seek to meet the needs of a higher level and that a need for full satisfaction is impossible. This is because the hierarchy of needs and their degree of importance depends on several variables that Maslow had ignored in his study, such as age, character, cultural and social level, or even the environment of each individual.

### **2.1.2. Theory of Needs - Social Relations C.D. Alderfer**

Starting from the pyramid of Maslow's hierarchy of human needs,

Alderfer (1969) has developed the theory of Existence - Relatedness - Growth needs (E.R.G). According to this theory there are three levels of need:

- The need for existence: includes biological and safety needs.
- The need for social relations: this is the need of being a member
- Social groups (social needs)
- Development needs: which relate to the need for self - esteem and
- Self-realization.

As is evident, E.R.G's theory is complementary to Maslow's theory. It does not focus on the hierarchical classification of human needs, but argues that it is not necessary for a person to fully meet a level of needs in order to meet the needs of a higher level (Yasseris, 2001). On the contrary, there is the possibility that the failure to meet a certain category of needs (eg development needs) may lead to satisfying lower needs (eg social needs). Additionally, human behaviour can be determined by many different needs at the same time. Alderfer's theory, like

Maslow's theory, is of limited character and is unable to enlighten the diversity of changing human needs in the working environment.

### 2.3.3. The Theory of Two Factors - F. Herzberg

A further extension of Maslow's theory was developed by Frederick Herzberg. In 1959, Frederick Herzberg carried out a survey of 200 employees, who worked as full-time engineers and accountants in "heavy" industry operations (Yasseris, 2001). The aim of his research was to analyze those factors that lead employees to have high moral values in their work environment and thereby improve their performance. Frederick Herzberg concluded, therefore, that there are two categories of work-related factors related to the motivation of employees. The first category, also known as motivation factors, is directly related to the content of the work itself. Incentive factors when present offer a high degree of satisfaction to the employees and encourage them to improve their performance. On the other hand, when they do not exist, they create dissatisfaction with the employee. Such are (Kosidou, 1998):

Achievement, ie the fact that the employee has succeeded in carrying out his work successfully and completing his work. This includes the sense of recognition that is to say, rewarding the effort paid by each employee. This recognition can be either material (salary increase, bonuses, etc.) or moral (eg praise words).

- The content of the work itself.
- Responsibility that characterizes a task in its execution.
- The progress or development that one job can offer to a person. That is, the ability to hold senior positions in the company hierarchy.

The second category of motivation factors is related to the work environment and they are called hygiene or dissatisfaction factors. When these factors are absent, they create dissatisfaction with the employees. On the other hand, when the employee succeeds in satisfying these factors, they simply do not feel resentment but do not necessarily imply improvement. In this category belong (Kosidou, 1998):

- The general policy of management of the company

- The working environment conditions
- The salary (eg a salary reduction always causes dissatisfaction)
- Transpersonal relations with the head, the existing and the co-employees
- The skills and leadership skills of the supervisor to manage a team.
- The guarantee of the permanence of work.

As mentioned above, the theory of two factors is yet another extension of Maslow's theory. Thus, "hygienic agents" when present meet physiological and safety needs. While "incitement factors" refer to the satisfaction of social needs, needs for self-esteem and self-realization. The impact of Herzberg's theory on the development of the concept of "enrichment of work" was very important. In order for a job to be interesting, according to Herzberg (1966), particular attention should be paid to the content of the work itself, the recognition and accountability that stems from it, and the possibilities for the development of the individual. On the other hand, the management of 'hygiene factors' such as working conditions, administration policy, wages should be such as to reduce job dissatisfaction (Latham, 2007).

#### **2.3.4. The Theory of Acquired Needs - D.Mc Clelland**

An even important theory referring to the content of motivation was developed by D. Mc Clelland. Mr Mc Clelland studied the human behaviour of employees of different businesses and concluded the development of the theory of acquired needs. According to this theory, individuals have specific needs that stimulate employee behaviour and which are shaped during their life (acquired needs). The three most important acquired needs are (Daft, 2009):

The need to achieve: the desire to achieve something difficult for a person, to reach a high level of success, to manage complex projects and to overcome the rest. These are people with competitive behaviour that always pursue their goals (Steers et al., 2004).

- The need for relationships: the desire to develop a close social relationship, to avoid conflicts and to maintain strong friendship.
- The need for power: the desire of one to influence or control others, to be responsible for others and to rule them.

D.Mc Clelland, studying the behaviour of people in their work environment over the past 20 years, in relation to the above acquired needs, concluded that people who feel the need to achieve are often successful in sales and Middle-level

administrative positions. They are people who put realistic and moderate difficulty goals in order to increase the chances of achieving satisfaction. Because their need for success is intense, they easily receive advice and guidance to improve their performance (Sargent, & Terry, 1998).

McClelland argued that the need for achievement can be developed and cultivated in people who do not feel it very much. As for those who feel strongly about the need for relationships, they found that they are achieving jobs related to co-ordination between individuals and groups. While people seeking to exercise authority are suitable for senior management positions and are able to do so in terms of promotion and development.

## 2.4. THEORIES OF PROCEDURES

Since the mid-1960s, a new approach has emerged in the study of employee motivation, which has focused on the processes that determine motivation at work. In particular, Steers, Mowday, and Shapiro (2004) characterize the time period (from the 1960s to the end of 1970) as a "golden" era in the research of the concept of motivation, as there has been great progress in developing theories on motivation. Work. Content theories, unlike procedural theories, focus on identifying the factors (needs) associated with motivation in a relatively static environment. On the other hand, process theories look at motivation in the working environment with a dynamic.

They look for causal relationships over time and events that affect human attitudes in the workplace. A common element in process theories is the effort to understand the process of thinking that determines the behaviour of employees. In this category of motivation theories include Vroom's theory of expectation, the Porter and Lawler model, Adams's theory of equality, and the goal-setting theory by Locke.

### 2.4.1 Goal theory

Goal theory was induced on the basis of an empirical survey conducted over four decades. It is based on Ryan's hypothesis (1970) that conscious goals have an impact on action, that a goal is an object or purpose of an action. Their aim was to predict, explain, and influence performance in organizational and work-related objectives and thus focus on the relationship between consciously attributable goals and target performance level.

### 2.4.2 Target mechanisms

Objectives have an impact on performance through four mechanisms: Firstly, objectives serve a direct function of directives that direct attention and effort towards the activities related to the target and away from non-target activities. This effect is also cognitive in relation to behaviour.

Secondly, the targets have an activation function. High goals lead individuals to make more effort than low goals. This has been shown by work involving physical effort and repeated performance of simple cognitive goals that measure subjective effort.

Third, the goals affect persistence. When participants are allowed to control the time they spend on a job, then the harder ones are doing more effort. There is often, however, a shift in work between time and effort. When faced with a difficult task they are likely to work faster and more intensely for a short period of time or work slower and less intensely for a long time. Strict deadlines lead to a fast pace of work in relation to looser ones.

Fourthly, the objectives have indirect effects on action, leading to the stimulation, discovery and use of relevant knowledge and strategies. It is a virtual axiom that all action is the result of knowledge and motivation, but these elements can interact in complex ways. According to research results when people are confronted with targets, they automatically use the knowledge and skills they have already acquired and are related to achieving the goal. If the course towards the goal does not require automated skills, people choose skills that have once again been used in similar cases in the past. On the other hand, if the work required to achieve a goal is something new to people then they will develop a plan with new strategies that will allow them to complete the job.

These strategies are more likely to be developed by people with high self-efficacy. When people are confronted with a goal that is complex for them, they give their best self something that sometimes leads to the best strategies than to put them on a specific performance target. This is

because a target performance so much excites people to succeed trying to find strategies in an unorthodox way and fails to learn what is effective, which creates considerable pressure and anxiety for performance. The antidote is the introduction of specific, competitive objectives, such as the discovery of various strategies for working out. When people are trained in appropriate strategies, those who are given specific high-performance goals are more likely to use these strategies than those given other types of goals, which improves their performance. However, if the strategy used by the person is inappropriate then a difficult task leads to worse performance compared to an easier one.

## **2.5 Examples of Dynamic Involvement of Employees**

Wage rises or more licenses are traditional wages that are not always effective methods of motivating employees. Employees do the best if their businesses believe that what they do is counting, their ideas are calculated and feel they have done something when they complete a project. [4]

### **2.5.1. Direct manager-employee communication**

Incitement is directly related to personal contact. Employees are encouraged when managers spend time observing and rewarding their work. Relevant examples for enhancing employee morale are: a) Managers are constantly in contact with staff and maintain a balance. B) The contacts of directors should be shared equally with everyone. Otherwise, jealousy and contempt will be caused to people who do not come in contact with the directors. C) Managers are on hand to commend employees when they do something that promotes the department's goals. D) Directors are honest and direct with officials when they are consulted.

### **2.5.2. Creating a positive climate in the work environment**

The creation of a positive climate at work is achieved through the following:

- Praise employees beyond pure criticism. Many managers observe the performance of their employees only when errors occur, which makes them believe they are perceived only when they offer poor work.

- Making people continue to try when they fail. Direct communication is constructive to improve their performance.
- Assignment to new employees - challenge. This confirms the directors that there is a possibility for their employees to succeed, does not lead to frustration and makes them believe in themselves and their teamwork.

### **2.5.3. Creating a retention climate**

Employees are successful when they are allowed to suggest ideas and control their own job in order to retain it. The sense of ownership and retention at work can be realized by: a) making decisions by the members of the teams, especially in day-to-day decisions. Most employees have a desire to take part in decisions that affect their work; b) to award projects with direct profit to the organization when they are completed. Employees are more enthusiastic if they know that their results will be seen by partners and competitors.

Although individuals need their acceptance from the group, they usually do not want to be absorbed by the group to the point of losing their personal identity. Often individuals are between two needs, which conflict, ie the one seeking absorption and the other seeking separation, isolation. If one accepts his promotion to a boss, thus satisfying a need of the Ego, he is likely to forgo the link with some old, good friends and thus neutralize a social need. As people grow, the need for sovereignty is often evident (Sonnentag, et al, 2008)

Dominance is likely to be a continuation of the need for recognition with the ultimate goal to gain autonomy and independence. Many psychologists argue that the greatest need of human beings is the attainment or self-realization or self-creation. This view encompasses not only the ability but also the need for the real achievement of a work in life. Occupation or work is the greatest source of satisfaction of this need, without, of course, being the only source. It is obvious that caution is needed when choosing a job so that it is possible for such a form of satisfaction both by the employee and by the executive. If the employee is internally frustrated, then he is likely to try to find satisfaction in out-of-work activities, such as volunteering to charitable institutions and organizations or engaging in hobbies (Sekar, 2011) or to quit the job.



Despite the uniqueness and exclusivity of the needs and desires of people, some of them are quite identical to allowing people to use and form common organizations to meet their needs. There are several theories that deal with these common needs of all individuals. If leaders are aware of the needs of their employees, they are likely to be able to work them towards the success of the objectives of their workplace and, despite the existing difficulties or opposing opinions, become common targets for employees. Thus, action for the success of common goals and goals will result in meeting the needs of employees, physiological and psychological, and the work unit will also benefit.

With regard to human needs, the following considerations have been formulated, which apply to all the relevant theories: No need can ever be fully satisfied. That is why only a partial satisfaction of a need is required before man seeks the satisfaction of the next. Needs change constantly in every individual and are usually very little conscious (Uzee, 1999). Because needs are often related to the group, they often interdepend. The way, for example, where an individual meets his or her biological need for food, depends on his / her social needs determined by his / her socio-economic position.

## **2.6 Teamwork incentives**

Group motivations are called the systems by which the payroll is calculated and distributed to the people who form the group of employees. Team performance is measured daily, or weekly, or per pay period. Team motivations find application when there is a lot of interest among the team members. The work must be such that it is not possible to measure the performance of each individual. Basic prerequisites for group work incentives: Proper job allocation. Good relationships between team members. Developed abilities at the level of team members. Apply the system to a small group.

## **2.7 Incentives of competition and moral incentives**

Competition incentives are usually used by businesses to achieve high productivity rates. This system in the short term can yield favorable results, but not in the long run due to the psychological contradictions that can arise between individuals and groups, with an impact on

the morale of employees. Ethical incentives are then used by the administration to increase the productivity, the coherence of the organization, and to excite the morale of the employees.

Clearly, the importance of moral incentives is very important as they increase the interest of staff in work, ensure consistency in the organization, and help to increase productivity. A basic way to help people is mentoring. The motives of behaviour have their roots in the view that every living organism tends to seek pleasure and avoid pain. In conclusion, every living organization makes decisions in order to achieve positive results rather than negatives.

Work incentives are understood to mean "the conditions that affect the stimulation, direction and maintenance of behaviours related to work environments". Work incentives are the effort for a specific project and can be distinguished in three phases: 1. The individual chooses to start the effort in a particular project 2. He chooses to make a certain amount of effort 3. Insists on the effort for a long time

So it is: Direction of the effort. The intensity of the effort. The persistence in the effort

Incentive process course 1. This situation is accompanied by some expectations on the part of the individual, where they will reduce the imbalance that has arisen. 2. The person has an imbalance in the emergence of a need to fulfill the need to disappear.

## **2.8 The maintenance of motivation**

We have already explored the process of motivation as well as the necessary conditions that will lead to the desired behaviour. Let's assume that a technical company actually succeeds in achieving its desired behaviour and, in this case, in efficient behaviour. The question then arises as to how to manage this behaviour. As already mentioned, when a person achieves their goals, he / she feels satisfied and is very likely to stop being motivated. As a point, that's right. For, of course, the person is satisfied with the results he has achieved, but at the same time he is influenced by the level of his ambitions he thinks that if he has achieved a goal, why not win a superior (Zalvanos, 2002).

In addition, according to Maslow's theory, in which human needs are structured hierarchically, most people tend to satisfy the full range of their needs, trying to reach the highest level of needs, self-fulfillment, which is unlimited and almost never is not fully met. In other words, individuals move higher and higher levels of ambition, and so it explains why some people remain "prompted" throughout their professional careers. Promotion of e.g. Of one employee of course offers satisfaction that he has recognized the work he offers but at the same time gives him the sense and the right to want to claim a higher position in the hierarchy in the future. Achieving the desired results has a positive impact both on the level of satisfaction of the employee and on the level of his ambitions (Zalvanos, 2002).

But as satisfaction increases, the incentive decreases, and as the aspiration increases, the more motivation increases. That is, in other words, satisfaction pushes the level of ambition, which affects positively, the motivation. If the person reaches a level of the hierarchical scale and exhausts his ambitions, ie he feels satisfied, fulfills his goals and is not interested in more development, is it considered that the employee ceases to be motivated and performs? The answer to this question is rather negative. The employee does not cease to be motivated and performs, because of course he cannot have other ambitions, but to stay at the level he has reached he has to "maintain" it, to continue, in other words, to behave as efficiently as before, when seeking to conquer that level.

## **2.9. Remuneration as a form of motivation**

One of the most important methods of motivation is the remuneration of a company's staff. This subchapter shows the main factors that play a role in shaping a company's wage policy, as well as the basic pay and benefits systems currently used by businesses and organizations.

In recent years there has been a clear shift from the old remuneration policy based on seniority or past service to new, more flexible systems in which employee pay is not seen as a cost of production but is considered an investment for the future. The employee's remuneration is based not only on his years of experience, his knowledge and experience, but also his performance. On the other hand, the employee seeks more than a simple reward and negotiates directly with the

firm, as his minimum wage is considered to be given, as determined by the Collective Labor Agreements.

Remunerations in an enterprise are affected by a set of factors, both external and internal. External factors are considered government policy, which defines the framework of statutory pay, collective bargaining between employees and employers, and therefore General Collective Labor Agreements, trade unions pushing for higher wages and other benefits, and the A labor market that obeys the law of supply and demand, human resources. Also, the rewards offered by competitors play a crucial role as they are an incentive to attract competent executives.

As internal factors, in addition to the capabilities of the company and the demands of its employees 'union, the nature of the work, the working conditions, the employees' knowledge and skills, the productivity and the value of each job are taken into account. The life cycle of the business is another factor because, depending on the stage of maturity in which the business is located, it also determines the level of employee pay.

The main purpose of wage policy and the implementation of appropriate systems is to incite employees and executives for even greater returns. In addition, the level of pay must satisfy employees and encourage efficient work. At the same time, the company's remuneration policy must be credible. The top management of the business is the one that determines the level of remuneration, based on market surveys, but also on data processed by the Human Resources Management.

Within the same business, however, all work is not the same, it is not of the same degree of difficulty, and the same skills and abilities are not required. For this reason, it is necessary to create a remuneration structure that meets the specificities of each job. The most common way to use is to evaluate employee skills, productivity and performance.

## **Chapter Third - Methodology**

### **3.0 Methodological Design**

By the term research methodology, we mean the set of procedures and methods that can be applied by an expert to carry out a research process. In this research process proper rational techniques and procedures are used, which are combined to broaden a problem that exists in its entirety (Ephiropolis, 2005).

Research methodology includes a number of research quantitative tools. The quantitative method in our research focuses on numerical data and the measurement of theoretical concepts through a questionnaire drawn up according to the research needs in order to collect the data necessary for the documentation of the research objectives. The method used in this work is quantitative primary research using a structured questionnaire. The data collection was done using a questionnaire, which was compiled based on the needs of our research goal in order to collect the necessary information needed to document the objectives. The questionnaire is designed in such a way that its completion is as easy and fast as possible and most questions can be answered without reference to any additional information.

### **3.1 Questionnaire**

The primary source of the survey is the questionnaire, which is the basic data collection tool. For the formulation of the questions, simple and understandable language was used, short and easy-to-understand questions, most of which closed and an open one. Closed questions were chosen because of the ease of processing the results because they offer predefined answers with either multiple choice or scaled questions.

The questionnaire was given to this sample as it was available in the given time period. In the present survey all people were willing to fill in the questionnaires. An important element in completing the questionnaire was also the fact that the questionnaires were anonymous, ensuring that they were as representative and sincere as possible by each participant. The process followed included the following steps. 1. Compilation of the questionnaire 2. Provision of the questionnaires to the employees 3. Provision of necessary time to study the questionnaires 4.

Meeting and solving any questions 5. Receiving the questionnaires answered. 5. Analysis of the questionnaires

In order to conduct this research, the use of a questionnaire was divided into two (2) sub-units and includes 14 questions. Questionnaire questions include calibration questions (Any, Little, Partially, Very, Absolutely), based on the Likert scale and closed type questions. The first section concerns the sample demographics (sex, age, marital status, level of education). Participants, according to the researcher's instructions, are asked to answer by putting an X in the answer that represents them. In the second section, which is titled "Investigation of Motivation", there are suggestions on the main features of motivation of employees.

Also, it was considered necessary to clarify that it is a theoretical investigation of the underlying factors motivating the public official concerned, overlooking as much as possible the existing legal framework. The approach of the employees representing the sample population of the survey was carried out at their workplace and during working hours (with the permission of the hotel management). The completion time of each questionnaire ranged from 5 to 8 minutes.

### **3.2 Sample and general elements of the survey**

The study sample is made up of a representative sample of hotel staff who have volunteered to participate in the survey, which initially secured their anonymity. The study was carried out in April 2017 on a total of 100 employees in three hotel chains operating in Paphos. The chain includes 3 hotels with a total number of 350 keys. The sampled population was selected by simple random sampling actually represents a subset of the population of hotel staff of all departments of a medium seasonal hotel size, like most hotels operating in the country. The representative sample chosen was necessary in our quantitative research to be able to lead us to valid results and allow us to generalize the findings of the survey.

### **3.3 Method of analysis of research data**

The research conducted is a kind of quantitative research, which is a very useful method for describing and investigating certain objective characteristics of the population under

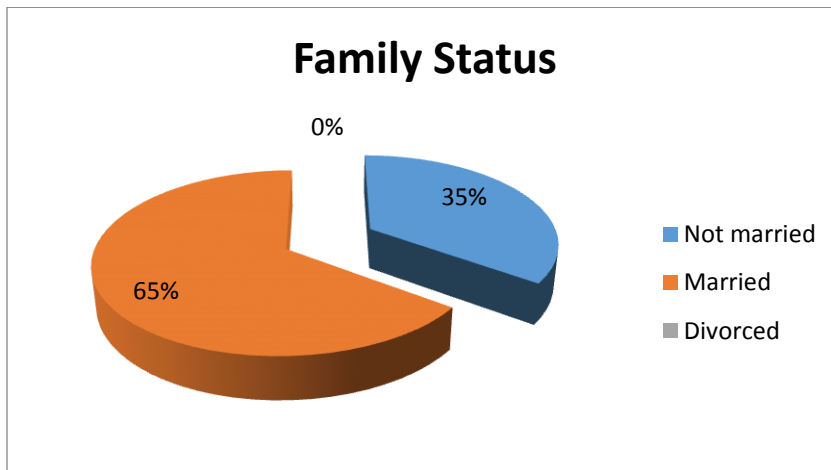
investigation. It is also a method of collecting reliable and valid data that leads to generic conclusions once the questionnaire is properly designed, the sample is representative, the definitions have been understood by the respondents and the questionnaire has been correctly completed. The quantitative method was applied to control specific theoretical hypotheses related to the motivation of employees in the hotel industry. In order to analyze the results of the survey, descriptive statistics, which is the branch of statistics dealing with the organization, collection and presentation of a set of data and includes methods for organizing, simplifying and summarizing this data.

## Chapter Four Results

For the presentation of the results known graphical methods are used, such as bar graphs and pie charts. In the bar graph, each bar shows the frequency for each value of the variable, and our circular diagram shows the percentage of the total number of observations each category gives.

Analyzing the first part of the demographic questionnaire there are some interesting results. From the total of questionnaires, 42.7% of the participants are men, while 57.3% are women. Of the total 37,3% of participants, are aged 25-35 years, 27,7% are between 35-45 years old and 45-55 years old, and 8,3% are over 55 years of age. Subsequently, the question of the marital status of the employees revealed that 65% of them are married and the remaining 35% are single.

The family status of the respondents is demonstrated in the figure below:





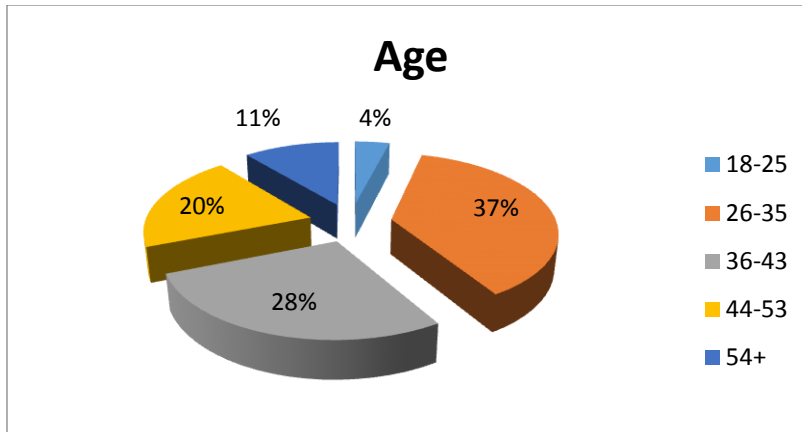


Figure 2: Age of the respondents

The Educational level of respondents is demonstrated in the graph below: the majority has a university degree (44%), while 20% has a Masters' degree.

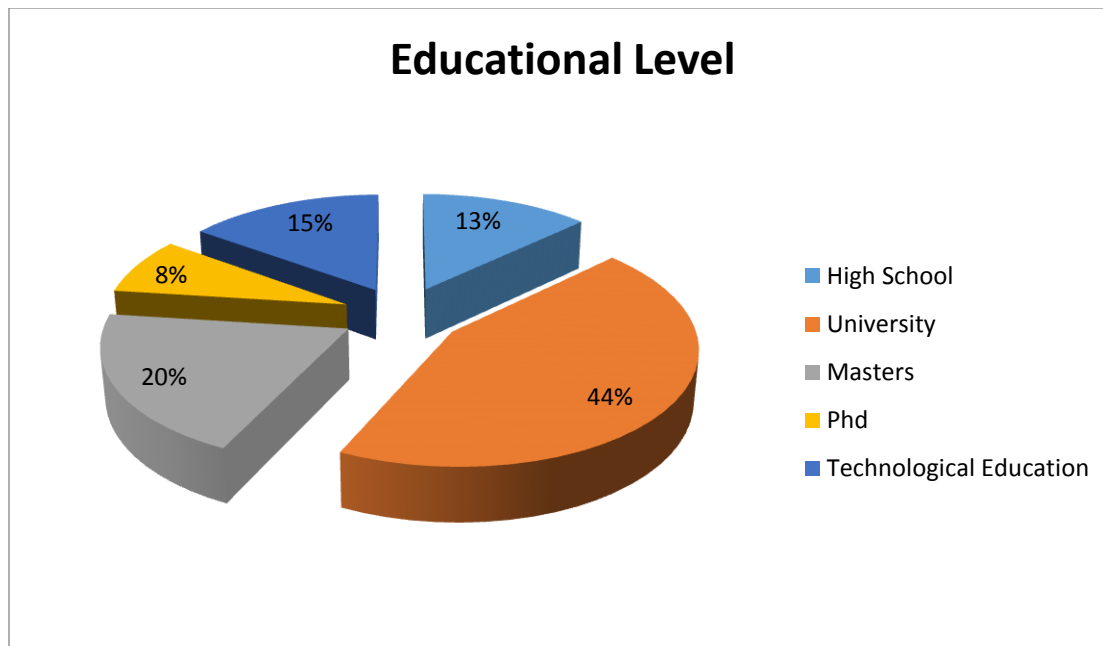
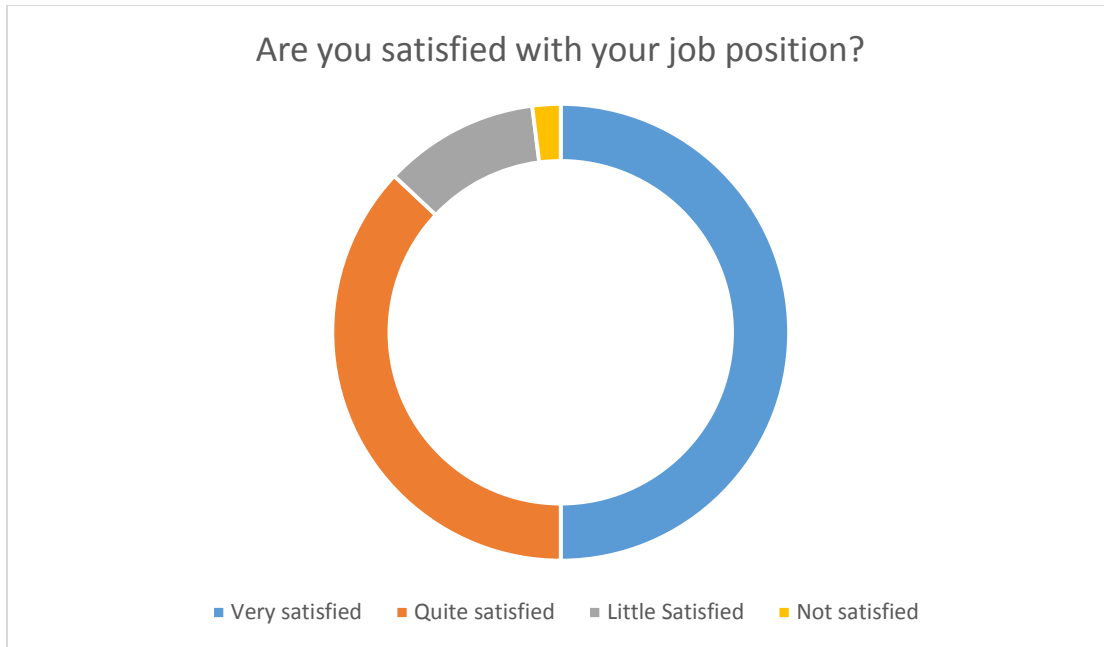
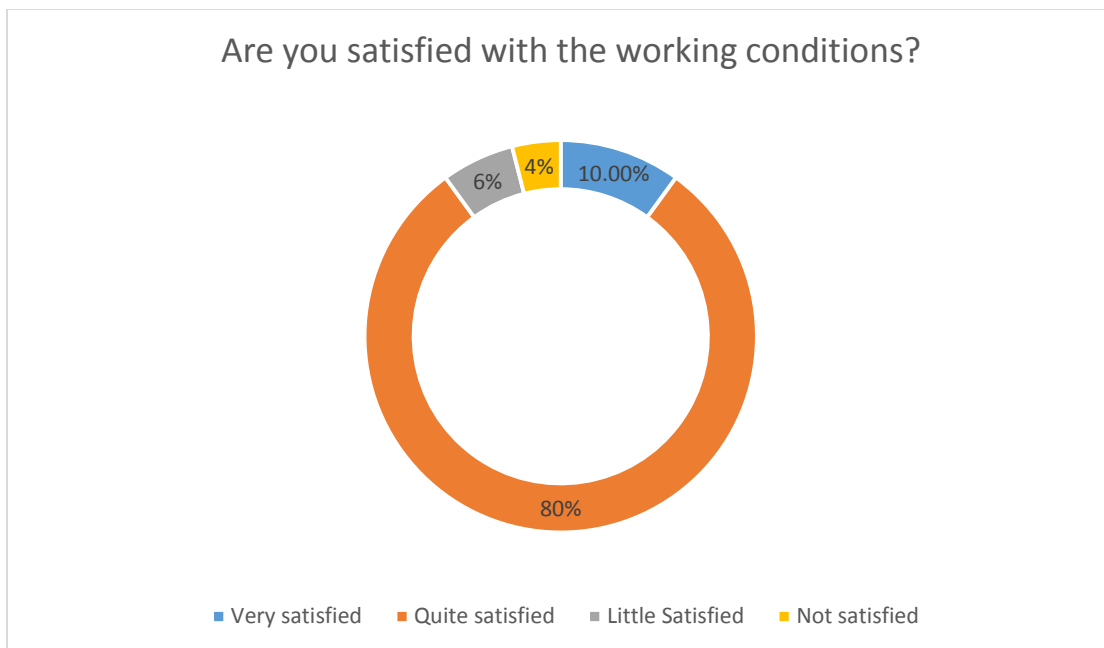


Figure 3: Educational level of the respondents

The second part of the survey analyzes the factors of motivation of the employees of the organization and attempts are made to detect the influence of the economic crisis on them. When asked if they are satisfied with the subject of their work, 50% said it is very pleased and 31.7% is pleased.

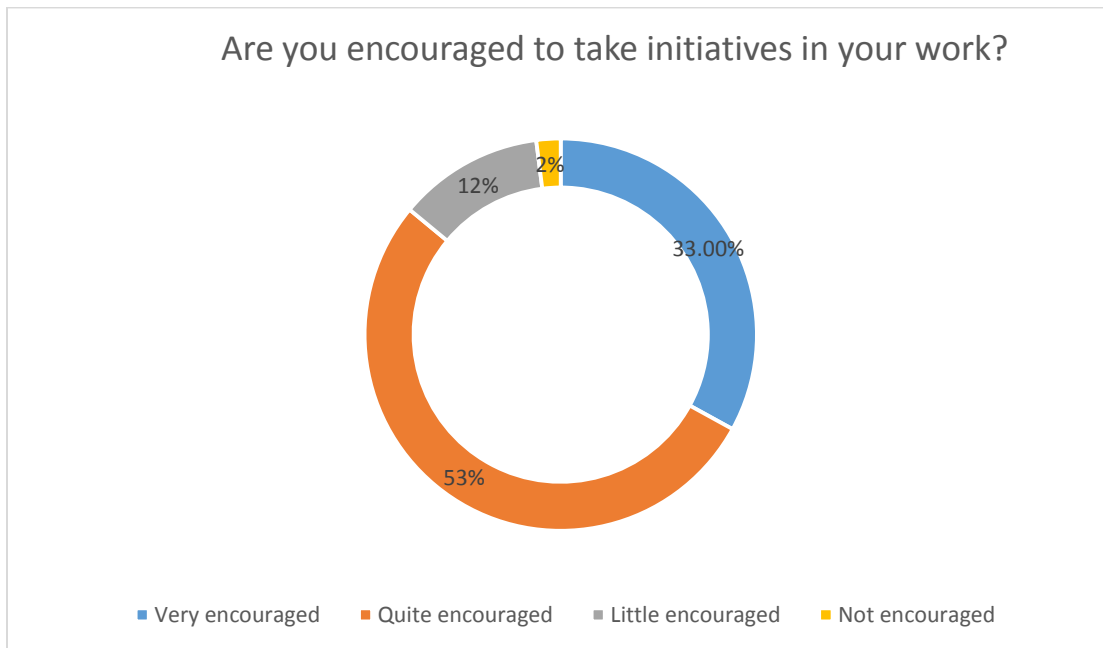


Working conditions satisfy the 80% of the employees, as shown in the next question. 10% is very satisfied.

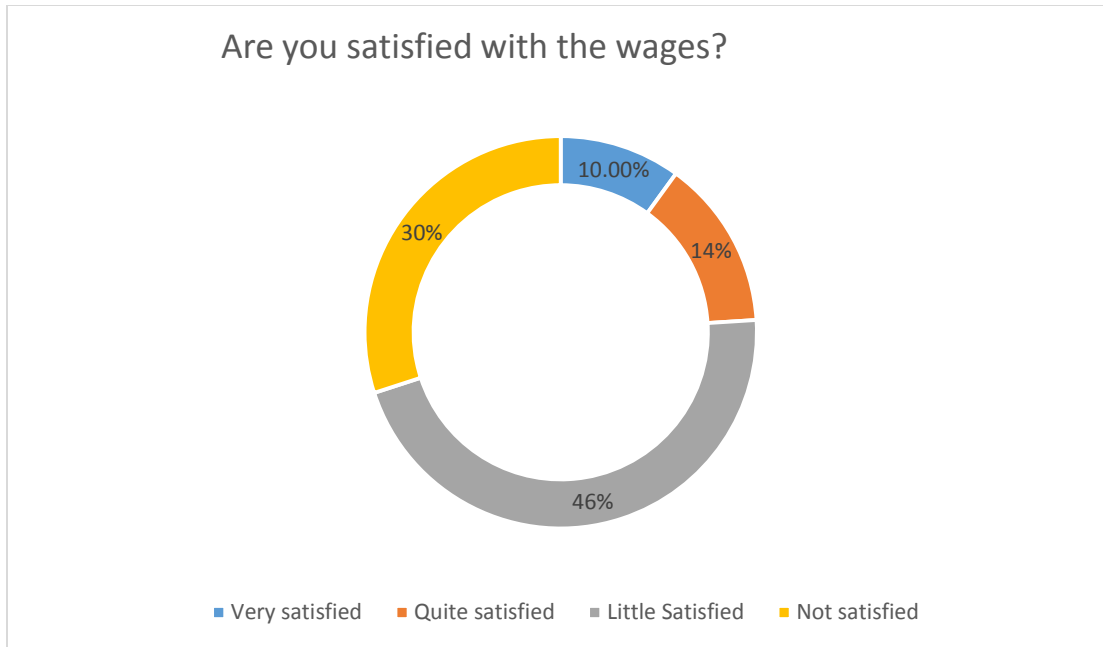


It is interesting that only 4% of the respondents is not satisfied with the conditions.

The next question asked the respondents to state whether they are encouraged to take initiatives. Interestingly 33% consider that they are very much encouraged, while 53% quite encouraged to take initiatives.



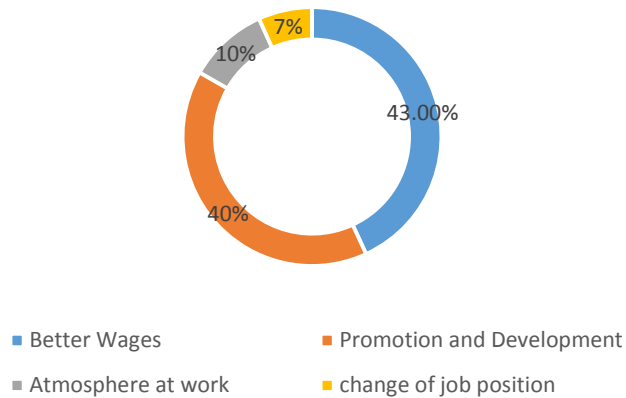
The following question asked the participants to state whether they are satisfied with the wages they receive.



In the question, 46% replied that they are a little satisfied, while 30% are not satisfied, figures that are expected due to the recession we are experiencing and wage cuts in the recent years. However, this is an important question, mostly because wages are an important motivation and a very important factor in employee satisfaction.

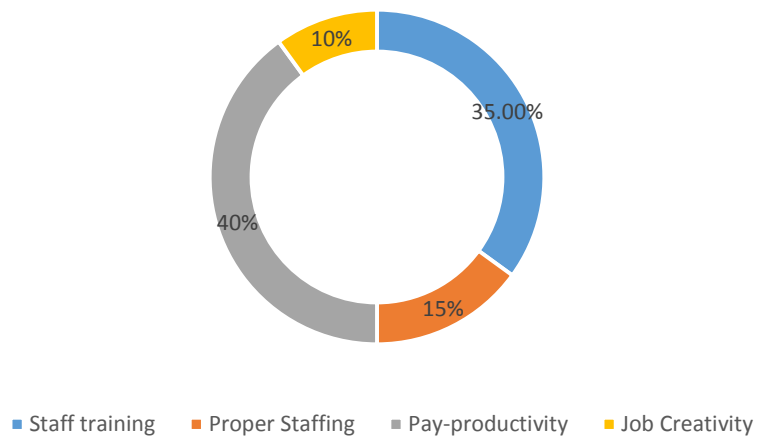
The next question asked the respondents to state which are the ways of motivation that satisfies them the most. The increase in paychecks totally satisfies 43.3%, the ability to develop fully satisfies 40%, while the pleasant environment motivates 10% of the employees. Also, only 6.7% of respondents are able to change job positions.

Which are the ways of motivation that satisfies you the most?



In the question of what techniques would motivate them more at work, it is again noted that the employees consider staff training important at 35%, proper staffing at 15%, and pay-productivity as the most important factor at 35%, while job creativity at 10% - as factors empowering them.

What methods would motivate you more at work?



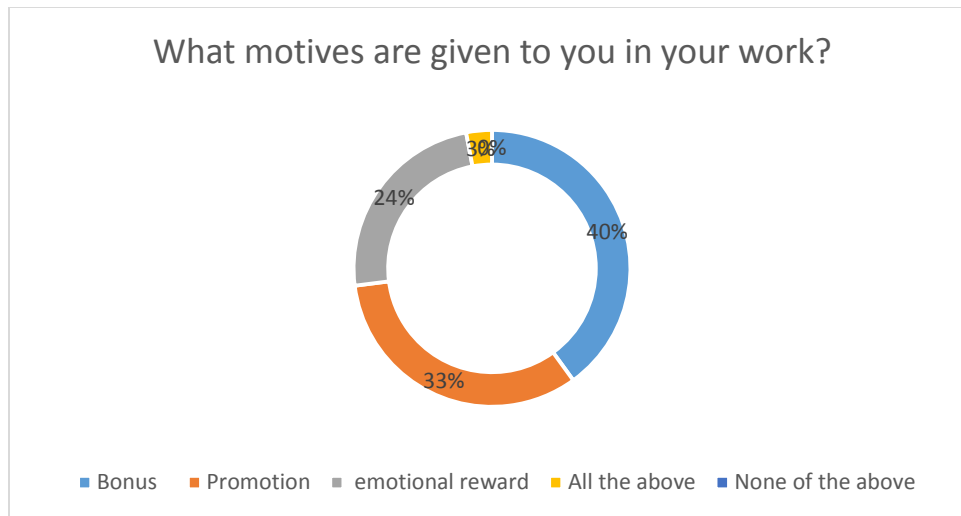
The next question asked the respondents to assess the feeling of motivation when performing their work

**do you feel motivated while performing your job?**

(a)	Always	30%
(b)	Often	45%
(c)	Sometimes	10%
(d)	Rarely	10%
(e)	Never	5%

Interestingly, only 5% never feels motivated, while 45% feels often motivated at work, while 30% stated that feels always motivated.

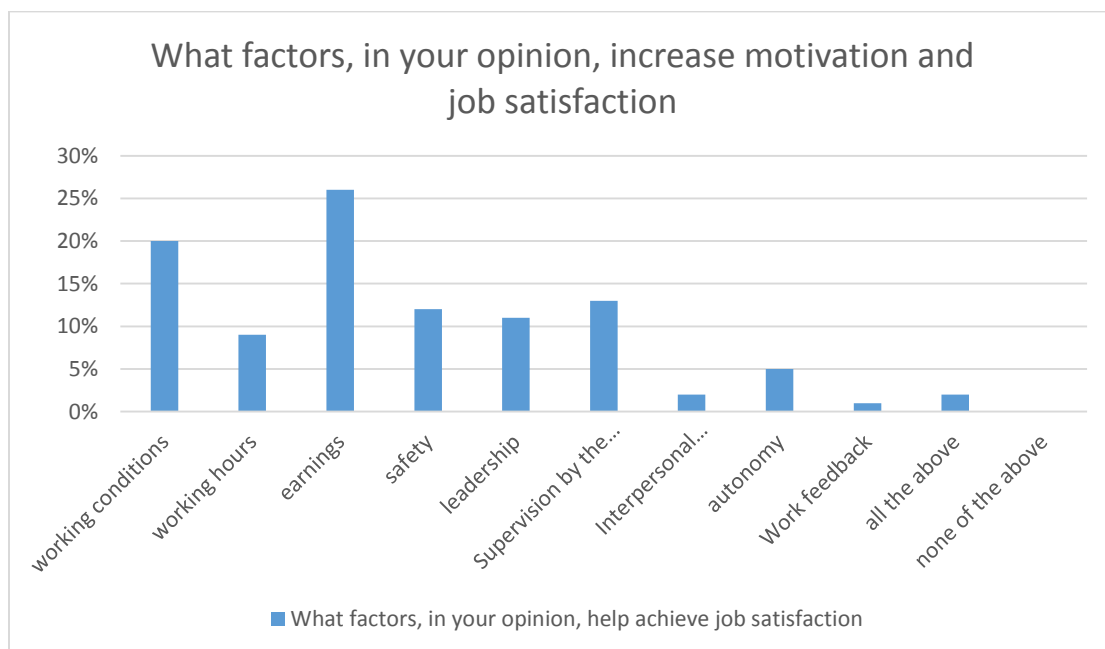
The following question referred to the actual incentives that the participants are offered in their work.



The majority of the respondents said that they receive bonuses as motive, while 33% of them are promoted, and 24% are emotionally rewarded – probably with the means of recognition of their work.

When asked about how they were influenced by the current financial condition, it seems that the current condition has affected negatively 55% of respondents who have replied that their financial position has deteriorated relative to the previous year. While there is also a 5% which states that it is in better economic condition than last year.

The last question asked the participants to state the factors that increase job satisfaction and motivation



According to the answers provided, earnings received the majority of responses, while the working conditions and the supervision also received numerous responses.

The last question helps us to understand the most important incentives, depending on the needs of hotel employees in small and medium seasonal hotel businesses, which are the basis of an effective system of motivating employees in such businesses. The results show that the most important incentives for improving productivity are the increase in employees' earnings.

What follows are the incentives that offer employees the ability to develop and train and the opportunity to develop in their work. The improvement of the working environment and the

recognition of employees' efforts with some kind of encouragement are also among the major motivations according to the hotel employees. Other incentives mentioned by the employees are related to improved cooperation between departments, improved living conditions and food quality.

The management of the hotel business should be aware that the need produces the incentives, which lead to the identification of some goals, which are nothing more than meeting the need itself. The realization of the goal then leads to the need that created it and the abolition of the incentive, once it has done its job. Incitement, of course, is a complex phenomenon whose dimensions are a variety of external and internal variables that alter and require constant investigation and identification, and then form the basis for designing a new, effective system of stimulating human Hotel industry



## Chapter Five

### 5.0 Conclusions

The research aimed at exploring employees' motivation in modern companies. The basic idea was the fact that the majority of businesses do not use 76% of Employee Compliance Systems despite their necessity on the part of both the company and the employees

Since the survey has been completed, some useful conclusions are drawn that will be analyzed below. Initially, it is worth noting that all respondents converge on the view that motivation in any way is necessary to any organization in order to maximize the effectiveness and efficiency of the employees. The way this process can take place varies according to gender, age, educational level. The educational level plays a very important role as it was noticed that the higher the educational level, the higher the quality of motivation asked. That is, they can overlook financial incentives, as long as they feel self-esteem, objective assessment, personal development and job change, as well as their contribution to society. These findings are in line with the findings of Alderfer (1969).

On the contrary, people with a lower level of education are less onerous and have a pleasant working environment. Sex plays an equally important role, as it has been noticed that men and women are otherwise approaching the issue of motivation. Women are motivated more by parameters such as interpersonal relationships and the friendly working environment, which are factors that Herzberg (1966) found in his theory, while men have more demands than motivation, considering that they are more effective when meeting higher needs, such as those of self-realization, which Maslow (1943) notes in his theory. However, education is generally accepted by both sexes as a technique of motivating and empowering employees.

Also, any years of service in the private sector differentiate the incentive approach. These individuals consider the objective assessment and the possibility of taking initiatives as a very important factor of motivation as these techniques allow the personal skills to be highlighted and hence their active contribution to the organization. As a first general conclusion, human capital is the most valuable asset, the driving force and the cornerstone for achieving the vision of an organization or business.

An important objective should be to ensure meritocracy, objectivity and transparency in all staff management systems and policies through the cultivation of a pleasant, modern and friendly work environment that will lead to the expected business outcome, as shown by the theory of Herzberg's "hygiene" factors, but also the answers of the respondents.

Managers should create conditions of security and a climate of confidence and justice for employees. It goes without saying that if you do not meet the above conditions, it can not stimulate the needs corresponding to the levels of self-esteem and self-integrity (Maslow's pyramid can not induce a need if the previous one has not been extensively covered). It is necessary to remind that when referring to motivation it is to be understood a dynamic system that evolves in parallel with the human factor. An incentive system cannot be continuously applied and always effective. If you ever had an exaggeration, an incentive system is needed today for the proper and successful operation of a business. Although its application in Greece is not widespread, the need for its existence and its effectiveness is recognized by the respondents themselves. The benefits she will derive from this application will be multiple in relation to the cost of creating and running a company's motivated system of motivation.

Employees should be given opportunities to meet their needs and work conditions that will allow them to apply incentive methods to further increase their performance. Group or individual success creates feelings of self-integration, recognition and creativity that are important factors of human motivation. The use of these methods will contribute to the psychological approach of the employees, creating a pleasant working relationship as the sense of recognition makes an important factor in strengthening their morale, which guides their attitude to work. The questionnaires also confirmed what was expected that the most important reason companies do not use moral support systems is the financial burden (52%) of the organization and operation of such a system, let alone in times of economic crisis that society is experiencing.

From this research, it is quite clear that employees see and perceive the need for an organized incentive system as well as the positive impact that this will have on both the employees' class and the company itself (increasing profitability and profits). In addition to rewards according to the respondents' opinion, their first choice is a profit-sharing program for the company and their second choice is a fixed health and retirement plan. Finally, almost all respondents said they

disagreed with the use of the sentence as a means to achieve the desired performance. The analysis and conclusions of this diplomacy emphasize the importance of motivation, especially in an era of economic crisis and of particular competition that has flooded the market. However, it has been observed that motivation is often implemented without planning or targeting.

In any case, however, it seems that organizations have been trying in various ways, deliberately or not, whether organized or not, to motivate their employees or their partners, aiming at the smooth operation of the business and the successful management of a project. It is generally considered necessary to apply the incentive as a method of increasing efficiency, even when it is implemented without a methodological background and without full implementation.

## 5.1 Recommendations

The results of the above survey confirm the findings of the above-mentioned researches regarding the complex framework of the employees' needs and the decisive internal and external factors of satisfaction. We see, as we have seen above, the need for a synthesis of internal and external rewards. In order for these rewards to be effective and to push employees into efficient behaviour, they should have certain specific characteristics. So the rewards should:

- Be clear and not unclear. Employees tend to be more pro-actively motivated when the rewards they receive for the work they offer are specific and clearly formulated.
- Attributable directly. That is, the reward should be taken within a short period of time. The delay in giving the reward may adversely affect the motivation of the employee.
- Be both group and individual. Undoubtedly, the employee is more prominent when the reward benefits this personally. On the other hand, the reward for successful teamwork and provided to other members of the team improves the co-operation and hence the performance of the employees.

As regards the external rewards that public officials can take, these are mainly the salary and permanence, the sense of security offered by the work. Enhancing external incentives is doubtful if it can be done at a given time for two important reasons. Firstly, with the economic policy followed, it is difficult to support the optimistic scenario of raising the level of wages so that they

are a good incentive for public sector employees. Secondly, the future of permanence and security of work in the public sector is doubtful in the context of the imminent restructuring and shrinking of the public sector.

The above, combined with research findings that question the benefits of using external rewards as the only way to increase the performance of civil servants, lead to the search for alternative ways to tone up their internal motivation.

Based on the above, modern human resource management tools should be used to stimulate the freedom of expression of employees and the development of cooperative relationships between them. Within this framework, it is important to implement the "open door" policy, from the top of the organizational hierarchy to the bottom, which favors the opportunities for personal contact and cooperation of all employees, even with the senior executives of the administration.

In other words, it is necessary to create a positive working environment where there will be fair and equal treatment of all employees. Some of the human resources management tools that can be used to enhance this effort are:

- Creating working groups involving staff from all educational categories and hierarchical ranks. This will allow the free exchange of views among employees, as well as the development and exploitation of their qualifications and knowledge
- Establish a process of identifying training needs with the key objective of identifying gaps in the skills and competences of existing staff. Starting with identifying the real educational needs, an educational program can be designed to meet the goals set by the organization and the need for employees to develop and acquire new knowledge and skills.
- Enrichment of work within the framework of the effort of satisfying the need for the employees for continuous development, the assignment of tasks depending on the skills and interests of each employee, and tasks that are different from their usual and usual work, It is possible to strengthen the effort of developing the employees.

Of course, the senior officials, who should support communication, create a climate of free movement of ideas and encourage initiatives, play an important role in this endeavor to strengthen internal motivation. At the same time, ongoing cooperation with trade unions is a prerequisite for maintaining labor peace and avoiding conflicts.

To summarize, we can say that effective motivation requires the design and implementation of appropriate human resources policies. The provision of means of continuous information, transparency, the acquisition of the necessary confidence and acceptance of relations between the parties involved, ie employees, heads of administration and trade unions, are the factors that need to be strengthened to improve the stimulation of human resources towards efficient behaviour towards the achievement of the goals of each public organization and the acquisition of a comparative advantage

## References

- Armstrong, Michael. (2007) *Employee Reward*. 3 rd edn. London: Chartered Institute of Personnel Development.
- Armstrong, Michael. (2012) *Armstrong's Handbook of Reward Management Practice*. 4 th edn. London: Kogan Page. Armstrong, M. and Taylor, S. (2014)
- Armstrong's Handbook Of Human Resource Management Practice*. 13th edn. London: Kogan Page. Armstrong, Michael. (2009)
- Armstrong's Handbook of Performance Management*. 4 th edn. London: Kogan Page.
- Atkinson J.W. (1964), *Introduction to Motivation*, Princeton, NJ: Van Nostrand.
- Bandura, A. (1969), *Principles of Behaviour Modification*. New York: Holt, Rinehart & Winston
- Daft R.L. (2009), *Management*, U.S.A: Thomson South-Western de Gruyter
- Hardy T. L. (2000). *A history of psychology. Main currents in psychological thought.: fifth edition..*prentice hall inc
- Herzberg (1966), *Work and the Nature of Man*, Cleveland: World Publishing
- Kazantzoglou, G., (2012). Professional satisfaction in the whirl of economic crisis. *Scientific Marketing*, [Internet]. April issue, Available at: <http://www.epistimonikomarketing.gr/epaggelmatiki-ikanopoiisi-sti-dini-tis-oikonomikis-krisis>
- Maehr, M. L., & Braskamp, L. A. (1986). *The motivation factor: A theory of personal investment*. Lexington, MA: Heath
- Maslow. (1970). *Motivation and Personality*. N.Y. : Harper & Row
- McClelland, D. C. (1975), *Power: The inner experience*. New York: Irvington
- Nohria N., B. Groysberg B., Eling Lee L. (2008), «Employee Motivation: A Powerful New model», *Harvard Business Review*, 34:44

Papalexandri, N. & Bourantas, D., (2003). Human Resources Management. Athens: G. Benou Publications

Papanis D. (2007), "Theories of Labor Incentives" Hellenic Social Research

R.W. White (1959), "Motivation reconsidered: The concept of competence, Psychological Review. The abnormal personality: a textbook", New York: Ronald.

Robbins Stephen P., (2002), Organizational Behavior, *U.K: Prentice Hall*

Sargent, L. D., & Terry, D. J. (1998). The effects of work control and job demands on employee adjustment and work performance. *Journal of Occupational and Organizational Psychology*, 71, 219-236

Schultz, D.P. and Schultz, S.E. . (2000) . *Theories of Personality*. :Wadsworth Thomson Learning

Sonnetag, S., Volmer, J., & Spsychala, A. (2008) *Job Performance. Micro Approaches. Sage handbook of organisation behaviour, 1*. 427-447. Los Angeles, California

Spector, P.E. (1997). *Job satisfaction: Application, assessment, causes, and consequences*. Thousand Oaks, CA: Sage Publications

Steers R.M., Mowday R.T., Shapiho D.L. (2004), «The future of work motivation

Theory», *Academy of Management Review*, Vol.29, No.3, 379-387

Stephen Bach & Keith Sisson,(2000) "Personnel Management", Blackwell Publishers Ltd

Theory», *Academy of Management Review*, Vol.29, No.3, 379-387

Torrington, D., Hall, L., Taylor, S. and Atkinson, C. (2011) Human Resource Management. 8 th edn. Edinburgh: Pearson Education.

Vroom V.H. (1964). *Work and Motivation*. N.Y.: John Wiley and Sons Inc

Wilson, B. T. (2003) Innovative reward systems for the changing work place. New York: McGraw Hill.

Hergenhahn. (2001) . An introduction to the history of psychology. fourth edition.

b.r..wadsworth



Questionnaire

**Gender**

Male

Female

**Family Status**

( $\alpha$ ) Not Married

( $\beta$ ) Married

( $\gamma$ ) Divorced

---

**Age**

( $\alpha$ ) 18 – 26

( $\beta$ ) 27 – 35

( $\beta$ ) 36 – 43

( $\gamma$ ) 44 – 53

( $\delta$ ) 53+

**Educational level**

( $\alpha$ ) High School

( $\beta$ ) University

( $\gamma$ ) Masters Degree

( $\delta$ ) Phd

( $\epsilon$ ) Technological Education

**1. Are you satisfied with your job position**

Very Satisfied

Quite Satisfied

Little Satisfied

Not Satisfied

**2. Are you satisfied with the working conditions**

Very Satisfied

Quite Satisfied

Little Satisfied

Not Satisfied

**3. Are you encouraged to take initiatives in your work**

Very encouraged

Quite encouraged

Little encouraged

Not encouraged

**4. Are you satisfied with the wages?**

- Very Satisfied
- Quite Satisfied
- Little Satisfied
- Not Satisfied

**5. Which are the ways of motivation that satisfies you the most?**

- Better wages
- Promotion and development
- Atmosphere at work
- Change of job position

**6. What methods would motivate you more at work?**

- Staff training
- Proper staffing
- Pay-productivity

Job Creativity

---

**7. Do you feel motivated while performing your job?**

(a) Always

(b) Often

(c) Sometimes

(d) Rarely

(e) Never

**8. What motives are given to you in your work**

Bonus

Promotion

Emotional Rewards

All the above

None of the above

---

**9. What factors, in your opinion, help achieve job satisfaction**

Working conditions

working hours

- earnings
- safety
- Leadership
- Supervision by the supervisor
- Interpersonal relationships
- Autonomy
- Work feedback
- all the above