

INCREASING EMPLOYEE SATISFACTION AND MOTIVATION

Case Company: Top Connect OÜ



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ABSTRACT

This thesis is commissioned by Top Connect Company originally located in Tallinn, Estonia. The main idea of this thesis is to analyze current situation in commissioning company and provide recommendations for future improvements. This thesis has primary focus on motivation and increasing employee satisfaction. Aims or objectives of current research paper are 1) To collect and review the basic theories about motivation, and the most modern methods of increasing employee satisfaction; 2) To present company background information and the main activities that commissioning company performs; 3) To analyze present situation in case company in order to evaluate and rank the outcome; 4) To provide recommendations or development plan on how commissioning company could improve its existing situation in most effective and efficient ways.

Motivation was always a topic of scientific discussions in area of psychology, leadership and management. For many centuries, people were influenced by it to do any job. Motivation has the characteristic of growing and changing day by day since borders for the international jobs are open, and at the moment we have many companies with different cultural background within. How to encourage people and how to identify their motives – this is the main theory that has been used in this thesis. For this purpose, author has used many instruments and methods of gathering required information: Internet surfing, literature research, interviews, statistics, and questionnaire. The overall goal for this thesis is to find the appropriate theory that follows nowadays dynamics; allocate it in distinct parts or models; provide tools for identification of motives, needs, and satisfaction factors; and present it as a modern practical tool for management.

Four objectives were stated above are successfully achieved and development plan for commissioning company is provided in recommendation's part.

Keywords Motivation. Satisfaction, Top connect, Types of people, Remuneration

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1 INTRODUCTION

1.1 Background information

Today sees growing interest in personal psychology. In this area, a core activity under examination is motivation. Limitations or complications of human activities, working processes, and social conditions make the research of motivation in human behaviour an urgent issue for management and psychologists. How can we empower people to work better and more productively? Which factors interest people to work and how do they cause a need to work? How can we make work more attractive for employees? How can we recognize and satisfy employee needs? How can trust and honesty be established as core values in an organization? These are the sorts of questions managers ask themselves as they manage human resources.

The success of any company largely depends on its financial position, marketing, organizational structure, technologies and people. People are key and the most valuable resource of any organization. However, not all organizations and managers understand how difficult it can be to optimally allocate and manage people. People create a company - empowering them to be effective affects company success. The main task of managers is to maximize the ability of employees and utilize their talents in the best way possible. No matter the strength or potency of a solution found by leader, its benefits can be only obtained if only it was successfully implemented in activities of employees in organization. But this can be realized only if employees are interested in the current job he or she is doing.

To do so, an employee should be motivated and inspired to make actions in a specific way. It is clear that the main motivating factors are financial. However, there are many other factors that cause employee to work. Primary motivation may be monetary, but there are other factors that cause employee to work. Today we have many ways to influence a particular person's motivation. This paper explores these. A factor that motivates a particular person today to do routine tasks tomorrow may demotivate them. Given the range of techniques that can be used for motivation, the CEO should decide how to encourage employees to perform a particular task.

Relevance of this topic is becoming more important in modern management given the importance of motivation at work. Motivation of employees is a key element of ensuring optimal use of resources, maintenance of available human resources, creating competitive advantage in the current changing market and bringing goodwill for organization itself.

This research paper has five chapters. The first introduces the research topic, the purpose of choosing it, a description of objectives, presentation of the research question and methodology. The second chapter relates theories of motivation and employee satisfaction. The third gives analysis of current situation in the company via an online interview and surveys, and

a description of the company profile and scope of activities. The fourth chapter includes a development plan, or recommendation, for the commissioning company on how to improve its current situation. It is based on available theory, previous practice and the outcome of research. The final chapter gives conclusions summarizing previous chapters and author recommendations on using this document as a tool in organizational management.

The thesis topic was assigned by the commissioning company Top Connect OU. The main objectives, criteria and expected results were clearly defined in discussions between author and commissioner.

A major advantage of this research paper is that personal interest of author in the field of motivation and human resources is well met with organizational goals. Thus, the success of case study implementation will benefit both parties. Another advantage is that author completed an internship in the commissioning company and he is familiar with its culture and current situation. This provides well-qualified judgments in analysis and research.

1.2 Purpose and research question

The main purpose of choosing thesis topic is to investigate main criteria of employee motivation, mark and rank motivational factors based on survey and outcome from case practices; and improve current situation through analysis and application of theory.

It should be mentioned in advance that Top Connect Company is not in critical situation and this thesis is focused not on the problem solving issue but mainly explains how to improve current situation and how it will improve current performance of employees.

At the moment, commissioning company has fixed reward system and the motivational practices are successfully implemented by top managers. The main mission of this thesis is to investigate how effective those practices are implemented and collect information from managers and employees. The information that gathered from survey is served for comparison and future recommendations on how it could be done in the most effective and efficient way. The final goal of this research paper is to find an answer for following question: “How to improve employee motivation in case company Top Connect?”

1.3 Objectives

Based on purpose of this research paper, following objectives have been established.

- The first objective is to collect and review the basic theories about motivation and the most modern methods of increasing employee satisfaction. This objective will provide information and basic understanding of the purpose, goals, importance and use of motivation. In addition, tools and case examples on how to use the most popular and effective motivational theories are included.
- The second objective is to present company background information and the main activities that commissioning company performs. This objective is also includes a demonstration of social responsibility, company image, future plans and description on how company has achieved its success.
- The third objective is to analyze current situation in case company in order to evaluate and rank the outcome. This process can be done through online interview with commissioner and through conducted survey within employees and managers. The main goal of this objective is to gather information from employees and managers for future comparison and identify basic needs and motivational factors which managers are not able to see.
- The last and the most important objective for this research paper is to create a development plan which will consist of practical recommendations based on theory that could improve current situation and bring more benefits for people and organization

1.4 Research methods

In order to complete a thesis with statistical data and practical knowledge, following research methods were used: literature research, focus groups, personal and telephone interviews, survey and Internet interviews. The definition of each of method could be found in the end of this section.

The target research group is divided into two groups. The first research group is employees of Top Connect who are working on specific tasks and have a special role in the company; and the second research group is managers of Top Connect who are responsible for defined organizational processes. The reason of this dimension is done for qualitative analysis that shows a different picture on how managers think they persuade employees, and how employees are really persuaded. It is important to clarify these differences in order to provide reliable recommendations. This will support managers for better understanding importance of motivation, and provide solutions on how to improve present situation.

The initial questions in the survey are conducted to find out the crucial motivational factors, evaluation of communication within organization

(manager-manager, employee-manager, and employee-employee), evaluation of working environment, evaluation of individual satisfaction of existing job/position, evaluation of working/learning opportunities and private opinion about possible improvements. The survey is conducted in Russian and English language in order to cover personal opinion and more truthful information.

Another research method is an online interview with key personnel for gathering more specific information about company and activities, which could not be obtained through survey and Internet surfing. The online interviews were provided by using Internet-based software such as Skype and e-mail conversation.

Literature research

“A literature research involves reviewing all readily available materials. These materials can include internal company information, relevant trade publications, newspapers, magazines, annual reports, company literature, on-line data bases, and any other published materials”(Research Methods, 2014.).

This is the basic research method that provides the principal information from the Internet and library sources with no costs. The leading disadvantage of this research method is time frames, which could be no longer reliable with certain literature. In order to overcome this challenge a specific range of literature and years should be taken into account.

Focus group

“A focus group is used as a preliminary research technique to explore people’s ideas and attitudes” (Research Methods, 2014). This is a qualitative approach that used in order to apply new methods and discover the main challenges from the particular group of interviewees.

Personal interview

“Personal interviews are a way to get in-depth and comprehensive information. They involve one person interviewing another person for exclusive information” (Research Methods, 2014.). Personal interviews are used if some qualitative or important information is required from a specific interviewee.

Surveys

Survey is a list of questions that prepared in advance. The different methods of the survey that could be used varied on situation or people for whom this survey was established. The general methods are following:

- Telephone survey – “are the fastest method of gathering information from a relatively large sample. The interviewer follows a prepared script that is essentially the same as a written questionnaire”(Research Methods, 2014.).

- Mail survey – “is a cost-effective method of gathering information. They are ideal for large sample sizes, or when the sample comes from a wide geographic area”(Research Methods, 2014.)
- Internet survey – “is relatively new and little is known about the effect of sampling bias in Internet surveys. While it is clearly the most cost-effective and fastest method of distributing a survey, the demographic profile of the Internet user does not represent the general population, although this is changing” (Research Methods, 2014.)

1.5 Case company

Top Connect Ltd. is operating since 1995 and known as stable, sustainable, licensed operator with a background of successful history. Top Connect company has more than 150 employees in three offices and have been awarded as top 10 company in Estonia. Consolidated annual revenue more than 90m USD. Company has more than 3 million subscribers around the world with over 10 000 corporate customers in the Baltic.(About Us, 2013.)

The core business of this company is telecommunications, and nowadays Top Connect is one of the biggest alternative GSM roaming provider in the world. The head office of Top Connect is located in Estonia but the company also has subsidiaries in Latvia and Lithuania. The company also provides additional services in Baltic States that focus on fixed-line and mobile services. Top Connect company provides over 700 minutes annually and has the connection with 20 major global carriers.(TravelSIM About, 2014.)

Top Connect is also known for its strong financial performance. This company has been consistently profitable throughout the years and as a result has positive cash flow.”Two-thirds of the sales revenue in the company is the volume of services in foreign telecommunications markets. 57% of the turnover in Top Connect formed the EU and 43% - from non-European markets, including service exports to Russia and Ukraine, Australia and U.S. The company has resellers in 67 countries and provides services to customers in more than 190 countries worldwide.”(Toomas Hõbemägi, 2013.)

The main product of Top Connect company is prepaid Sim card - Travel-Sim. It is a seamless callback service. The main advantages of this Sim card is free incoming calls in over 190 countries, free incoming sms worldwide, global data roaming. As a result, it saves up to 85% on roaming charges. In order to sell sim cards company uses distribution channels, this means that company mainly operates in business-to-business sales. (TravelSIM How does it work, 2014.)

2 THEORY

2.1 Motivation

The terminology of motivation is varied among many fields such as psychology, biology, social studies, philosophy, behavioral studies, business administration and many others.

Many authors state that motivation consists of set of internal and external factors that drives people to perform some kind of actions in order to achieve desired goals. It includes interest of person, methods of initiation and willingness. The other scientists believe that motivation is a process of setting effective direction for activity based on condition of a person, which determines how enthusiastic and how oriented that person acts. And there is also another view on motivation from side of business management. Motivation is a process of combining company goals and objectives of employees in order to fulfil needs of both sides by using a system of differentiated influencing ways of employee actions and goals.

The most simplified and understandable definition was pointed out by Steers, Mowday and Shapiro as following: “The term motivation is a derivation of the Latin word for movement, movere” (Latham, 2012. p.3).

Latham also has mentioned the importance of motivation in the field of human-resource management, industrial and organization psychology, and organization behavior by using equation that was promulgated by Victor Vroom's former mentor more than a half-century ago. This equation is following: $\text{performance} = \text{ability} \times \text{motivation}$. The purpose of this equation clearly shows that the high level of performance could be reached by not only focusing on development personal abilities to complete tasks but also by coaching the person to inculcate a desire for continuous improvement. (Latham, 2012. p.3-4)

2.2 Importance of motivation

Motivation has a great impact on employee performance of their current job responsibilities. It has been implemented to enhance human activities such as diligence, perseverance, integrity, mainstreaming, utilization of talents and self-development.

In management, motivation is known as a process of activation the influences and incentives for their stimulus to work effectively. The main purpose of motivation is a complex formation of conditions that encourage people to undertake actions aimed at achieving the goal with maximum effect.

Understanding possibilities that motivation can provide, have undergone great changes in management practice. For a long time, management believed that the sole and sufficient incentive to encourage employees to work effectively was money or other financial reward. Frederick Winslow Taylor has developed his own system of organizing employees work. The

result of his research was a proof that links between productivity and pay. However, the research project (experiment) of another scientist, Elton Mayo, is proving that not only the financial factor has an impact on employee productivity. During his research, he found out that one of the most significant factors in productivity of the employee is a psychological effect. (Latham, 2012. p.20-23; The Economist 2008.)

After that, many various psychological theories of motivation are trying to identify from different perspectives the main determinants of the motivational process. As a result of these actions, management practices had a big change from the strategy of carrot or stick to implementation of more complex systems for motivating employees to perform more effectively.

At the moment, the most difficult problem for management is a process of organization effective system of incentives for employees. Bruno S. Frey and Margit Osterloh have stated that more and more companies do realize that having knowledge about motivation and how to provide appropriate service for employees is a crucial aspect for success of any businesses. "The extent to which knowledge and motivation are intertwined can be seen in the case of many of the companies listed on the stock market under the banner of the so-called new economy." The reason why the market shares of those companies are rising is a result of outcome from a very encouraged group of employees they have. Their innovative ideas, capacity to develop something new, revenue generating products and service are a final product of combination internal assets of organization and exceptionally driven employee. At the same time, companies have knowledge on how to keep a workforce continuously motivated. Importance of a well-established motivational program is rising every day. As a result, management based on motivation and knowledge became key resources when it comes to business competitiveness. (Bruno S. Frey & Margit Osterloh 2002. p.31)

2.3 Objectives of Motivation

It was mentioned before, that motivation could play a significant role in organizational processes and success of the business itself. The lack of motivated employees can easily ruin the whole business, and the primary reason is - managers often have no time or attention for improving current situation. Before the main objectives or goals of motivation are defined it is necessary to know typical problems that lack of motivation cause.

James Sale, mentoring guru, creator of motivational maps, has defined 10 major effects for organization that lack of motivation could lead.

- **Increase in staff turnover.** He found that the companies with poor motivation management are suffering with the hiring and firing expenses. He did a statistical approach in order to determine how often employees leave and how much does it cost for organization. The result was that the average turnover for the first year was 18%, and in some cases 60% in the first 6 months. The high level of staff

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- turnover will cause the company to pay a big amount of money for compensation and hiring new members.
- **Decrease in productivity** which means that utilization potential work power is not met.
- **Level of absence goes up** and as a result - decrease in total productivity, low morale, low energy and low self-esteem.
- **Recruitment costs went up** including advertising costs, recruitment agency fees, and time costs in case of selection and interviewing process.
- **Fire fighting** issue (process of solving current problems in a short term period) caused by people who left the company and people who would like to join. The more company is involved in fire fighting process the less manager focus on current employees and rate of staff turnover will be dramatically increased.
- As a following result of previous problems company **will lose their customers** because the level of service will be decreased. This is the point where a company is following to its end.
- **Reputation of company will be ruined.** The main reason why it can be destroyed is that previous worker can make a really negative statement about the company in public or to a new employer. The same problem could be raised from customers.
- **Company will react on previous problems**, and put more investment in training. Unfortunately, the training costs will seriously go up. It could be misdirected because usually, company invests in development of health, safety and technological aspects. The most valuable recommendation would invest more in trainings for motivation.
- **Outsourcing costs will rise** because company already lost most of the powerful and competent employees in specific areas, and now top managers will use consultants to solve common business daily challenges.
- As a final and the most terrible consequence for organization is a **decrease in net asset value**, which leads for blame, despair and self-belief down.

(James Sale 2010.)

It is a great example of a typical problem when organization does not pay enough time or attention on motivation management. In order to save any company from these circumstances top managers should understand the main threat and opportunities motivation brings.

2.4 Features of motivation

The process of running behavior in the organization mainly based on the understanding of the circumstances driving employee in the performance of specific tasks. The system of management actions that exists in the organization requires knowledge of employee and main aspects/features of motivation. This is important to know how to form and direct human behavior with respect to achieving the goals. However, in order to do it, manager should understand motivation process and how to cope with its main features.

Gaurav Akrani in his report has provided a brief overview with a description of these features.

Motivation is:

- **Psychological process** – helpful tool to encourage employees to take a greater interest in the work assigned. It applies to human relationships.
- **Initiative by the manager** – the initiative is taken by the manager to offer guidance, appreciate a job done and offer incentives. Management should take special measures to motivate employees such as monetary and non-monetary.
- **Nonstop activity** – motivating is a continuous and repeatable process. Over the time, the expectations and needs of employees are changing. Managers should study and track those needs and response respectively. The process of motivation should be made on a regular and continuous basis.
- **Goal-oriented and action-oriented** – distracts a person's behavior toward certain goals. The process of achieving organizational and individual goals based on a motivational plan.
- **Broad concept** – covers needs of human relation and employee satisfaction. To motivate employees, cash and other incentives should be provided. Job satisfaction for an employee is necessary and useful for motivation.
- **Essence of the management process** – motivation is an important responsibility of the manager. Supervisor or manager should motivate their subordinates in order to achieve organizational goals. The employee counts as an asset of business units and motivated work force will bring prosperity to that business unit.
- **Beneficial to employees and management** – it offers benefits for employees and organization. Motivation leads to more honest and warm relations between work force and management and as a result provides more profits for management and welfare for employees.
- **Varied measures** – in order to motivate people many financial and non financial incentives could be offered. The attractive wages, welfare facilities, job satisfaction, appreciate of good job done, encouragements to self-development, job security and fair treatment are the most common measures of motivating employees.

- **Different from satisfaction** – motivation implies a drive as a result while satisfaction involves the result already experienced and achieved.
- **Related to a person completely** – the basic needs of the employee are interrelated and this causes the reason to motivate the employee absolutely but not in part. Management should focus on fulfilling all the needs through financial and non financial incentives.

(Gaurav Akrani, 2010.)

2.5 Extrinsic and intrinsic motivation

It is widely recognised that the basic assumptions of motivation which are implicit in the initial concepts are wrong but nevertheless understanding them is extremely important. Although, the leaders a long time ago misunderstood human behavior but the tools they used in those conditions were often very effective. Since these techniques worked and were used for a hundred years, the initial concepts of motivation deeply rooted in our culture. Many managers who had no special trainings still have or feel a strong influence of these concepts.

Thanks to contribution of many scientists and psychological experiments we have a knowledge that mostly humans are interested in the working process itself and working environment. Nevertheless many companies are still using the system of encouraging individual contribution based on performance by using monetary rewards. As a result, salary plans are becoming more expensive for the company. And at the same time satisfaction from money received is steady decreasing because people receiving money for the job they have done but not for how they were performing during the specific task.

In other case, employees began to be more interested in the work itself. They would like to be more involved in the company processes. In this case, CEOs are beginning to pay attention for establishment of corporate ethics, culture, task process and opportunities for self development within the company.

”These two approaches would appear to be in conflict with one another: are employees motivated by exogenous salaries and constraints (extrinsic motivation) or by internal factors such as job satisfaction and identification with common values (intrinsic motivation)?” (Bruno S. Frey & Margit Osterloh 2002. p.7)

The decision for this question should be done by a manager: on the one hand, they can have a deep focus on one of those approaches or try to find a balance between them. The balancing two approaches is the most wise and cost efficient decision but in order to implement it in practice, management should have a knowledge about both approaches and their employees.

2.5.1 Intrinsic motivation

“Intrinsic motivation is defined as the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards.” (Richard M. Ryan & Edward L. Deci, 2000.)

A literature “Successful Management by Motivation” by Bruno S. Frey and Margit Osterloh illustrates three main form of intrinsic motivation. (Figure 1)

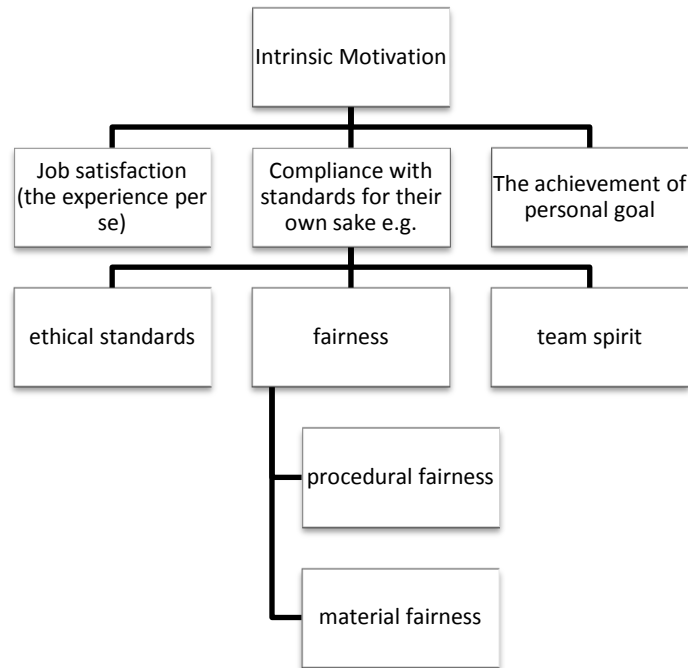


Figure 1 Forms of intrinsic motivation (Bruno S. Frey & Margit Osterloh 2002.)

”The first form shows that the activity itself is a source of satisfaction, and it provides an enjoyable experience. The result and process of this form, nevertheless, are equally important. The second form is a matter of meeting standards for their own sake. These may be ethical standards which one feels it right to respect, such as professional codes of practice or the renunciation of violence. In organizations, standards of fairness and team spirit are also particularly important. The third form comes from achieving the personal goal that has been set by employees ” (Bruno S. Frey & Margit Osterloh 2002. p.8.)

2.5.2 Extrinsic motivation

“Extrinsic motivation serves to satisfy indirect or instrumental needs. Mostly, the main tool in extrinsic motivation is money or other monetary rewards such as vacation or physical gifts. In business context, extrinsic motivation stems from the desire to satisfy directly one’s non-work-related needs. In this case, job serves as a tool with which to satisfy one’s actual needs by the salary it pays.” (Richard M. Ryan & Edward L. Deci, 2000.)

Extrinsic motivation also could be divided into four forms. Richard M. Ryan and Edward L. Deci have presented this division in (Figure 2)

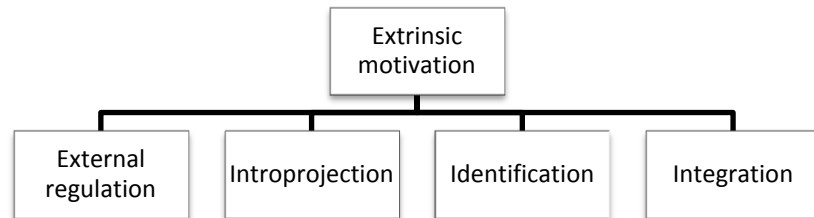


Figure 2 Forms of extrinsic motivation (Richard M. Ryan & Edward L. Deci)

“**External regulation** represents the least autonomous forms of extrinsic motivation, which includes a set of behavior is performed to satisfy an external demand or obtain an externally imposed reward contingency. A second form of extrinsic motivation is **intro projection** or **intro projected regulation**. It describes a type of internal regulation that is still quite controlling because people perform such actions with the feeling of pressure in order to avoid guilt or anxiety. In other words, intro projection represents regulation by contingent self-esteem. The third and the most self-determined form of extrinsic motivation is **identification**. In this form, the individual has identified with the own importance of behavior and has thus accepted its regulation as his or her own. The fourth form of extrinsic motivation is **integration** or **integrated regulations**. The process of integration occurs when identified regulations have been fully accepted and/or assimilated to the self. This occurs through self-examination and bringing new regulations into congruence with one’s other values and needs. The longer one internalizes the reasons for an action and assimilates them to the self, the greater one’s extrinsically motivation actions become self-determined.” (Richard M. Ryan & Edward L. Deci, 2000.)

2.5.3 The importance of intrinsic motivation

The importance of intrinsic motivation as a daily management activity was stated in research work of Bruno S. Frey and Margit Osterloh. They noticed five major reasons why companies are dependent on the motivation of their employees.

Firm specific pool resources. One of the reasons why companies are born comes from inability of market to perform a particular activity or cannot do it adequately. This kind of activity includes all employee activities which affect other employees, but cannot be attributed to a single employee. These activities have influence on company’s good name, corporate

culture, relations with customers and suppliers, and accumulated knowledge. These are firm specific pool resources, and each employee can earn benefits from them, even if he or she has not contributed to them. Mostly, employees are focusing on achieving their private goal and individual gain, and as result employees will have no will to contribute for improvement. Only intrinsically motivated employees will endeavor to contribute to the firm-specific resource pool. (Bruno S. Frey & Margit Osterloh 2002. p.19.)

Multi-tasking. If company rewards its employees assuming targets, and the targets can be quantified (for example: amount of sales, served customers, numbers of contracts, etc.), then extrinsically motivated employees will have the concentration on reaching the highest amount of quantified targets and activities, which are less quantifiable will be ignored. As a negative result, the key aspect of working life such as respect for colleagues, discretion, initiative and team spirit will be neglected. The more diverse and complex the job, the more intrinsic motivation should be provided. (Bruno S. Frey & Margit Osterloh 2002. p.19.)

Fuzzy tasking. Sometimes the line managers are simply not in the position to set clear, quantifiable goals or tasks for their employees. Often the success depends on employees' participation in the goal-setting process. If employees are paid according to clear, concrete targets, they will be less inclined to come up with inevitably fewer clearly quantifiable changes to the system. This situation will lead to lack of innovation. (Bruno S. Frey & Margit Osterloh 2002. p.20.)

The transfer of tacit knowledge. Company can use knowledge to their advantage, and more often certain important knowledge cannot be written or expressed by symbols. The distinction between explicit and tacit knowledge is crucial for company's survivability. The explicit knowledge can be conveyed in writing or symbols and can be easily transferred, when tacit knowledge has the great proportion and this knowledge cannot be coded because it is not made up of conscious routines or information. Therefore, the transfer of tacit knowledge is mostly depended on the intrinsic motivated employees but not every time. The fresh knowledge could be created only if implicit and tacit knowledge are combined. The underlying intrinsic motivation of employees and the capacity to generate new knowledge perpetually - is the most important competitive advantage on today's market. (Bruno S. Frey & Margit Osterloh 2002. p.20.)

Creativity and innovation. Summarizing previous major points we can see that creativity, multi-tasking, freedom in actions and innovation highly relates to intrinsic motivated employee. On the other hand, extrinsic motivation slows down the learning process and increase pressure of the reward-based system of reaching quantified targets. As a result, extrinsically motivated employees will follow tried and tested route without questions. (Bruno S. Frey & Margit Osterloh 2002. p.21.)

“The more complex, combined, diverse and demanding the activity is, the more crucial intrinsic motivation becomes.”

2.5.4 The indispensability of extrinsic motivation

It has been mentioned before, intrinsic motivation is very important and could lead for creation of non financial advantage for company but nevertheless, under certain circumstances and situations, the existence of extrinsic motivation in daily processes could not be mitigated. In order to support this statement with theory background, the three main factors describing importance and indispensability of extrinsic motivation were taken from research work of Bruno S. Frey and Margit Osterloh.

The right intrinsic motivation is difficult to create. Motivation is not an end in itself, but should serve the objectives of the company. The aim is not to engender intrinsic motivation per se but to ensure a coordinated employee effort in keeping with corporate objectives. Even so, there is more theoretical and empirical data on the crowding out of intrinsic motivation than on its creation. In non-profit organization, motivation creates itself but in private organizations need pay or reward employees with job done in order to support their interest in final result. (Bruno S. Frey & Margit Osterloh 2002. p.21-22.)

Intrinsic motivation can additionally assume an unethical dimension. In some cases intrinsic motivation can also assume an immoral or undesirable dimension. As an example, the vengeance and the lust for power are no less intrinsically motivated than altruism, conscience and love. Nevertheless, there is situation when extrinsic motivated professionals are ignoring these possibilities for power and focus toward the result. (Bruno S. Frey & Margit Osterloh 2002. p.22.)

Extrinsic motivation can keep unwelcome emotions in check. Extrinsic motivation can serve to discipline emotions. A lid can be kept on undesirable sentimental conflict within a company if employees have a common vested financial interest, The overemotional conflict can be harnessed as a means of satisfying employees; non-work-related aspirations such as taking up an expensive hobby. Of course, this does not resolve the underlying conflict, but it does put it into perspective. (Bruno S. Frey & Margit Osterloh 2002. p.22.)

Rewards can sometimes serve to create intrinsic motivation. The intrinsic motivation based on a combination of self-determination and sense of competence, but it also gives rise to a pleasant flow experience. As a result, the reward can lead people to tackle tasks, which are initially unfamiliar and perceived as excessively demanding. Over the time when a person gains new experience, his or her intrinsic motivation is changing. “These indefinite benefits of inadequate reward are the flip side of the coin to the invisible costs of reward.” In most cases, the monetary incentives can influence on intrinsic motivation. The financial rewards could satisfy some specific employee needs, which are not obligated or cannot satisfy. In this case, the extrinsic motivation supports intrinsic motivation. (Bruno S. Frey & Margit Osterloh 2002. p.23.)

2.5.5 Different types of people

It was noticed before that the most important task for the manager in organization is to assign roles, objectives or tasks to employees with relative generated and maintained motivation. In order to perform well in this activity - it is useful to distinguish between various types of employees. Different individuals have varied goals and values in life. They have unusual wishes and preferences and will therefore react in unlike ways to incentives imposed from the outside, and in particular, to monetary rewards such as bonuses or piece-rate payments. (Bruno S. Frey & Margit Osterloh 2002. p.73.)

Bruno S. Frey and Margit Osterloh, in their research work have distinguished two ideal groups of people who concentrate exclusively on a single goal.

Extrinsically motivated employees

- Income maximizers – type of person who is only interested in earning money. They derive an indirect benefit from the work itself and the money obtained. This type of income supports acquisition of the maximum quantity of goods and services for consumption. The work for them is unpleasant inconvenience and mostly effort is expended solely in order to earn extra income. Increasing in work efficiency and work rate can be compensated only by higher wage.
- Status seekers – extrinsically motivated person, but they look to external factors and respond to the evaluation of other people. Status seekers are not interested in consumption. They derive benefits solely from comparisons with other people. Their behavior is shaped by a concern for the opinion of a reference group, and they are a very competitive type of people, which means that they seek to set themselves above others in all respects. The main reason why status seekers are extrinsically motivated is that managers can distinguish them from other employees by raising status seeker salary.

(Bruno S. Frey & Margit Osterloh 2002. p.74.)

Intrinsically motivated employees

- Loyalists – types of individuals who identify themselves with the goals of the organization they are working for. Their wishes and values mostly coincide with values and wishes of organization. This sort of utility function could be found among employees who have worked at a company for a long time.
- Formalists – employees who have internalized the right procedures. Following procedures is part of their nature. For example, this pattern can be found in some lawyers and civil servants who are less concerned with the effect of their actions than with the question of whether the correct procedure has been followed. As long as the procedure is not affected, it is difficult to influence such persons with external incentives.

- Autonomists – type of person who concentrates solely on his or her own non-material goals, caring little for other issues and persons. These people desire to reach their goals, and they will use any means they consider correct to do (people who want to improve the world in all sorts of ways). Such people are strongly intrinsically motivated and react little to outside interventions.

(Bruno S. Frey & Margit Osterloh 2002. p.75-76.)

The following box summarizes the five employee types and factors that motivate them. (Figure 3)

Extrinsically motivated
1. Income maximizers – monetary income
2. Status seekers – position
Intrinsically motivated
3. Loyalists – identification with company goals
4. Formalists – correct procedures
5. Autonomists – pursuit of own ideology

Figure 3 Different type of people (Bruno S. Frey & Margit Osterloh 2002.)

2.6 Motivation theories

Content theory of motivation describes the structure of basic needs, their content; and it explains how these needs are related with motivation of human activities. This theory trying to analyze what motivates an individual to perform his or her job. What factors inside force people to accomplish assigned goals and how these goals help them to stay motivated in the future. The most well-known theories from this group are: Maslow's hierarchy of needs, Theory of two factors by Herzberg and McGregor's theories of X and Y. Unlike the content theory of motivation based on natural needs of people and related factors that control their behavior, the procedural theory considers motivation in a different perspective. Procedural theory analyzes how individuals allocate their effort towards achieving their or organizational goals, and what kind of specific type of behavior individual has chosen in order to achieve desired reward. Procedural theory does not specially dispute the existence of needs, on the contrary, they use content theories as a basis for their research, but they have a strong believe that behavior is determined not only by needs. At the moment, various procedural theories exist. However, management practices distinguish only few of them. The most useful and practical procedural theories are: The equity theory by Adams, expectancy theory by Vroom and as a result of previous two - Porter & Lawler Model.

2.6.1 Maslow Hierarchy of needs theory

One of the first and mostly used theory about motivation is a need's hierarchy introduced by Abraham Maslow in 1943 in his research paper “A

theory of human motivation." He stated that people had five sets of needs, which are structured in order. In order to achieve specific set, the previous level of needs should be satisfied. That's why Maslow hierarchy of needs often represented as a pyramid. (William K. & Claudia H. 2013) Gary P. Latham mentioned those needs in his book as physiological as well as psychological, and that they affect a person's survival and well-being. (Latham) "The needs are the starting points of motivation. The form in which one experiences needs is through pleasure and pain. The need of satisfaction is pleasurable. The need of frustration is not only uncomfortable; it can also be life threatening" (2012).

The need's hierarchy is based on priority and dominant characteristics. These five sets are: physiological needs, safety needs, social needs, esteem needs and self-actualization. The physical illustration of their placement can be found below. (Figure 4)

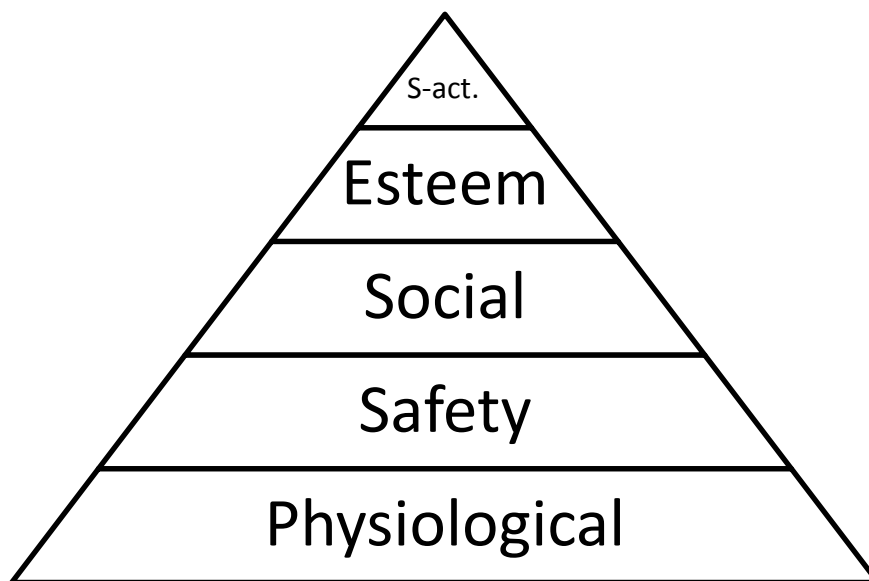


Figure 4 Maslow Hierarchy of Needs: Pyramid model

Description of samples

1. Physiological needs are biological needs. Mainly they consist of basic physiological needs such as oxygen, food, water and a relatively constant body temperature. This is a fundamental of all following needs and should be satisfied at first place. (Janet A., Donald B. & Beverly A. 1987) In case of business example, we can transfer these needs into basic physiological needs for career and work. The new needs will be salary and decent working environment. (William K. & Claudia H. 2013)
2. Safety needs are the needs which make a person feel unprotected and not secured from internal and external environment. The desire to be protected and knowledge that those basic needs will be fulfilled in the future is the common segment in this set. The business example of the-

- se needs would be job security and secure working condition. (William K. & Claudia H. 2013)
3. Social needs cover areas of affection and belongingness to other people such as friendship and need for love. “Maslow states that people seek to overcome feelings of loneliness and alienation. This involves both giving and receiving love, affection and the sense of belonging” (Janet A., Donald B. & Beverly A. 1987). The business example for this case is team atmosphere and friendly supervision. (William K. & Claudia H. 2013)
 4. Next needs of self-esteem could be divided into two parts; the first is self-esteem and second is esteem received from others. “Humans have a need for a stable, firmly based, high level of self-respect, and respect from others. When these needs are satisfied, the person feels self-confident and valuable as a person in the world. When these needs are frustrated, the person feels inferior, weak, helpless and worthless” (Janet A., Donald B. & Beverly A. 1987). For the business area, these needs could be transferred in valuable job title and recognition of achievements from others. (William K. & Claudia H. 2013)
 5. The last and the top need is self-actualization. “Maslow describes self-actualization as a person's need to be and do that which the person was "born to do." These needs make themselves felt in signs of restlessness. The person feels on the edge, tense, lacking something, in short, disturbed. If a person is hungry, unsafe, not loved or accepted, or lacking self-esteem, it is very easy to know what the person is nervous about. It is not always clear what a person wants when there is a need for self-actualization” (Janet A., Donald B. & Beverly A. 1987). Opportunity for creativity and personal growth and promotion is the great example of self-actualization needs in business and working environment. (William K. & Claudia H. 2013)

Limitations

In order to fulfil knowledge of Maslow Hierarchy of needs and do not make mistakes in judgements during the analysis part the main limitations should be clarified. The most remarkable limitations were noticed in article by Gaurav Akrani who provides an overview of one of the first Maslow's research paper – Theory of Human Motivation. These limitations are:

- **Simplified** – theory is over simplified and based on human needs only. The lack of direct cause and effect relationship between need and behavior is present.
- **Lack of testimonial** – the theory has to concern other motivating factors like expectations, experience and perception.
- **Uniformity of desires** – many employees don't need all demands to be pleased mostly the satisfaction of physiological and security needs is enough for proper work and motivation.
- **Not equally relevant** – the pattern of hierarchy of needs may not fit uniformly to all categories of employees.
- **Time relevance** – assumption of need hierarchy doesn't hold strength in the present time because each person has plenty of

needs to be satisfied, which may not necessarily follow Maslow's hierarchy.

- **Lack of empirical evidence** – even that Maslow's theory is widely accepted but there is little empirical evidence to support it. It is largely tentative and untested, which means that his research work is more philosophical than scientific.

(Gaurav Akrani 2010)

Importance from business perspective

Summarizing advantages and limitations we can ask a question: "Does the theory of need hierarchy applicable for use in management decisions and if yes how it could possibly affect people in organization?" Referring to article published by William Kremer and Claudia Hammond we can find an answer for this question. They stated that managers could use Maslow's hierarchy in order to identify the needs of their employees and help them feel fulfilled. They can pursue their interest outside the workplace by giving specific projects, unique job title and provide flexible working arrangements. (William K. & Claudia H. 2013)

Having knowledge of need's hierarchy will offer managers an opportunity for better understanding employees and their needs on a different level. Fulfilling and rewarding employees step by step will create unique environment where employees can concentrate on the job itself and be motivated by present atmosphere, which will allow them to recognize their natural potential.

2.6.2 Theory X and theory Y

Theory X and Theory Y were proposed by Douglas McGregor in 1957. Both theories were referring to Maslow's theory of need's hierarchy, and they consider human motivation from two opposite sides. The assumption underlying Theory X is that people are lazy by their nature, and they work only for money, or because they fear someone or something. Nevertheless, introducing Theory X, McGregor came to the conclusion that such understanding of human being does not correspond to ongoing reality and the management based on Theory X cannot meet current needs. Thus, McGregor has developed another theory of human motivation that was necessary in the modern workplace. The main principle of new theory was that people are not lazy and irresponsible at all, and this theory argues that people can be self-controlled and creative with support of right motivation. He called this theory - Theory Y. (Latham, 2012. p.34-36) It should be mentioned that Theory X and Theory Y are not mutually exclusive opposites. McGregor considers them interrelated because most of the people have the potential to mature and be conscious, so they can understand the difference between position and behavior. Theory X and Theory Y together describe the position of people. Leader or manager should apply Theory Y in order to motivate employees and understand them. At the same time, manager cannot forget about Theory X. Some people need some time to apply Theory X in order to help them realize themselves and go to the group of Y.

Basic assumptions

The basic assumptions show where people are influenced by X and Y theory and how we can distinguish them from each other. Corresponding to the assumption we can see of the person how he or she works and what is the main reasons behind the job he or she is doing. In addition, basic assumptions show why particular theory cannot work separately from other theories and gives short explanation why.

Assumptions for Theory X

- People dislike their work, and this is a reason why they must be controlled and threatened for hard work.
- They prefer to be directed, dislike responsibility, be unambiguous and desire security above everything.
- Belief lying behind most organizational principles, which rise both to tough management with punishments and tight controls.
- Man needs more financial rewards at work and at the same time he or she also needs some higher order motivation, the opportunity to fulfil her- / him- self.
- Managers following Theory X do not give their workers enough this opportunity, and they behave themselves in the expected way.

(ACCEL, 2014)

Assumptions for Theory Y

- The expenditure of physical and mental effort in work is natural as play or rest.
- Control and punishment are not the only ways to make people work. Man is self-directed if he or she has enough commitment to the goals of the organization.
- Commitment to the organization comes from job satisfaction of particular employees.
- The average employee learns under proper conditions. He or she not only accepts responsibility but at the same time seeks for it.
- Imagination, creativity and ingenuity can be used as a tool to solve problems by a large number of employees.
- Under the environment of modern working life, the intellectual potentialities of the employee are only partially utilized.

(ACCEL, 2014)

2.6.3 Two factor theory by Herzberg

Next model of motivation that was based on the teachings of Maslow and is often used in certain jobs, positions and occupations is the Herzberg two-factor model which includes the so-called motivational and hygiene factors. The appearance of this model was necessary due to the growing

need to analyze and clarify the influence of tangible and intangible factors in human motivation. Fredrick Herzberg conducted research on the motivation by involving accountants and engineers companies in the city of Pittsburgh and its environment for his research. To obtain the data, he used the method of the critical situation where professionals were asked questions related to the appreciation of the work done and what factors could make your motivation and commitment lower to its concluding implementation.(Alan Chapman, 2001-2014) His pronouncements and illustration of a research process could be found in his book "The Motivation to Work." In our research, we will use latest data and his findings in order to explain the importance of this model and how we can use it in business practice.

In his research, he found that the factors causing job satisfaction were much different from that causing job dissatisfaction. Based on this fact, he developed the motivation - hygiene theory in order to explain results. He called factors of satisfaction - motivators and factors of dissatisfaction - hygiene factors. He used the term hygiene in the sense that they are considered maintenance factors necessary to avoid dissatisfaction because they do not provide satisfaction.(NetMBA, 2002-2010)

As a final conclusion of his theory, we can notice that the first group of factors (motivational) include factors inherent to work itself. The motivational factors suggest that every single person can be triggered to work when he or she sees the goal clear and has possible commitment to achieve this goal. The absence of motivational factors does not lead to job dissatisfaction, but their presence will highly improve satisfaction and motivate people to achieve a better outcomes. The second group (hygiene) of factors remove dissatisfaction in related environment where employees are working. Hygiene factors do not automatically determine the positive motivation of employees but according to Herzberg, their absence or insufficient presence causes a person to be dissatisfied with the work he or she performs. Even if the presence of hygiene factors is sufficient they do not cause job satisfaction and cannot motivate a person to perform some/extra actions. On the other hand, their presence is fully encouraging and motivating employees to improve the efficiency performed at their work. The following table is presenting the main characteristics or elements of both factors (hygiene group and motivators group). It gives a perfect illustration and better understanding of everything was mentioned before. (Figure 5)

Factors for Satisfaction (Motivators/Satisfactors)	Factors for Dissatisfaction (Hygiene factors/Dissatisfactors)
Achievement	Company policies
Recognition or appreciation	Supervision or personal management
Job content or work itself	Relationships with supervisor and colleagues
Responsibility	Work conditions
Advancement	Salary and security
Growth opportunities	Status

Figure 5 Two factors theory table of characteristics from “One More Time: How do You Motivate Employees?” by Frederick Herzberg (MindTools 1996-2014)

Two-factor theory of Herzberg gives new insight into the content of working motivation. Before it, managers were focused mainly on hygienic factors, which were visible and controllable in organization itself. When managers facing with moral problems of their employees the typical solutions were to raise wages, increase in benefits and working conditions. However, it was revealed that such simplistic solutions actually did not work or desired degree of motivation could not be reached. Based on this fact, management went to deadlock when they paid higher wages, offered the perfect package of benefits, provided very well working conditions; and employee still feels unmotivated and stagnated. Herzberg's theory offers an explanation of this problem: focusing solely on the hygiene factors, managers do not motivate their staff; they simply reduce a degree of dissatisfaction. According to the theory of Herzberg, barely work that requires some effort and enables achievement, recognition, responsibility, advancement and growth will motivate employees.

Main limitations

On behalf of many managers and researchers the theory of two factors seems very certain and practical for nowadays business management but in fact, there are some specific limitations that should be taken into account. The main limitations were summarized in research work conducted by Christina M. Stello (Herzberg's Two-Factor Theory of Job Satisfaction: An Integrative Literature Review) where she mentioned the activities of scientists who were trying to argue or find supporting claims for Herzberg's two-factor theory.

- **It does not provide sufficient information in range of a larger group of employees.** Ewen, Hulin, Smith, and Locke conducted an empirical test of the two-factor theory using almost 800 male employees from various jobs. Their findings stating that Herzberg's theory cannot be equally applicable in numerous organizations or job positions at the same time where values and working environment are different from each other. Only one factor found a support from theirs, and many other researchers that the work has an impact on employee satisfaction.

- **Methodologically bound.** House and Wigdor reviewed the theory, criticism and empiric investigations to date. They summarized the findings of 31 empiric investigations using methods other than the critical incident technique and noted the inconsistent findings. They cite his research as methodologically bound in terms of using critical incident technique.
- **Wrong interpretation.** King identified five different versions of the two-factor theory that had been used in the literature in the eleven years since the original publication of Herzberg's findings. The main criticism of his study started from the date of the first publish of basic content. After that, many characteristics of Herzberg's findings were changed in order to meet and cover all criticism from other scientists resulting to controversial interpretation in numerous publications.
- **Error in people's perceptions of everyday working environment.** Farr stated that Herzberg made a serious error as an investigator by coming to believe that data he gathered is based on casual nature and his research uncovered the causes of job satisfaction and dissatisfaction. The values of different group or organization could be varied based on culture, educational level and age.
- **Tendency to give socially desirable answers.** One of the main review of his research was that people have a tendency to give socially desirable answers, which lead to the situation where dissatisfactions are attributed to external factors instead of internal factors.

(M. Stello, 2011. p. 8-14)

Implementation of Two factor theory

- How to apply Herzberg theory in nowadays management and earn benefits such as motivated and productive workers? The implementation could be divided into two steps. The first step is to take care of eliminating job dissatisfaction with following second step, create conditions for job satisfaction. If we go back to Figure 5, we can see the main dissatisfactions and satisfactions. The article from MindTools already has the solid solution for each step, which could be used in this research paper.

Eliminate job dissatisfaction – in order to get rid of the dissatisfactions, management in organization could do following steps(MindTools 1996-2014):

- Fix or re establish obstructive company policies.
- Provide effective, supportive and non-intrusive supervision.
- Create and support a culture of respect and dignity for all team members.
- Ensure that wages are competitive.
- Build job status by providing meaningful work for all positions.
- Provide job security.

Create conditions for job satisfaction – according to Herzberg the most efficient and effective tool for improving job conditions is job enrichment. Every job should be examined and determined how it could be done better and how it could attract/motivate a person to do it. These are the most common examples(MindTools 1996-2014):

- Providing opportunities for achievement.
- Recognizing workers' contributions.
- Creating work that is rewarding and that matches the skills and abilities of the worker.
- Giving as much responsibility to each team member as possible.
- Providing opportunities to advance in the company through internal promotions.
- Offering training and development opportunities, so that people can pursue the positions they want within the company.

2.6.4 Equity theory

The other theory based on Herzberg's theory of job enrichment and Maslow's hierarchy of needs is equity theory founded by Jean Adams. The main idea of this theory is that people determine the attitude or value of the outcome received for the effort expended with comparing it to the remuneration of other people doing same or common work. If the employee found out the uncertainty in the overall evaluation of his or her work, then he or she will seek an opportunity to reduce its intensity. At the same time, it does not have positive influence on the increase of the intensity of their job if they learn that their own compensation is higher than other individuals who are doing the same task or job. His theory describes that in most cases, people are naturally tended to keep the intensity of work at specific degree. Herzberg's theory of job enrichment has the main focus on that money and lack of it can be a major source of dissatisfaction. However, the theory itself does not cover the case of what person will do as a result of this dissatisfaction. The equity theory developed by Jean Adams shows and closes this gap. (Latham, 2012. p.45-46)

The great example of how equity theory works could be the case when two colleagues operating together on the same project or in the one department, and they share responsibilities jointly. Eventually, one of the employees feels that he or she threaded or paid unequally comparing to another worker and now she or he has a feeling of inequality since another person receives more money for the identical task or doing less than others. What could be a reason of this discomfort or thought and how the employee could act in order to solve this issue? Equity theory has answered for that, but before we should have a clear understanding of five key parts of this theory.

Key parts

The first part is that society holds beliefs about their individual effort and received outcomes which meant that people understand what they have to sell to organization and what do they received for putting these things on the table. The following figure has a great interpretation of main inputs and outputs. (Figure 6)

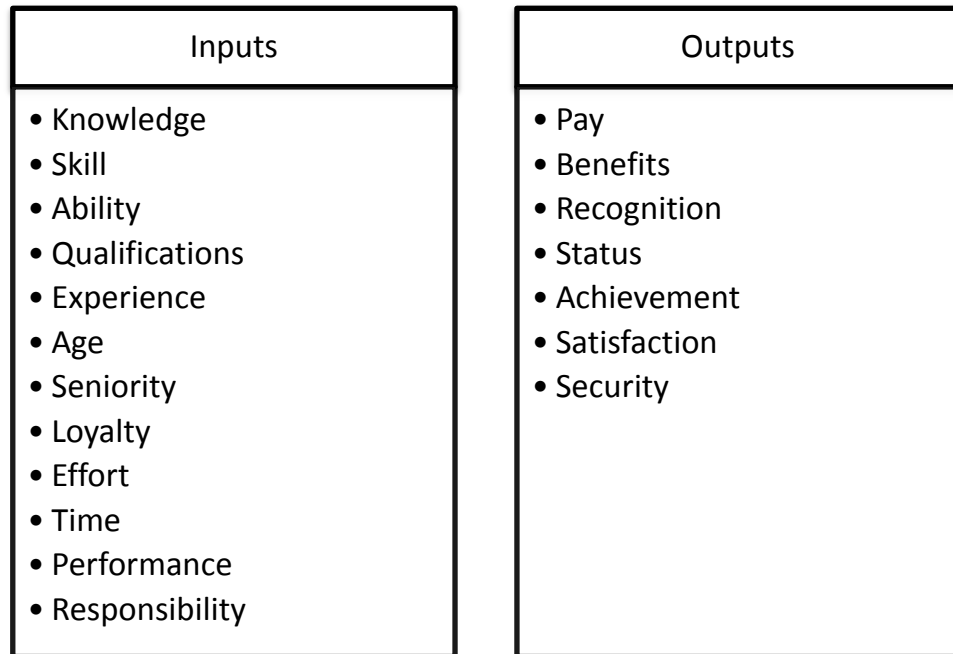


Figure 6 Equity theory: Inputs and Outputs (John S. 2007, p. 59)

The second part is that people are tending to compare themselves to be referent other. Individuals are comparing their own inputs and outputs to another person who is working in the same organization, and distinguish how well, or bad they are working on the identical task or in the same department. In some cases, people could compare their inputs and outputs to the inputs and outputs of a person they would like to be or to the person who they were before in another organization. This is a perception part when the observation of inequality begins. The third part is that people establish beliefs about others' input and output, which meant that individuals do not compare their own inputs and outputs but observing inputs and outputs of others. At this part, people create a clear image of what other people are doing in order to receive his or her output. The fourth part is when people evaluate their relationships with others by assessing the ratio of their inputs and outputs to others' and compares it. The fifth part come when the people learn that the inequity exists and the greater inequity, the more distress the people feel. (Richard C., John D., Edward M. 2006)

Consequences of inequity and reactions

When this situation exists people may react or feel in two different basic ways. The first is underpayment inequity reaction when employees feel that they contributed more inputs in their job than they receive outputs from it. In most of the cases, they compare the ratio of a referent to themselves if they have an equivalent or common job to do. The reaction is overpayment inequity, which occurs when people feel overly compensated for their contributed inputs. In both case people influenced by underpayment or overpayment inequity - feels either guilty for receiving more benefits for the job done or frustrated generated by underpayment conditions. (John W., Brian D., Douglas W. 1991, p. 384)

Adams notices several equity restoration devices that people use in order to balance their inequality. These devices are:

- **Alter inputs.** Employees attempt to achieve an equitable condition by increasing or decreasing input levels. Basically, it is a reduction of effort towards achieving a desired goals in terms of time and adjustment to the job.
- **Alter outcomes.** They attempt to increase or decrease their outcome levels. People who feel underpaid but who had an established communication with their supervisors will try to negotiate about raise.
- **Distortion of one's input or outcomes.** Instead of seeking to change actual inputs or outputs, people may perceptually distort them. As an example, people may experience guilt from the perceived inequity but afterward he or she accepts the salary or wage level as deserved.
- **Leave the field or organization.** This situation may arise when employees are not able to adjust inputs or outcomes to inequalities. As a result, they may search for another organization that does adequately compensate them for performing an identical or similar job. In some rare cases, they may choose a new profession.
- **Act on the referent other.** People alter the referent other's inputs or outcomes actually or perceptually. People will seek for an opportunity to explain inequity by comparing their input and output ratio to others'.
- **Change the referent other.** This is a final method of adjusting to an inequitable situation by changing the referent. Instead of matching input and output ratios with another employee, individual will resemble his or her ratios with ratios of the employee from another organization or company.

(John W., Brian D., Douglas W. 1991, p. 384-385)

2.6.5 Expectancy Theory

Expectancy theory has been regarded for decades as offering the most practical insights on motivation management pioneered by Victor Vroom. The theory is based on the assumption that work behavior is determined by individual expectations of the likely consequences of such behavior. (John S. 2007, p. 77). According to the expectancy motivation theory, the needs of the people have no motivational effect but the thinking process in which individuals evaluate feasibility of goal achievement, and related rewards provide such effect. Expectancy theory approves dependence efforts individual performs to the awareness of reality of achievement these goals and desirability of accomplishing them. Vroom has created a model where he mentions the main three conditions which affect motivation. (Figure 7)

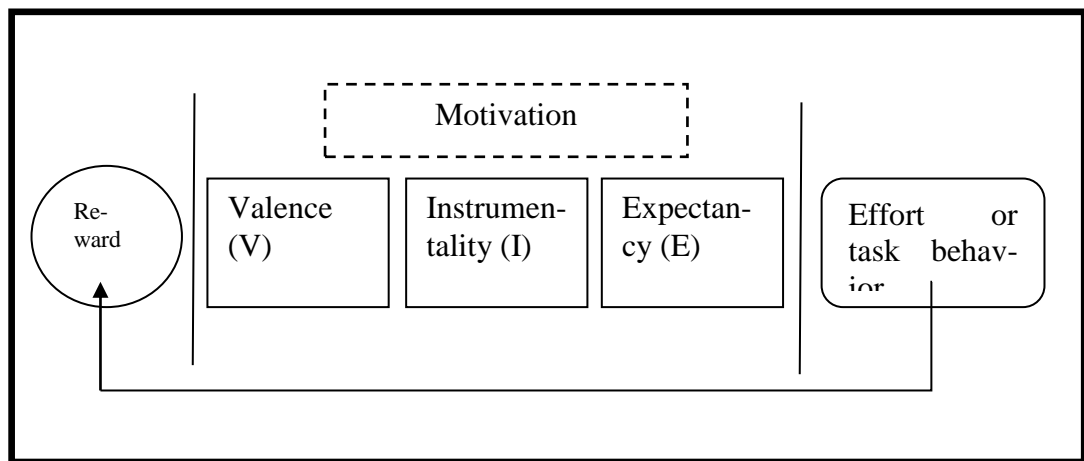


Figure 7 Expectancy Theory model by Vroom (John S. 2007, p.78)

Valence – this is the value the employee places on the prospective outcome or reward. It answers for question how much employees want this actual reward?

Instrumentality – this is the degree to which the employee believes that performing at the specified level will produce a positive outcome or reward. It also refers to as the line of sight between performance and reward. This is partly related to the employee’s level of trust in the organization’s reward promise and answers for question if the employee achieves the required level of performance, how likely she, or he will be rewarded positively for it?

Expectancy – this is the employee’s perception of the probability that a given effort will lead to a certain level of performance. The main question is can the employee achieve the required performance of the skills and resources at his or her disposal?

(John S. 2007, p. 78)

The strength of motivation depends on the function of valence x instrumentality x expectancy. The main implication for management is that organization should act to maximize all three motivational elements in order to achieve a maximum degree of motivation. If the link between reward and effort is clear, and the value of the promised reward is seen to be worth the extra effort, then performance-contingent reward will be effective.

tive (John S. 2007, p. 78-79). The model provides a guideline for enhancing employee motivation by altering different expectancies and values. These key elements should be mentioned in order to get better understanding of this particular topic.

Effort – Performance Expectancy: This is a predictable relationship between the input to the work and projected performance. Managers should try to increase the belief that employees are capable of performing the job successfully. There are many ways to do so: select people with the needed skills and expertise, provide trainings and clarify job instructions; provide demanded time and resources; assign difficult tasks based on trainings and follow employees' suggestions about ways to change their jobs. Managers or team leaders need to make the desired performance attainable for their subordinates (Fred C. 2011).

Performance – Reward Expectancy: This is an expectation of reward and recognition in response to the degree of results achieved. Managers should have to try to increase the belief that excellent performance will result in value rewards. There are also many ways to do so: measure job performance; describe the rewards that will result from successful performance; describe how rewards were based on past performance; provide individual examples of other employees whose good performance has resulted in higher rewards. Managers should link directly the specific performance they expected to the rewards desired by employees. It is crucial for employees to see the reward process during their work (Fred C. 2011).

Valences of Rewards: This is an expectation of value of the rewards that based on achieving specific goals. Managers should try to increase the projected value of rewards resulting from predictable performance. There are many ways to do so: distribute rewards based on employees' preferences and value; individualize rewards. It is misleading to believe that all employees desire the same rewards with the demographically diverse workforce. In some cases, employees may value a promotion or pay rise when others prefer additional vacation days, insurance benefits, day care or elder-care facilities (Fred C. 2011).

2.6.6 Porter & Lawler Model

Porter and Lawler developed a complex procedural theory of motivation based on Equity theory and Expectancy theory. This is a model that serves as a guideline for managers who use motivation as managing tool. It gives a perfect explanation of what kind of variables included in the motivational process in terms of delegating the task and announcing the reward of successful implementation. In their model, they noticed five featured variables such as effort, perception, reward, satisfaction and result. In response to Vroom's Expectancy theory, model developed by Porter and Lawler takes into account people's actual capacity to perform specific activities or tasks and how the task complexity is challenging for assigned subordinate/s.

Increasing employee satisfaction and motivation

They stated that the task performance depended on many other factors than imagined performance capability and sheer effort. These factors are following: personal knowledge, skill and ability, task complexity, understanding of what is required and role clarity. (John S. 2007, p. 79-80)

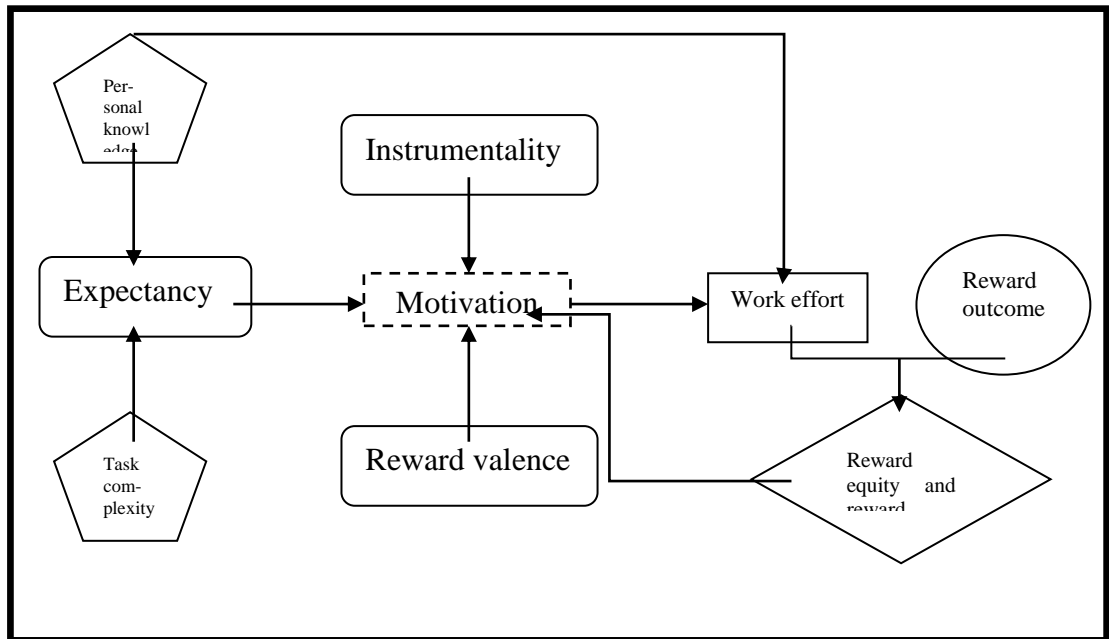


Figure 8 Expectancy theory extended by Porter & Lawler (John S. 2007, p. 79)

The Porter and Lawler theory is one of the most practical theories in use. The reason why this theory is famous in area of management, social, and psychological sciences - is that the theory itself includes various disciplines of motivation and psychology such as: delegating tasks, applying intrinsic and extrinsic rewards, using equity and expectancy theory as a basis and has a reference to theory of needs.

3 CURRENT SITUATION

3.1 Case company analysis

This chapter will cover basic information about commissioning company. It gives a prospective overview of telecommunication industry of Estonia, company image; corporate social responsibility and states future plans. As a conclusion author will introduce his opinion about case company.

3.1.1 Corporate image

This section demonstrates global achievements of case company, vision and reasons of its success.

In the beginning, case company was not known as Top Connect, the old name was CSC Telecom. Company decided to rename itself and started the process of rebranding due to the rapid development.

The company' CEO has seen a fast growth in export from Estonia and since company was rapidly evolving and changing from a young company in a large enterprise, they decided that their services should reflect this brand-new reality. The newborn brand offers cloud service based on the long term relations. For the clients, it means that they are able to use finished product more efficiently with support of virtual services (phone calls, more complex services and saving data).

Another reason was that they found a new focus on acquisition of their competitors in Baltic States and other potential enterprises in order to get access to modern technologies and customers.(ituudised Aripaev 2013.)

What kinds of global achievement Top Connect company has? The following part will describe all very important achievements that company reached in recent years in chronological order:

- The first step was made in October 2010 when company became a member of the German-Baltic Chamber of Commerce. This membership has opened to be a part of network of 400 different enterprises in Germany and Baltic States. This network brings company an opportunity to establish new contacts and business connections. (Top Connect news 2010.)
- In June 2012 CSC Telecom Lithuania joined the project “Business development of human resources”. “The project was launched in 2009; the aim is to increase adaptation of employees and companies to market needs, enhance human-resource competitiveness. The project included trainings in product development, strategic management, process management, production planning and management, project management, sales and marketing. This project provided an opportunity for company to increase its employee knowledge and professionalism in the business field. Having competence employees with knowledge of current business communi-

cation and activities is an essential factor that helps the company operate on the international level.

- "On September 21, Top Connect won a second place in Estonian Design Awards 2012 competition in the category 'Graphic design' and subcategory "Company graphic identity." The winners of all the awards were decided by international jury"(Top connects news 2012.). It is a very important contest because it shows how the company has introduced their corporate identity, packaging, environmental design and screen graphics. This victory improving the whole corporate image and remind that employees' output is highly valued.
- For the third year in a row, company is taking place on the 20th position in the list of the most successful enterprises of Estonia. It shows that company is taking a good leadership on the local level based on income, performance and capital. (Top Connect news 2012.)
- "Each year, Gild Corporate Finance ranks the 100 most valuable Estonian companies by their estimated market capitalization at the beginning of a calendar year. In 2013, Top Connect ranked no 39 in this list. The company was valued at 82 million euros, marking an increase of 5% from the year before"(Top connects news 2014.). Gild100 is a project compiled by GILD Corporate Finance. This organization ranks the 100 most valuable Estonian companies by their estimated market capitalization for the beginning of each year. Participation can take only for-profit companies listed in the Estonian Business Register. Companies are presenting their actual market values and share on the stock exchange. The overall valuation is based on public information and comparative analysis. In Estonia, this organization shows the real value of each company and having the 39th place in this list is the biggest success that company has achieved.(Gild 100 2013.)

3.1.2 Social responsibility

Top Connect company stands for strong social responsibility program, including support for children with special needs and sponsorship sport events. The most significant activity that company perform is a charity for homeless children and financial support for SOS children village. At the current moment company is a member of Tolaram fond. This fond helps people who are homeless and people with disabilities. Company aims to provide positive input that helps them study in school, engage with their communities and develop leadership skills for future. The company also encourages local volunteerism by providing charitable gifts to organizations where employees volunteer. (Top Connect, Social Responsibility 2014.)

3.1.3 Future plans

According to CEO of Top Connect company Max Rivshin, telecommunication market has a big threat nowadays. First of all, the revenue of a traditional telecommunications sector is decreasing (call and sms) because of new European regulations and partly because of the current economic.

At the same time, the free services such as Skype and Google voice making this situation even worse. The demand for speed of data transaction is growing and now companies should invest more in building 4G infrastructure. He makes a good statement about the situation of telecommunication business that the more investment will be transferred in 4G the least company will earn from standard calls, which means that companies are destroying themselves. (ituudised Aripaev 2013.)

In this case, company's future plans are clearly defined and available in public resources. As it was mentioned before the company's growth is rapid, and they are focusing on expanding current telecommunication market and also reach new clients through the process of acquisition potential enterprises and competitors.

The first goal could be stated as acquisition of Baltic competitors and entering in Asia and Middle East markets. The second goal is a development of equipment for clients. With modern developed equipment Top Connect company will be able to maintain client experience with a more integrated approach.

As a result, company will create a new competitive brand with higher price. Company focus on to be one of the leading global providers of telecommunication services by continuous development of their product. (ituudised Aripaev 2013.)

3.1.4 Personal overview

As a conclusion of company overview author has decided to include his own opinion and vision of the commissioning company. This summary is more qualitative than the public statement because it includes a description from a person who has been working in the company.

The company seems to be very customer and employee orientated. By this, it means that company's values are focusing on satisfying employee needs by using a structured business model. The customer value proposition mainly focused on breaking the cost and place barriers which means that users of travelsim pay less for international calls wherever they are. The key resources are the company's biggest assets that include modern technologies, well established information channels and high-quality delivery. The key processes are also on the stage of development when company provides continuous trainings for employees, constant development and focuses on quality of sales approach.

The most significant factor that has been noticed is an employee relation within the company, the environment is combined by free time activities with an integrated working process which means that employees are able

to take some work at home or doing some business trips in exotic countries.

Speaking about the management style, I would say that tasks and goals are clearly defined for staff members and all key departments are introduced to each other. Such point gives an open opportunity to request a help from another employee if members of the group had some problem with the current task. At the same time, the completion of a task is very formal; the employee has a clear instruction on how to do the task with defined deadline and source of potential information is also provided. Even so, during the daily task employees have a possibility to bring their own creativity in working process.

The communication between employees and customers is highly professional. Just recently company has introduced their own calling centre instead of using outsourcing services. Special trainings and techniques on how to communicate are provided in advance before employees of calling centre begin to work.

Should be mentioned that author has full involvement and interest in success of commissioning company and will support organization in any possible way.

3.1.5 Telecommunication industry in Estonia

Telecommunication industry in Estonia has developed into the successful business model based on technological changes and innovations. For the recent years telecommunication field is growing dramatically, and now, more and more companies and start-ups are involved in this field. The success was achieved by focusing on efficient network and modern telecommunication technologies for the information society. The main factor that inspires new companies to be in the telecommunication market comes from a political decision to create "digital generation."

The development in this sector was started in early 1992 when Estonia has reclaimed its independency from country from Soviet Union and then more companies started to invest in telecommunication and informational technologies. The most remarkable investor was Eesti Telefon (known as Elion). In the beginning, Elion has invested 5.4 billions kroons (which equal to 345 millions euro) over 10 years in the network and as a result become a monopolist in this sector. (Lauri Frank & Sarolta Nemeth 2004.)

Nowadays Estonian telecom market is one of the best developed in Eastern Europe. Various electronic services are available to use right now such as e-commerce, e-government, e-education and e-health services. People in Estonia use their mobile phones and computers more often than everyone else in Europe. The reason is that all daily or complex decisions could be done online. The good example on how telecommunications and information technologies are developed could be that people can make an appointment with doctor, pay for parking lot, order transportation tickets;

visa and even vote for new political parties through the Internet by using information from ID card. (Budde Comm 2013.)

In addition, in 2009 the Ministry of Economic Affairs and Communications and the Estonian Association of Information Technology and Telecommunications launched the EstWin project where main goals for 2020 were clearly defined. The goals were following: complete fast basic broadband network, expand broadband retail networks, promote the principle of network neutrality and promote secure public WiFi networks.(European Commission 2014.)

Generally speaking, the analytics made statement that telecommunication businesses in Estonia will grow even more in future years without any fear that, in some day telecommunication and informational technology activities will just stop.

As a summary of the industry overview, we can see that all these opportunities are supporting and inspiring companies to be involved in Estonian network community and earn money by offering new software, services and applications. The telecommunication industry in Estonia had a great background which leads to current and future opportunities for existing companies and following start-ups. Numerous European countries started to follow the same development plan that Estonia used for its progress in the field of IT and telecommunications.

3.2 Materials and methods

3.2.1 Conducting survey

In order to make a detailed research of the motivation of employees and the current situation in the company, a separate questionnaire for managers and subordinates was conducted. Each questionnaire is divided into several units relating to the thesis and academic models that have been used previously in a theoretical part. This was done for a simple collection of results and for the possibility to give an overall assessment on the different aspects of motivation from employees, and provide estimates of the management style of managers. Each theory that has been used is described in chapter "Explanation of the survey." For conducting of survey, author used Webropol account provided by Hamk University of Applied Sciences. This software has necessary tools for information gathering, analyzing and results' presentation. Software has user friendly interface and possibility to design your own questionnaire or use samples provided by web developers.

3.2.2 Description of target groups

It has been mentioned before, our research paper provides a practical application for Top Connect Company focusing on employees – manager relationships, and how motivation is established on both sides. Two groups

have a significant impact on company and its productivity, and it is important to divide results by what employees really feel and what managers think they are doing towards employee motivation and satisfaction. **Where they are right or wrong?** Mostly, this research is a useful tool and reliable information for managers to see clear image on how they succeed in case of motivating their subordinates. The first and the most important group are employees – people who directly receive tasks and perform them. In our research, we cover white- and blue- collar labour force that works in sales, IT, customer support, call centre, research and development, and administration departments. The second group are heads of these departments; they receive project from upper management and divide it into tasks across all departments – so basically managers and tasks have high synergy in this company due to the need of cross-line communication between employees within different departments.

3.2.3 Explanation of survey

The survey is developed in the way that all related theories that were mentioned before have a place in this research, and can provide significant information in topic of motivation and employee satisfaction. **Not all of them equally adaptable** for employees and managers, so in order to sort it out, different units consisting of questions were inquired for each group. The following tables will represent what kind of unit does this research have and how do they relate to particular theory and groups.

Unit 1 - The importance of motivation

Questions from this unit were conducted only for managers. The main information that we are searching is a basic understanding on how management sees motivation as a tool, importance of it, and how it might affect on employees' behavior. This unit includes following questions:

Do you agree that motivation is...

- Increasing productivity of your subordinates?
- Establishing informal relationship with your subordinates, and as a result you have safe and open-minded conversation?
- Decreasing mistakes' rate
- Work becomes more attractive for them
- Helps them in their personal development / improvement of qualification
- Poor motivation negatively affects their behavior and attitudes to work
- Makes them work less or be less enthusiastic
- Reduces the number of critical incidents within the team.

The possible answers are: disagree, maybe, agree. Positively answered questions show that managers do understand importance of motivation and have knowledge how this tool works. This showing that managers are dedicated and have some basis to work further. Negatively and “maybe” answered questions show that managers do not accept the role of motivation

on appropriate level and have lacked of knowledge how this might be useful for their daily performance as a leader.

The result of this unit can be represented by using charts where we can observe what kind of statements are not widely accepted by management and where they need to do research or make some changes. It also shows how management can utilize this knowledge for company benefits.

Unit 2 - Identification sources of motivation and types of people

This unit is directly related to employees' questionnaire, but author decided to include it in the management questionnaire as well. The foremost information that could be taken from this unit – is **what kind of types of people does Top Connect Company have** (more in chapter Extrinsic and intrinsic motivation – different types of people) and **what are the vital sources of motivation for them**. The reason why author includes this unit in the management questionnaire could be explained in the way that it would be beneficial to see how managers see their employees, how much attention do they spend on it, and investigate the gap of common sense, or better say, the gap on how managers understand sources of motivation of their subordinates. This unit includes following statement questions (example of employees' questionnaire):

1. I love to do what I like
2. It is very important for me, what society thinks about my behavior
3. If I disagree with the goals of the company, I'm not going to work there
4. It is very important for me to work in company where I'm allowed to use my skills and experience
5. I will work much harder knowing that I will get higher pay
6. If I don't like the job or task - I refuse to work on it or simply leave the workplace.
7. I am self-motivated person.
8. I often make decisions based on what others may think about me
9. Every hour of my work should be paid
10. I can't really work unless I believe in the idea or purpose
11. When choosing a job I'm looking for the one that seems the most interesting.
12. When choosing a job I'm looking for the one that pays more.
13. When choosing a job I'm looking for that in which success would bring me recognition
14. My favorite day - it's payday
15. I enjoy doing the task which I can count as an achievement
16. For successful work, the goals of my company should match with my own.
17. If I'm facing with difficulty of choosing the work, then as a result I will take the one that seems the most interesting for me.
18. I will make the maximum effort towards task completion, if I know that it will be noticed by influential people in the company
19. It is very important for me to know that my actions bring success to the company.

20. The most important for me is that I share goals of the company rather than my personal success.

The basis of this unit was taken from work of John Barbuto and Richard Scholl (Motivation Sources Inventory) and redesigned for this research paper to integrate existing theory into practical application. This unit has a very realistic and informative model where the main focus is major sources of motivation as fundamental of personal education (since motivation has its own dynamic and practically immeasurable).

Totally there are five different sources/motives of motivation that could be related to specific types of people:

- Internal processes for **Formalist**: the desire to enjoy business processes. (1,6,11,17)
- Instrumental motivation for **Income Maximizers**: the desire in forward to tangible external rewards, such as pay, bonuses, etc. (5,9,12,14)
- External concept for **Status Seekers**: the desire to adopt and maintain characteristics, competencies and values of other individuals or group. (2,8,13,18)
- Internal conception for **Autonomists**: the desire responded to own standards traits, competence and values. (4,7,15,19)
- Internalization goal for **Loyalists**: the desire to achieve goals that are appropriate internalized values. (3,10,16,20)

The questionnaire consists of 20 statements: 4 in each category, and for each of the statements there is a five-point scale (No - Probably not - I don't know - Probably yes - Yes). In order to avoid noticing some similarities within statements, it is necessary to change the order of these questions. Because this unit covers some intimacy issues it is better to use a questionnaire anonymously to decrease a degree of social acceptable answers.

Unit 3 – Identification of needs

This unit concerns employees only. It helps to understand how their needs are being satisfied at the moment. The whole unit is based on theory related to Maslow’s Hierarchy of Needs and takes into account four key measurements: safety needs, social needs, esteem needs, and self-actualization needs. In order to minimize the amount of questions, author has decided to take away physiologic needs. The reason is that nowadays any person has full availability to satisfy his or her own physiologic needs such as hunger and thirst, so it doesn’t make any changes or sense to include it into this particular research. In this unit, we have 12 questions divided into four categories corresponding to specific need. Following table displays, which question is related to which block and this table also showed grading based on the answer selected.

Safety needs	Social needs	Esteem needs	Self-actualisation needs
The most important thing for me is quiet work (Not true = 1 – Definitely true = 5)	I prefer to work independently (Not true = 5 – Definitely true = 1)	High salary shows how valuable are people in the company (Not true = 1 – Definitely true = 5)	One of the important thing for me is the searching of happiness (Not true = 1 – Definitely true = 5)
The most crucial to me is a regular income on which I can count (Not true = 1 – Definitely true = 5)	I prefer to work with clients and other people (communication) (Not true = 1 – Definitely true = 5)	My self-esteem is more important than someone else's opinion (Not true = 1 – Definitely true = 5)	I want a job where I would be able to improve my skills and learn something new (Not true = 1 – Definitely true = 5)
After the work, I expect a good retirement (Not true = 1 – Definitely true = 5)	Be part of a team is very important for me (Not true = 1 – Definitely true = 5)	My personal achievements make it possible to respect myself (Not true = 1 – Definitely true = 5)	To do what I can do suits me better than develop something new (Not true = 5 – Definitely true = 1)

How should manager and researcher interpret this data and how to use this grading? Each of these columns can have 4 points as minimum and 15 points as the maximum. Total points of 13 and higher means that specific needs are extremely important for employees. Total points starting from 10 to 12 means that these needs have strong importance for employees, and cannot be ignored. Total points starting from 7 to 9 means that these needs have no significant power during working process, and can be easily avoided at some point. Total points below 6 mean that needs are absolutely unimportant for employees.

Unit 4 - Identification the types of people / managers based on theories of X and Y



Increasing employee satisfaction and motivation

This unit identifies how managers leading and how employees would like to be led. It shows the difference of current situation and best option for subordinates. Unit is formed on theories of X and Y generation of workers / managers. Some people would like to do their job, and that's it, when at the same time others would like to shown enthusiasm and be a team member, and not be scared of their manager. This unit is applicable to both groups - employees and managers. In this unit, we have 10 questions to offer:

1. My supervisor gives me instructions with detailed explanation and the opportunity to offer suggestions
2. I wish to learn new skills that go beyond my daily duties
3. I call my supervisor by name
4. I know the goals, objectives, and news of organization
5. I can easily consult with my supervisor about new opportunities to improve my work and find a way for self-development
6. I want to perform new tasks and functions
7. I would like to talk about my fears or about my personal life with my supervisor.
8. I want to do the work by myself independently and ask for support from management only if I really need some help
9. I get highly praised if I successfully complete my task
10. When people leave the organization they have a chance to tell what went wrong and how it can be improved

The answers are scaled from Never(1p.), Rarely(2p.), Often(3p.), Usual(4p.), and Always(5p.). In order to give clear interpretation, we need to summarize all points and find appropriate measurement from following situations:

- 40-50 – management has full classification for Theory Y.
- 30-39 – management is best described as Theory Y
- 10-29 – management is best described as Theory X
- 0-9 – management has full classification for Theory X

Unit 5 - Expectation, Equity; Porter and Lawret theory

This unit has set of questions related to employees' expectation and equity. This unit has no grading and analytical measures. It is a more likely statistical approach to see whether or not employees are familiar with rewards provided in their own or different department, and see how results are paid. It also shows what kind of reward or remuneration they were expecting to receive, and how it is valuable for them.

3.2.4 Advantages

It is necessary to mention the leading advantages before executing the initial questionnaire in practical implementation. The principal advantages could be described as follows:

- **Reliability** – the research is anonymous that makes a target group to give truthful information and minimize the degree of “being good,” which is more socially acceptable than “being strict.”
- **Use of different theories** – the variation of theories allows identifying key problems in target organization. The main focus is still on Intrinsic and Extrinsic motivation, needs, and role manager as a person who persuades.
- Gives **a clear image for types of people**. Questions are constructed to identify clearly types of people, and what kind of means helped them to achieve organization’s goals and motivated them to perform their best.
- Gives **a clear image for styles of management**. Theory X and Y shows what types of managers organization have and how efficient they utilize their leadership skills.
- **Describes the most common needs** of employees and how management sees them. Research gives a reliable image of what kind of needs employees have, motives, and their values.
- **User friendly and understandable results**. It provides simple and useful information of expected outcome/reward, and shows how valuable they are for people working in target organization.
- **Multifunctional**. It can be applied in any types of organization and companies.
- **Feasibility for future improvement**. This research paper could be developed in more professional and dedicated application. To do so, management can decide which theory they would like to include, increase the amount of questions, or simply focus on one particular area where they have a problem.
- **Statistical and mathematical approach**. This is a good tool to see how the situation changed after first application. The numbers and means could be used in order to deliver information about changes in percentage, number or progression format. (For instance, overall satisfaction from employees has been increased for 15% or management style has been improved accordingly to employees’ needs by 10%.)
- **No special training needed** to organize survey and analyze results – everything is ready. Nevertheless, dedicated understanding of theory used in this research paper - is must have. .

3.2.5 Limitations

At the same time, we cannot ignore main limitations concerning this questionnaire. The following list of them helps managers or researchers decide whether or not they can use it, and what kind of factor could lead to misinterpretation of results.

- **Social adequate answers** – employees or managers can give not truthful information or will try to avoid answers, which are not ethnic tolerable, for instance, strict management is also a type of management, but at the same time it could not follow company policy. In modern society, strict management has an image of the aggressive managers who pushed employees to work at any cost.
- **No efficient data for final evaluation due to weak response rate** – research has no meaning with low response rate from managers and employees. This could be a tricky part where only one department described their management style, and others do not. At the same time, the information is not reliable as well when we have good response rate from many departments and in case of management we have few. In any of these cases, we will compare managers that are not related to another department, and this could lead to huge misunderstanding in the end.
- **Need of increasing response rate** – the questionnaire has many questions and options to answer, and sometimes employees give up in the beginning. In order to avoid this kind of situation, some type of random reward should be on the table. .

4 ANALYSIS

This chapter provides information about current situation in Top Connect company based on the questionnaire which was described before in chapter "Conducting the survey." The presentation and analysis are done unit by unit. The extensive result, grading and problem statement are included in the end of each unit. As a conclusion, author has decided to include overall evaluation of management style, how employees' needs are met, and to state the main problems which company can pay attention on. The number of responses from management was – 4, and the number of responses from employees were – 33. The main problem of reaching high response rate was the fact that many employees were on vacation, and no rewards were provided to make their participation in research proactive. Nevertheless, the response rate of above 45-50% is considered as expected and from that point, we could analyze realistic current situation and provide recommendation based on the results.

Unit 1 - The importance of motivation

Question	Disagree	Maybe	Agree
Increasing productivity of your subordinates?	0	1	3
Establishing informal relationship with your subordinates and as a result you have safe and open-minded conversation?	0	2	2
Decreasing mistakes rate	0	2	2
Work becomes more attractive for them	0	2	2
Helps them in their personal development / improvement of qualification	0	2	2
Poor motivation negatively affects their behaviour and attitudes to work	0	1	3
Makes them work less or be less enthusiastic	3	0	1
Reduces the number of critical incidents within team	0	4	0

The outcome of this unit shows that managers are well familiar with benefits of motivation, but at the same time they are not quite sure about all of them. For instance, decreasing mistake rates, more attractive work, and reduce the number of critical incidents. These are the most problematic issues for managers to see. The reason for that could be - it is really hard to see whether or not motivation plays a significant role in these cases. It was noticed before, that motivation is a theory on how to make your workers be interested in the job they are doing. At the same time, many aspects, such as personality, different values and individual relation to the work it-

self could make important changes for entire picture. The final summary in this unit is that **managers do have knowledge about the role of motivation, and as we can see they are also familiar to its usage.**

Unit 2 - Identification sources of motivation and types of people

From employees:

1. I love to do what I like
2. It is very important for me, what society thinks about my behavior
3. If I disagree with the goals of the company, I'm not going to work there
4. It is very important for me to work in company where I'm allowed to use my skills and experience
5. I will work much harder knowing that I will get higher pay
6. If I don't like the job or task - I refuse to work on it or simply leave the workplace.
7. I am self-motivated person.
8. I often make decisions based on what others may think about me
9. Every hour of my work should be paid
10. I can't really work unless I believe in the idea or purpose
11. When choosing a job I'm looking for the one that seems the most interesting.
12. When choosing a job I'm looking for the one that pays more.
13. When choosing a job I'm looking for that in which success would bring me recognition
14. My favorite day - it's payday
15. I enjoy doing the task which I can count as an achievement
16. For successful work, the goals of my company should match with my own.
17. If I'm facing with difficulty of choosing the work, then as a result I will take the one that seems the most interesting for me.
18. I will make the maximum effort towards task completion, if I know that it will be noticed by influential people in the company
19. It is very important for me to know that my actions bring success to the company.
20. The most important for me is that I share goals of the company rather than my personal success.

Increasing employee satisfaction and motivation

Question	No (-2)	Probably not (-1)	I don't know (0)	Probably yes (+1)	Yes (+2)	Total points
1.	0	3 (-3)	0	5 (+5)	25 (+50)	+52
2.	2 (-4)	11 (-11)	5	13 (+13)	2 (+4)	+2
3.	3 (-6)	6 (-6)	3	17 (+17)	4 (+8)	+13
4.	0	1 (-1)	2	8 (+8)	22 (+44)	+51
5.	0	1 (-1)	2	8 (+8)	22 (+44)	+51
6.	5 (-10)	16 (-16)	4	5 (+5)	3 (+6)	-15
7.	1 (-2)	3 (-3)	1	13 (+13)	15 (+30)	+38
8.	8 (-16)	14 (-14)	2	8 (+8)	1 (+2)	-20
9.	0	3 (-3)	1	18 (+18)	11 (+22)	+37
10.	1 (-2)	7 (-7)	3	16 (+16)	6 (+12)	+19
11.	0	5 (-5)	2	14 (+14)	12 (+24)	+33
12.	2 (-4)	4 (-4)	3	9 (+9)	15 (+30)	+31
13.	3 (-6)	8 (-8)	5	12 (+12)	5 (+10)	+8
14.	6 (-12)	9 (-9)	8	4 (+4)	6 (+12)	-5
15.	1 (-2)	0	0	9 (+9)	23 (+46)	+53
16.	3 (-6)	9 (-9)	2	13 (+13)	6 (+12)	+10
17.	2 (-4)	3 (-3)	1	15 (+15)	12 (+24)	+32
18.	3 (-6)	5 (-5)	6	10 (+10)	9 (+18)	+17
19.	0	3 (-3)	1	11 (+11)	18 (+36)	+44
20.	3 (-6)	7 (-7)	10	7 (+7)	6 (+12)	+6

For each category, the resulting score is calculated as the arithmetic mean of all scores on the four statements.

Category	Formalist	Inc. Maximizers	Status Seekers	Autonomists	Loyalists
Average points	25.5	28.5	1.75	46.5	12

From managers:

1. Subordinates do what they like
2. It is very important for them, what society thinks about their behaviour
3. If they not agree with the goals of the company, they wouldn't work in such organization
4. It is very important for them to work in the company where they are allowed to use their skills and experience
5. Your subordinates will perform better knowing that they will receive better reward (higher pay)
6. Your subordinates don't like the job or task they refuse to do it
7. Your subordinates are self-motivated
8. Subordinates make decision based on what others might think about them
9. Your subordinates think that every hour of their work should be paid accordingly
10. Subordinates can't really work unless they believe in the idea or purpose
11. When people are choosing a job, they usually look for the one that seems the most interesting
12. When people are choosing a job they are look for the one that pays more
13. When people are choosing a job, they usually look for the one where their success would bring them recognition
14. The most favourite day of your employees is payday
15. Your subordinates enjoy doing the task which they can count as an achievement
16. For successful work, the goals of your company should match with the goals of your employees
17. Often if people have alternatives while choosing a job, they will take the one that seems the most interesting
18. Your subordinates will make the maximum effort towards task completion, if they know that it will be noticed by influential people in the company.
19. It is very important for your subordinates to know that their actions bring success to the company
20. Your employees share goals of the company rather than focusing on their personal success

Increasing employee satisfaction and motivation

Question	No (-2)	Probably not (-1)	I don't know (0)	Probably yes (+1)	Yes (+2)	Total points
1.	0	1 (-1)	1	2 (+2)	0	+1
2.	0	0	1	2 (+2)	1 (+1)	+3
3.	0	3 (-3)	0	0	1 (+2)	-1
4.	0	0	1	1 (+1)	2 (+4)	+5
5.	0	0	0	3 (+3)	1 (+2)	+5
6.	2 (-4)	1 (-1)	1	0	0	-5
7.	0	1 (-1)	1	2 (+2)	0	+1
8.	1 (-2)	1 (-1)	1	1 (+1)	0	-2
9.	0	0	0	3 (+3)	1 (+2)	+5
10.	1 (-2)	1 (-1)	1	1 (+1)	0	-2
11.	0	0	1	3 (+3)	0	+3
12.	0	0	0	2 (+2)	2 (+4)	+6
13.	0	1 (-1)	1	2 (+2)	0	+1
14.	0	0	3	0	1 (+2)	+2
15.	0	0	0	3 (+3)	1 (+2)	+5
16.	1 (-2)	0	0	3 (+3)	0	+1
17.	0	1 (-1)	1	2 (+2)	0	+1
18.	0	0	0	3 (+3)	1 (+2)	+5
19.	0	0	0	2 (+2)	2 (+4)	+6
20.	0	2 (-2)	0	1 (+1)	1 (+2)	+1

For each category, the resulting score is calculated as the arithmetic mean of all scores on the four statements.

Category	Formalists	Inc. Maximizers	Status Seekers	Autonomists	Loyalists
Average points	0	4.5	1.75	4.25	-1

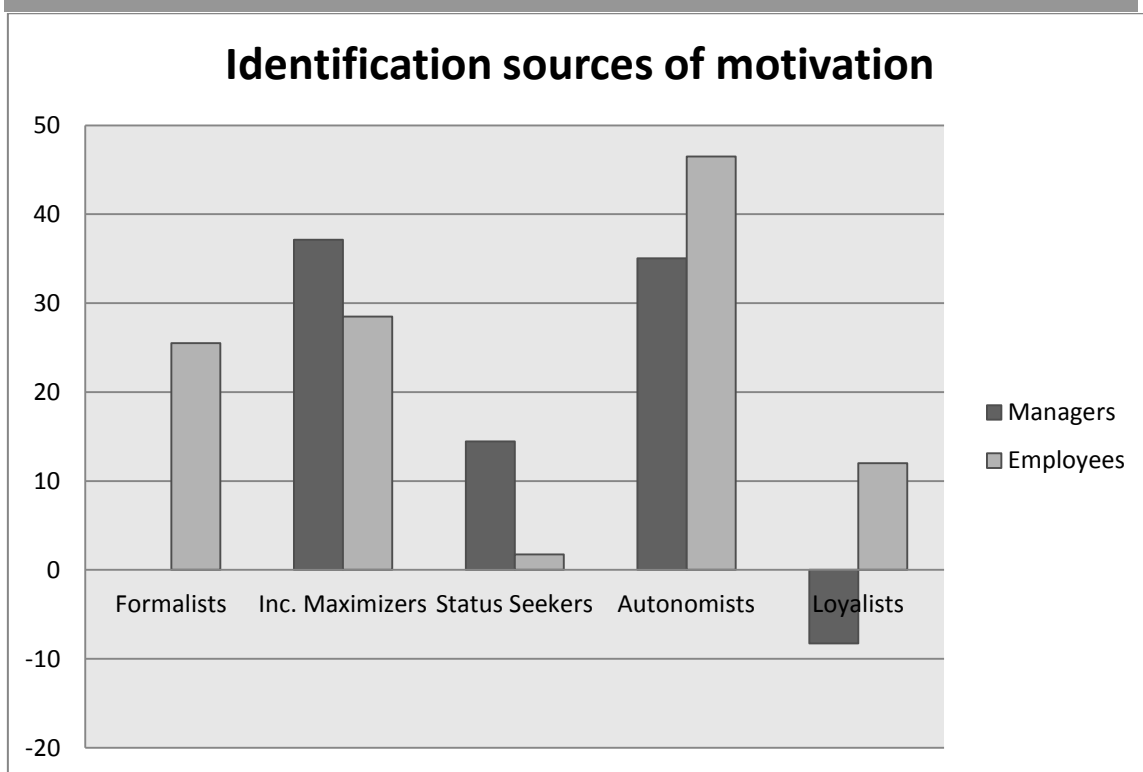


Figure 9 Identification sources of motivation and types of people. Comparison of data: employees to manager.

The main limitation in this unit is that numbers of employees and managers are not evenly. In order to avoid this factor and reduce chance of fault interpretation and possibility to make a mistake in judgement, author has decided to multiply total points of managers by 8.25. This makes outcome proportional. As we can see from the graph (Figure 9) above, the main factors which drive employees to work more productive are: internal conception, instrumental motivation and internal processes. It is clear to see that there is also a gap between managers' and employees' answers. At the moment, we are considering: internal processes, external concept and internalization of goals. In this case, we can notice that employees are enjoying business processes and have a desire to achieve goals that are appropriate to internalized values. At the same time, managers have a vision that their subordinates have a passion to adopt and maintain characteristics, competencies and values of individuals or group, which means that they seek for promotion and better position. The final summary in this unit could be described as follows: **The identification sources of motivation between managers and employees are not similar and required an explanation where management should have focus on.**

Unit 3 – Identification of needs

1. The most important thing for me is quiet work
2. I prefer to work independently
3. High salary shows how valuable are people in the company
4. One of the important thing for me is the searching of happiness
5. The most crucial to me is a regular income on which I can count
6. I prefer to work with clients and other people (communication)
7. My self-esteem is more important than someone else's opinion
8. I want a job where I would be able to improve my skills and learn something new
9. After the work, I expect a good retirement
10. Be part of a team is very important for me
11. My personal achievements make it possible to respect myself
12. To do what I can do suits me better than develop something new

The basic idea was to take the majority of answers on the highest priority to describe current situation. However, in fact, it could lead to misinterpretation of real data. In this case, author decides to use average 50% (16.5 votes) as a basis for presentation of current situation. This unit does not provide 100% accuracy and has better use for an individual approach.

#	Not true	True to some ext.	Partially true	True to greater ext.	Definitely true
1.	6	5	13	8	1
2.	0	4	10	13	6
3.	2	2	9	8	12
4.	0	4	7	8	14
5.	1	4	7	13	8
6.	4	7	11	7	4
7.	1	3	12	14	3
8.	0	1	0	10	22
9.	5	6	7	7	8
10.	1	3	6	12	11
11.	0	2	5	10	16
12.	12	7	10	4	0

The final result and points allocation is following:

Category	First option	Second option	Third option	Total points
Safety needs (1/5/9)	3	4	3	10
Social needs (2/6/10)	2	3	4	9
Esteem needs (3/7/11)	4	4	4	12
Self actual. Needs (4/8/12)	4	5	4	13

As we can see from results, each category has a different amount of points, and the difference is not huge. Although if we apply our theory and divide this result by various levels of importance, we might see which category has the highest demand from employees' perspective of view. This could be seen in following chart. (Figure 10)

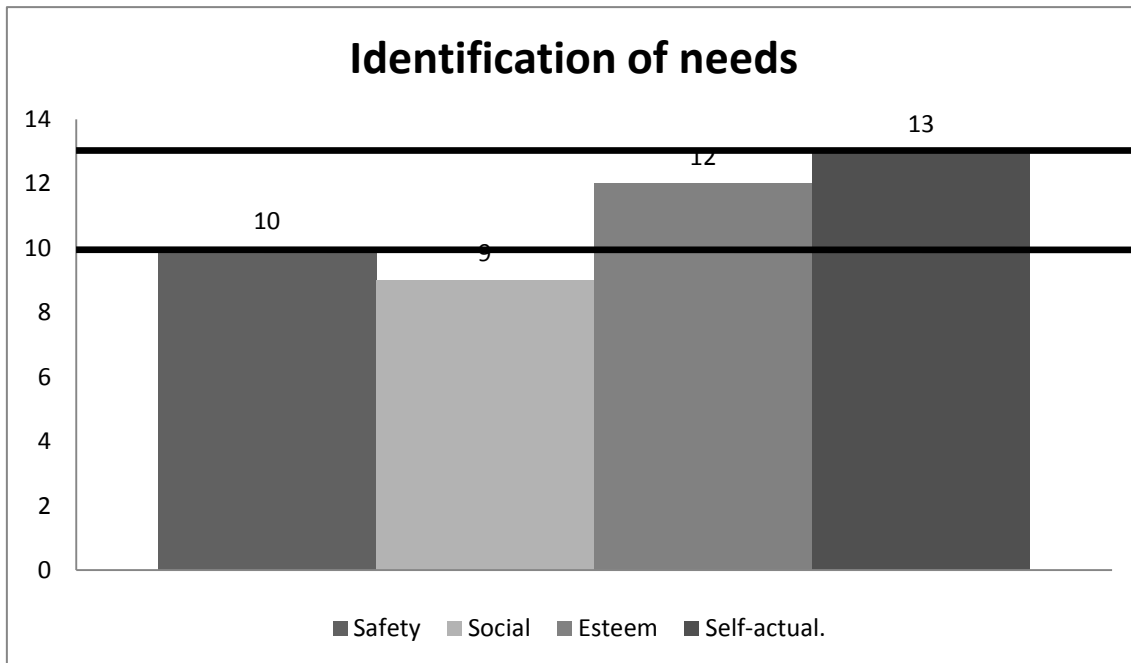


Figure 10 Identification of needs: Chart based on responses of employees.

From the chart (Figure 10), we can see the borders where specific needs become the most important for target group of employees. Safety needs starting from 10 points shows that **the desire to ensure protected future, avoid problems, and consolidate own position – has strong importance for employees at the moment.** Management can keep in mind that the majority of employees are afraid of future days coming, and managers now have power and information about it. Esteem needs starting from 12 points has also high importance for employees. **The desire for recognition and respect from others, the desires to improve some particular skills and expertise in order to secure position are the main drivers of esteem needs; and cannot be ignored.** The last but not the least, in another word, the extremely important need is Self-Actualisation. In our research, Self-Actualisation has the highest points 13 and for some reason, employees' success could exceptionally depend on this particular category. **In other words, self-actualization is a desire to improve current skills and masteries, willingness for better changes on an individual level, and opportunity to utilize all talents possible.**

Unit 4 - Identification the types of people / managers based on theories of X and Y

From employees:

1. My supervisor gives me instructions with detailed explanation and the opportunity to offer suggestions
2. I wish to learn new skills that go beyond my daily duties
3. I call my supervisor by name
4. I know the goals, objectives, and news of organization
5. I can easily consult with my supervisor about new opportunities to improve my work and find a way for self-development
6. I want to perform new tasks and functions
7. I would like to talk about my fears or about my personal life with my supervisor.
8. I want to do the work by myself independently and ask for support from management only if I really need some help
9. I get highly praised if I successfully complete my task
10. When people leave the organization they have a chance to tell what went wrong and how it can be improved

The same rule of to use average 50% (16.5 votes) as a basis for presentation of current situation is applied for this unit.

#	Never	Rarely	Often	Usual	Always
1.	2	8	8	12	3
2.	0	1	7	10	15
3.	0	0	1	4	28
4.	1	3	7	15	7
5.	4	7	2	8	12
6.	0	3	11	8	11
7.	8	12	3	5	5
8.	0	3	3	17	10
9.	2	9	7	11	4
10.	6	11	9	4	3
Points	0	2	9	20	5
Total	36				

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From managers:

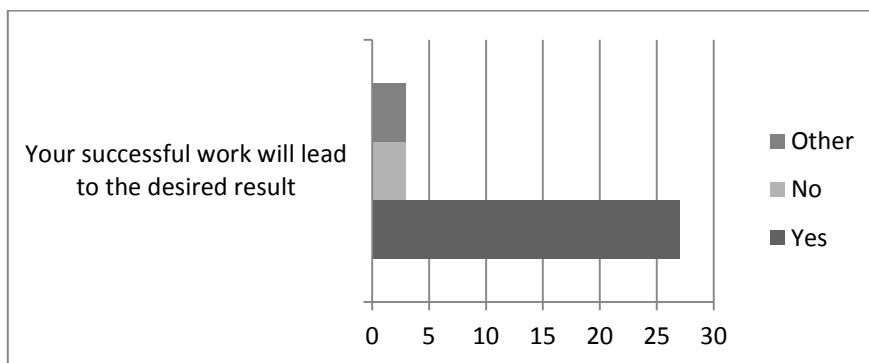
1. When you assign the task, you provide detailed explanation and opportunity to offer suggestions
2. Development of new skills beyond their professional activities is encouraged
3. You support friendly relations with your employees
4. You inform your employees about company goals, tasks, and freely inform them about company news (good and bad)
5. Subordinates can easily have a consultation with you about how they can improve their working conditions and establish a way for self-development
6. You can find a way for delegating extra tasks if your subordinates ask for it
7. You support a conversation where your subordinate informs you about his or her fears and personal life
8. You allow your subordinates to do their tasks independently, and help them when they asking for some advice
9. You praise and encourage your subordinates for meeting their duties and completion of tasks
10. When your subordinates leave work placement you give them an opportunity to share what went wrong and how it can be improved

#	Never	Rarely	Often	Usual	Always
1.	0	0	0	2	2
2.	0	1	1	0	2
3.	0	0	1	2	1
4.	0	0	2	1	1
5.	0	0	0	1	3
6.	0	0	2	1	1
7.	0	1	0	2	1
8.	0	0	1	3	0
9.	0	1	0	2	1
10.	0	0	2	2	0
Points	0	0	3	32	5
Total	40				

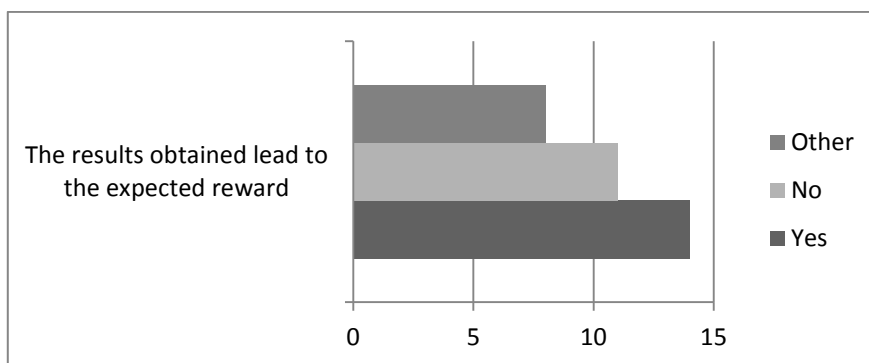
As we can see from the results, employees and managers style of management are close to each other. The value of 36 points for employees is best described as close to theory Y, and at the same time the value of 40 points for managers is best described as solid management based on theory Y. Getting back to theory we can complete this analysis with following statements: **physical and mental effort in work is accepted as play or rest; strict control and system of punishment are not the only ways to attract people to work; the major part of commitment to the organization comes directly from job satisfaction of particular employees; the learning process is going under proper conditions which means that employee is ready not only accept responsibility but actively searching for it; and the last but not least – imagination and creativity can be used as tool to solve specific problem.**

Unit 5 - Expectation, Equity; Porter and Lawret theory

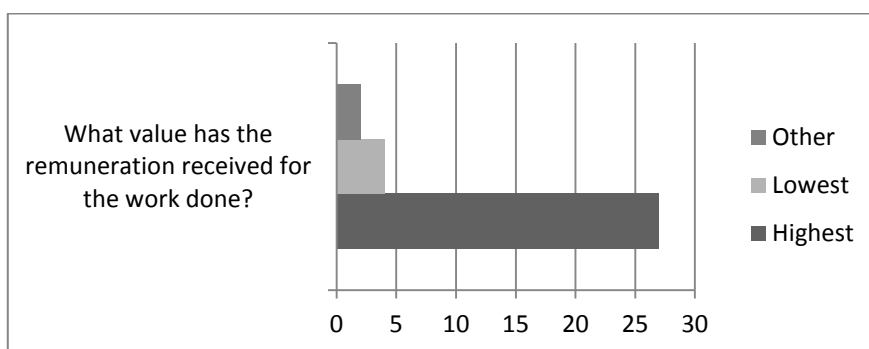
Expectations



Employees' expectation about successful work compared to the desired result is well met. In this case, no particular problem is found.

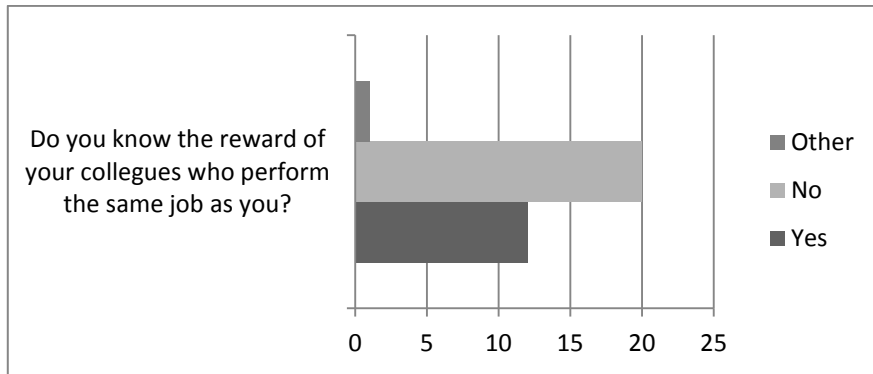


Not every employee could agree that reward received is proportionally equal to the results obtained.

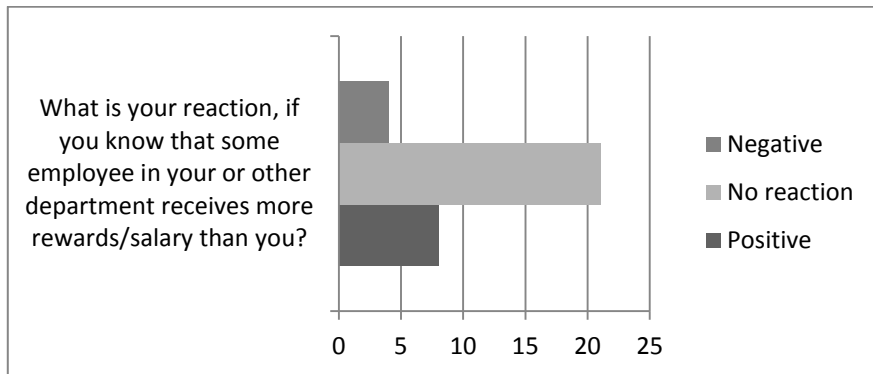


At the same time, if the reward received it has the highest value for employees, and we can say surely that **effort of employees is highly depended of expected reward.**

Equity/Fairness

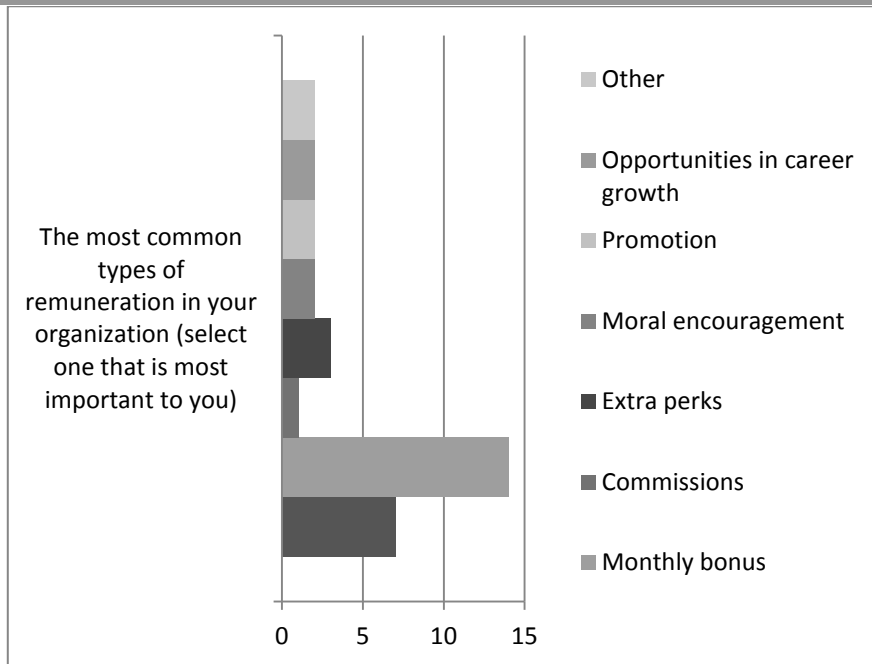


In most cases, subordinates do not know the reward of their colleagues who perform the same job. It is very important to mention that the research was done in different departments. For our judgement, we will use two options: 1. **Most of the employees have no access to know how their colleagues are rewarded** 2. The reward system for a successful job done is stated in official policy of organization for specific department/s.

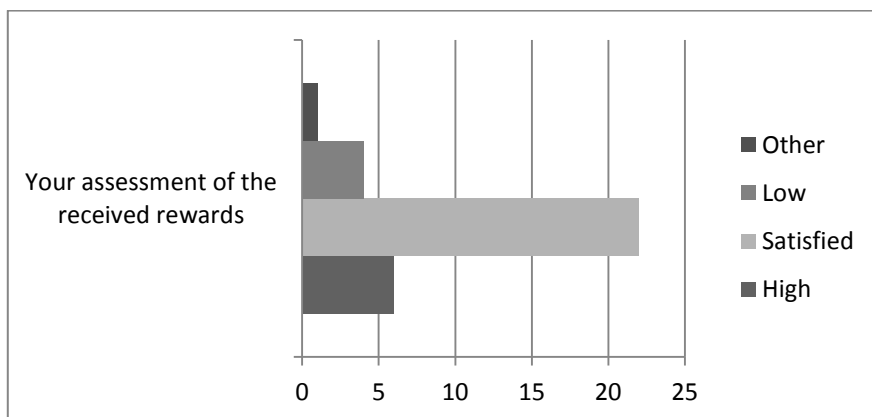


As we can see, often employees have no reaction if they see that their colleague receives more rewards or salary. The reason for that could be that **they are really not interested who is paid more**. Another reason could be that they do not have access to other's job or task, which means that **they have no opportunity for possible comparison**.

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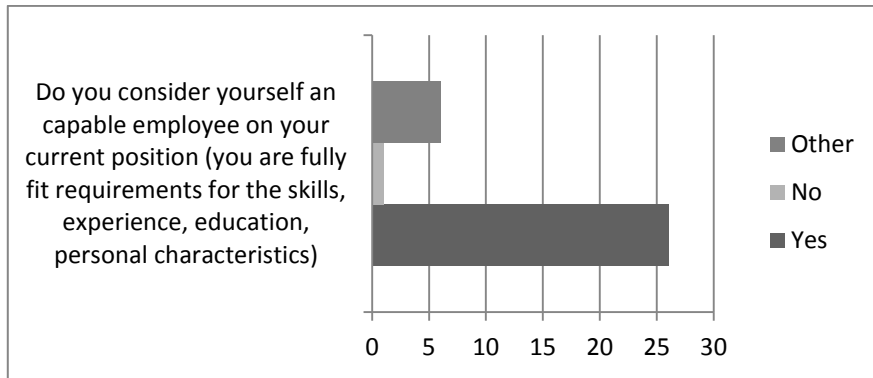


As we can see from research, the most common and valuable remuneration for employees at the moment is **commissions** and **monthly bonuses**.

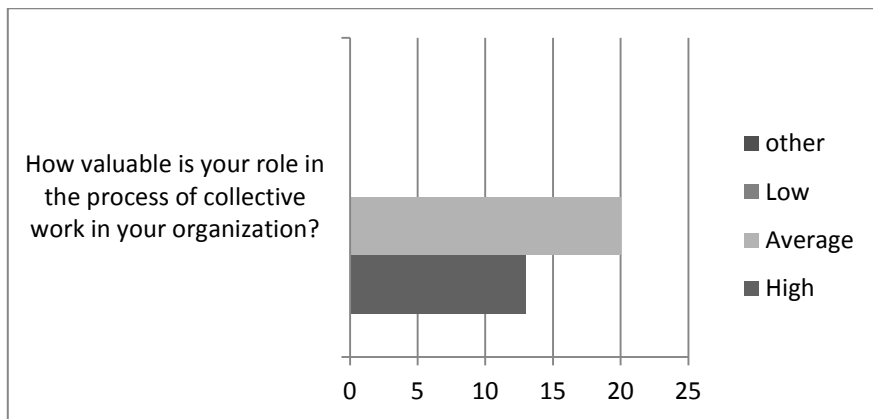


In most cases, overall assessment of received rewards is **satisfied**.

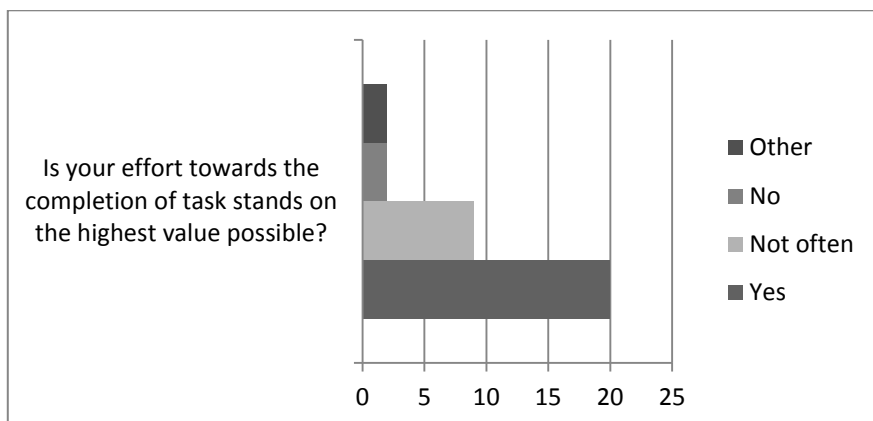
Input vs Output



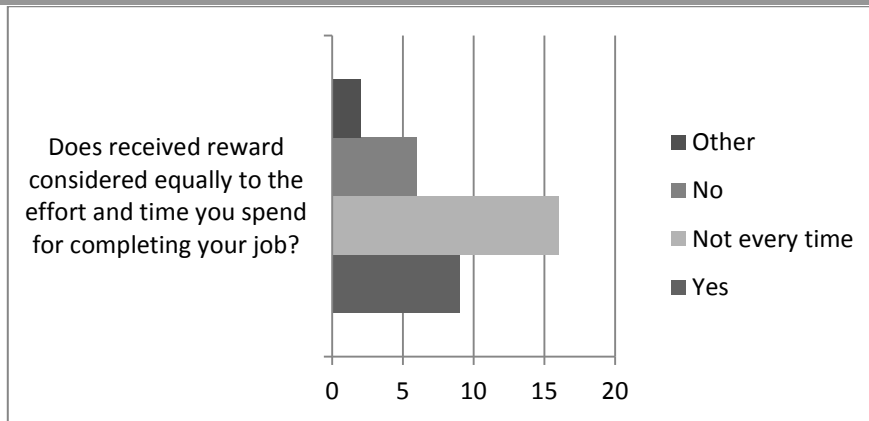
Everyone **agreed that they are fully capable** for a current job position in terms of skills, experience, education and personal characteristics. In this case, HRM department performs best when hire people.



It is a good to know that employees see their role in the process of collective work in organization as average or high. **This is a good measurement** which shows that no one is dismotivated or stands behind colleagues during the job.



We can see that most of the **employees are putting maximum effort for the completion task**. At the same time, only few do not do it so often – possible due to the routine or not interesting task?



This question is extremely important. As we can see, **not every time, received reward is considered equally to the effort and time employees spend for completing the job.** If we go back to theory part, where has been discussed what happens if employees' effort (input) and reward (output). We can see that it could lead to less productive and enthusiastic approach to work or in rare cases – leaving company for better remuneration.

4.1 Conclusion and problems statement

Before giving recommendations, or in other words, to develop a plan improving current situation with, it will be very useful to present overall conclusion and problems' statement. Research shows that case company, in case of motivation and satisfaction of employees is doing well but there is still some room for greatest improvement since some measures are not even. Firstly, it would be very effective and efficient if managers pay more attention on motivation as a tool for performance improvement. Secondly, identification of motives in two groups (managers and employees) is different. It may cause some misunderstanding within manager and subordinates, and decrease overall attention or effort on completing tasks or being in the organization. Thirdly, false focus on most common needs rather than what employees want may decrease performance, focus, and attention to work at the highest performance possible because subordinates will satisfy needs, which are not well met by management. Fourthly, little remarks could be taken in case of management style based on theory Y. Research shows that employees and managers prefer to follow theory Y but in fact, employees have fewer attitudes towards it. Fifthly, we can clearly see that relation of inputs of employees are not going evenly with outputs, which meant that rewarding structure is not as expected for doing the particular job.

5 RECOMMENDATIONS

Current chapter provides a solution for the last objective of this research paper, which is “to create a development plan which will consist of practical recommendations based on theory that could improve existing situation and bring more benefits for people and organization.” The chapter consists of five main problems stated in research and analysis part, and in each part, author is explaining the problem itself and describing how it could be solved. All solutions for stated problems are delivered from theory part and taken from reliable sources of best management practices. Readers and researchers should take into account that all recommendations provided in this chapter are related to case study only. Not all aspects of motivation and other possible problems related to it are described in recommendation's part.

1). For managers – use motivation as a tool to success.

Managers of Top Connect company have experienced knowledge about motivation, but nevertheless, it is still important to know and improve your knowledge about this complex topic. Being a good motivator is an extremely hard job that requires commitment and sense of understanding people needs. For this reason, going through all theory material once more again will greatly improve this skill and expand knowledge. Motivation is continuous process and cannot be interrupted at any stage. Day by day, people needs are changing. This message should be in mind of the leader every time. Improving your current skills and tools to influence people to work better is a daily task of every manager. Whenever management feels that motivation is not working anymore, or they have doubts about incoming results, they need to remember following advantages that correctly integrated motivation brings.

The advantages of strong shaped motivation management could be divided into two groups. The first group stands for advantages of motivation to organization; and second group will be the advantages of motivation to employees. Gaurav Akrani on a Kalyan City Life sharing wisdom block has defined the main advantages on how motivation could enhance overall performance for both groups.

Advantages of motivation to organization:

- Increase in the efficiency and productivity of employees.
- Best co-operation from employees and cordial labour-management relations.
- Lowering in the rate of labour absenteeism and turnover.
- Minimization in the wastages and industrial accidents.
- Enhancement in the morale of employees.
- Swift achievement of business/corporate objectives and favourable corporate image.

(Gaurav Akrani, 2010.)

Advantages of motivation to employees:

- Employees get various monetary and non-monetary facilities/benefits, which provide better life and welfare to them.
- Protection of employment and other benefits due to cordial relations to the management.
- Labor attraction and job satisfaction.
- Higher status and opportunities of participation in management.
- Explicit approach and outlook of employees towards company, management and superiors.
- Reduction in the rate of labour turnover which is harmful to employees and management.
- Best scope for improvement in knowledge and skills of employees.

(Gaurav Akrani, 2010.)

2). Identify motives and select appropriate motivation for specific types of people

If we go back to part "Different types of people" we can clearly see main characteristics of types of people. Combining it with questionnaire and applying to target group, managers or researchers can easily identify their employees individually and use motivation as a tool correspondingly. In this research with case company, we can see that the majority of people are Formalists, Autonomists and Loyalists.

How to motivate :

- Formalists – these people are enjoying procedures because it is a part of their nature. Their primary focus is not outcome or result but the process of reaching it. Establish an interesting way of procedures that is understandable and relates to their main duties is the only what they are looking for. In this case, applying extrinsic tools of motivation during the process and reward them for following correct techniques would have a great impact on them. Selection of the appropriate intrinsic tools is mostly depended on manager's choice and company policy, but the most common would be appreciation and support these people when they are doing their task, and not when the task is already done.
- Autonomists - this type of people is more concerns of reaching their own goals. The best place where they belong will be organization that shares common values and interest. In order to motivate them, it is important to know what they are looking from life and where organizational goals can be the same as theirs, giving them a chance to pursuit their own ideology. The impact of intrinsic motivation has a very strong impact on their performance.
- Loyalists – loyalist is the person who accepts ideology or goals of company as his or her own after working, in a organization for a long period. These types of people are mostly intrinsically motivated and individual attention from top management is highly powerful. They want to bring more in success of the company simply because they like to be here. If loyalists have a problem

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with his or her current job position, it is better to assign him or her to another department or project where he or she has more expertise and skills. These people creating a strong chain in collective and losing them may cause very harmful problems.

(Bruno S. Frey & Margit Osterloh 2002. p.75-76.)

3). Identify needs and make changes accordingly

Research has noticed that the most demanding needs of employees are: safety, esteem, and Self-actualization. There is no direct guidance on how to maximize employee's potential by satisfying their needs. Unfortunately needs of employee changes day by day but nevertheless, management has already knowledge obtained from ergonomics on how to satisfy fundamental need. Knowledge of leadership and motivation present how to achieve social and self-esteem satisfaction. The table below consist of five sets that were mentioned before with relative attachment about how management could satisfy employees' needs on a different level. (Figure 11)

Need	Example
Physiological	Cafeterias <ul style="list-style-type: none">• Vending machines• Drinking fountains Physical <ul style="list-style-type: none">• Working conditions• Heating and ventilation• Rest periods
Security	Economic <ul style="list-style-type: none">• Wages and salaries• Fringe benefits• Retirement benefits• Medical benefits Psychological <ul style="list-style-type: none">• Provide job descriptions• Avoid abrupt changes• Solve employee's problems
Belonging (Social)	Encourage social interaction <ul style="list-style-type: none">• Create team spirit• Facilitate outside social activities• Use periodic praise• Allow participation
Self-esteem	Design challenging jobs <ul style="list-style-type: none">• Use praise and awards• Delegate responsibilities• Give training• Encourage participation
Self-actualization	Give training <ul style="list-style-type: none">• Provide challenges• Encourage creativity

Figure 11 How to satisfy employee's needs (YourCoach 2009)

4). Develop management style based on motivational theory

Often McDouglas theories of X and Y are used in area of leadership and HR, but it offers quite valuable solution for motivation and management. These two theories are basic in nature, but they create a useful platform for future generation of theorists in management and managers. It helps to understand the changing dynamics of human behavior and how to cope with it. At first glance, it seems that the theories of X and Y are not real and cannot be used at the same time but McGregor and his followers are proving that most of the employees and managers are in the middle of the two above-mentioned theories. McGregor's theories offer guidelines to the management on how to construct processes and establish organizational expansion. Giving employees the freedom of actions and control at the same time provides a healthy mix for business success and cooperation within all systems. For motivation, it is very important to understand the behavior of employees and knows how employees react to these different styles of leaderships and how effective they are in terms of the achievement of desired goals. The theory of X and Y by McGregor could be used to analyze why the specific groups of employees are working and what do they prefer more: the need to be controlled or have a freedom of actions. Thus, we will have a basic understanding of our employees' threats, motives, preferences, behavior, etc. Managers can act accordingly to these factors.

5). Focus on employee expectations, and try to establish environment where they are treated equally.

The basic understanding of equity theory helps managers to appreciate others' inputs and received output while improving one person's terms and conditions. The changes should be perceived equally to other positions and jobs in order to not have a situation of inequality with following guilty or frustration. The final implication for managers is perfectly described by *yourcoach* source. Author has used basis of equity theory and applied it for compensation system. These implications are stated as following:

- People measure the totals of their inputs and outcomes. People have different value on numerous inputs and related outcomes. Managers should track them by negotiating fair salary and working hours. In many cases, people can accept being underpaid with flexible hours or fewer complex tasks.
- Different employees ascribe personal values to inputs and outcomes. In some rare cases two employees who are working on the identical assignment or in the same department with equal qualifications and expertise, could accept unusual terms of payment or working hours. This may arise from cultural background, self-perception or understanding fairness of the deal.
- Employees are able to adjust for purchasing power and local market conditions. In cross-cultural or multinational companies should be differentiated accordingly to the cost of living on specific market or in the specific country.
- Higher compensation is more acceptable for senior staff when their employees can find their overpaid inputs demotivating. Executives should pay attention on balancing fair pay for inputs they receive

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- and know the degree of intrinsic and extrinsic rewards that not over scale the balance of employees' expectation.
- Staff perceptions of inputs and outcomes of themselves and others may be incorrect. Often employees have not a crystal clear image about others' job responsibilities, and judge them accordingly to their personal skills and outputs they receive. The right option to solve this issue can be the establishment of open broad information about every job and terms, which were agreed in their contract. Perception should be managed effectively.
 - Increase or decrease of effort may arise from overcompensation. It has been mentioned before that increase in compensation has not been significant changed in person's effort. However, in some cases increase in compensation person can take this raise and adjust it to own individual inputs.

(YourCoach 2009-2013)

To motivate an employee to perform certain activity, it is necessary to reward his or her achievement corresponding to his or her own appreciation that should be linked to the organization's goals. Management should carefully formulate realistic level of expected performance for its subordinates and inspire them that they are able to achieve a desired goal only if they exert their force. The degree on how employees rate their strength depends on the management expectations. If the level of the expectation is high, the performance of subordinates is also probable to be intense. Otherwise if the level of expectations stands low, then the performance is expected to be low. If the expectations not exist, then the obstacles for achieving the goal generate a sense of futility. The more value of non achieved goal, the greater the sense of futility by following reduction of goal level, and if the goals are not realized several times, then the downturn of assessment of its reality and motivation will be lowered. Sense of futility reduces the motivation and as a result low motivation will mark down performing contribution to the goals. It should be noticed that employees are able to achieve the desired degree of performance required only if that delegated powers and personal inputs are sufficient for the task accomplishment.

6 CONCLUSION

The conclusion part of this research paper represents the summary on how objectives were met, and what kind of improvements could be introduced for future research in the field of motivation. Four main objectives (theory, case company, current situation, and development plan) were established in the beginning of writing process from cooperation with a representative of Top connect company. These objectives were successfully met and could be found in related chapters. The process of achieving these objectives starts from the Internet and literature surfing and ends with conducting surveys and interviews. This research paper can be a reliable reference and tool for managers and people who are interesting in the environment of motivation and satisfaction. Managers can follow instructions described in theoretical and practical part to analyze and improve current situation of their enterprise. At the same time, people who have an interest in this topic, can use it as a basis for their future research and scientific writing. To use this document in the most effective way, interested people should always take into account limitations and benefits, which could be found in each theory model.

Another case that should be as well included in conclusion part – is limitations of this research paper. It would be the best decision if the person who is using this research paper as a practical tool, will moreover, think about how to optimize use of theory. It means to focus on a specific field where management has troubles and avoids including unnecessary theory for his or her research job. In addition, it is very important to select your target group and set up expected reply rate. It would be also a great idea to motivate people to answer your questions, for instance, include some random monetary reward among all respondents.

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