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Conference Research Papers List

ABSRC 2017 VENICE PAPERS AND AUTHORS

Mirjana Pejić Bach	STRUCTURED APPROACH TO WRITING AND PUBLISHING A PAPER IN WEB OF SCIENCE AND SCOPUS JOURNALS
Bruno Jurčec, Mirjana Pejić Bach, Jovana Zoroja	MANAGEMENT SIMULATION GAMES FOR ENTREPRENEURSHIP EDUCATION
Ana Globočnik Žunac, Krešimir Buntak, Marjana Merkač Skok	THE DIFFERENCES IN THE PERCEPTION OF INTANGIBLE MOTIVATION FACTORS SIGNIFICANCE BETWEEN EMPLOYEE'S AND MANAGER
Erick Pruchnicki, Dorota Leszczyńska	MATHEMATICAL MODEL TO LOCATE A MULTINATIONAL CORPORATION RESULTING FROM OPTIMIZATION OF KNOWLEDGE TRANSFER
Tanja Rihtaršič, Matjaž Rihtaršič	STRUCTURAL MODEL OF FEMALE CONSUMER BEHAVIOUR IN SELECTED COUNTRIES WHEN BUYING FEMININE HYGIENE PRODUCTS
Krešimir Buntak, Vesna Sesar, Danijela Brozd	EMPLOYEES PERCEPTION ABOUT THE SIGNIFICANCE OF INTANGIBLE MOTIVATION FACTORS REGARDING AREA OF BUSINESS ACTIVITY

Önder Dorak, Fikret Er, Hasan Durucasu	<u>EFFECT OF FINANCIAL LEVERAGE AND FIRM SIZE ON FINANCIAL PERFORMANCE: A QUANTILE REGRESSION ANALYSIS</u>
Jana Štofková, Stanislav Štofko, Katarína Gašová	<u>MANAGEMENT OF THE NEW IT SERVICES IN COMPANIES</u>
Anna Wójcik-Karpacz	<u>MATTER AND MIND: WHEN TRUST AFFECTS INVESTMENTS INTO RELATION-SPECIFIC ASSETS IN SUPPLIER-BUYER RELATIONSHIPS?</u>
Jarostaw Karpacz	<u>THE PROPOSAL OF THE RESEARCHERS AND PRACTITIONERS: WHAT IS EMPLOYEE ENGAGEMENT?</u>
Andrej Pompe	<u>CITY BRAND IN THE EYES OF VALUES</u>

EMPLOYEES PERCEPTION ABOUT THE SIGNIFICANCE OF INTANGIBLE MOTIVATION FACTORS REGARDING AREA OF BUSINESS ACTIVITY

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Abstract

Earlier studies have shown that employees perceive intangible motivation factors as more important than material ones. The aim of this study was to determine whether differences exist in the perception of the importance of intangible motivation factors due to branch of the organization from which respondents come. The paper presents results of research about differences in perception between 793 respondents from eight different business branches: individual and small-scale production, process industry, services and logistics, public administration services, municipal services and public companies, independent profession (lawyers, dentists, and freelance artists), farmers, fishermen and education.

Key Words

intangible motivation, intangible motivation factors,

Topic Groups

Human resource management and career development

INTRODUCTION

Management of human resources is one of five basic management functions. In today's business conditions, employee's motivation contributes to an overall achievement of organizational goals and represents a competitive advantage. This fact gives a complex dimension to managers' tasks which they must undertake in order to encourage employees and maximize their potential. The manager also has to achieve organizational goals and at the same time fulfil employee's satisfaction and keep them motivated. To achieve both goals manager should know its employees and select those motivation factors that will provide the best results. Motivation factors are defined as factors that "organize, direct, define intensity and duration of working activity" (Bahtijarevic-Siber 1999. P 555). They are essential for developing quality motivation system in the organization.

2. HUMAN RESOURCE MANAGEMENT IN MODERN BUSINESS

When analysing investment in employee's knowledge from accounting aspect, this investment is recorded as a cost. Does it really means that this cost of education, when that same employee, after the training applies acquired knowledge and skills, and improves productivity of his work place and with his effort contributes to an overall organization success of the organization, is really a cost or investment? Knowledge is and will always be an important investment in the hands of high-quality and motivated employees and will always raise overall performance of the organization when properly managed.

Drucker (2005, p 167) said that "being effective is a job of knowledge worker and it needs to be learned" and that new world is a world of "knowledge society" (Wartzman, 2014).

Kestin (1992) explains since organization asset, except one, is equally available to competitors managers should concentrate on the one that is unique, meaning on quality of people. In the same way Tick and Charan (1995) say that only way to bridge the gap from where organization is now and where it wants to be is education.

Having in mind the fact that organizations started to open significantly to customers at the end of the 20th century, many organizations in America began to introduce quality. One of the basic principles of quality is the principle of continuous improvement which includes continuous improvement activities, and it is closely related to the human factor. The essence of this principle is that involves employee's engagement. Employees can, with their hard work and with desire to improve, greatly contribute to improvement of activities related to their workplace and beyond. This principle encourages such improvement activities. It is logic that employee has to be motivated in order to be able to achieve this and raise quality of their activities. Finally the result of the whole process is improved overall business and satisfaction of employee's and the

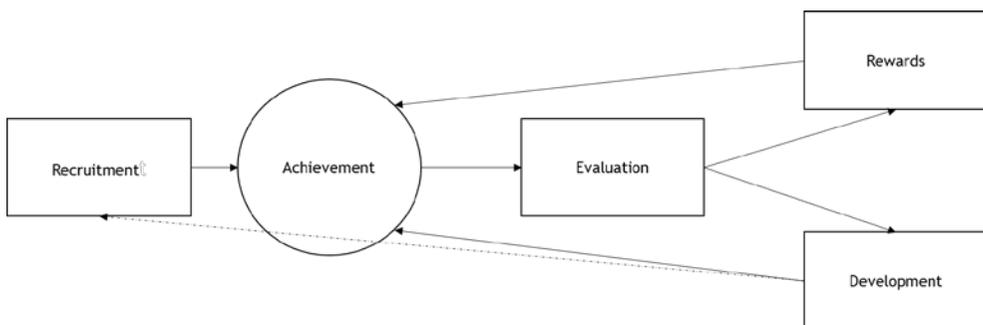
customer's.

Therefore in modern organizations human resource management and specially motivation is one of the main manager tasks in order to raise overall organization quality. To be able to do that, it is an unquestionable fact that modern organizations have to put much attention to business processes and employee's motivation.

Motivation is defined as a "process of initiating and directing efforts and activities for the purpose of achieving personal and organizational goals" (Bahtijarevic-Siber, 1999, p 558).

The process of managing human resource potential is depicted in Figure 1 and is called "the cycle of human resource potential". It consists of four main functions: selection, realization, evaluation, rewards and development. This process is the same for newcomers and for employee's promotion to new positions in organization. Devanna explains how analysis unit in this cycle used to be individual, but today it is a team, and when hiring a person they have to think how this person will fit in the team (Collins & Devanna, 1994).

Figure 1: The cycle of human resource potential



Source: Collins, E.G.C. & Devanna, M.A. (1994). *Izazovi menadžmenta u XXI. Stoljeću*. Zagreb. MATE d.o.o. p 185.

Rewards are at the end of a process and organization reward system should include both tangible and intangible rewards. Tangible rewards are financial and intangible are in form of verbal and social recognition (Yoon et al, 2015). This paper studies intangible motivation factors. Those factors are described by certain authors as employees participation in the innovation process, self-expression, self-education, achievement of high results (Mustafin, 2016, p 129), recognition and performance feedback (Peterson and Luthans, 2006, p 157).

3. RESEARCH METHODOLOGY

With previous research, the authors have determined the ratio of the size effect on the company's perception of intangible factors of motivation and compare the difference in the perception of the importance of various intangible factors between employees and managers.

This research raises the question of the impact of activities in which employees-participants do the perception of priority on intangible factors of motivation. The aim of this research was to determine the differences in the assessment of the significance of intangible factors and the following hypotheses are set:

H1 Employees in different sectors differently perceived importance of each factor of motivation.

H2 There are statistical significant differences in the perception of the importance of intangible factors of motivation due to the group of related activities.

The research included 793 participants, of which 48.9% were women and 51.1% were men in the 8 selected key activities in the economy of the northern region of Croatia.

Activities in the further processing of data are divided into 4 main groups (table 1):

1. Individual and small-scale production, Farmers and fishermen
2. Process industry
3. Services and logistics, Independent professions (lawyers, dentists, freelance artists)
4. Public administration, Utilities and public companies, Education.

Considering the area in which the company is inside the groups, out of the total number of employees the highest percentage is in the third group, them 33% (services 28%, independent professions 5%), 23% of participants are employed in the second group of activities and the same percentage is in the fourth group (public administration services 11%, education 8%, utilities and public companies 4%). The lowest percentage of 21% is in the first group of participants (individual small-scale production and 20%, Farmers and fishermen 1%).

Table 1: Number of the questioned employees according to the specified groups of activities

GROUP ACTIVITIES	NUMBER OF RESPONDENTS BY ACTIVITY	TOTAL %
Individual and small-scale production and farmers and fishermen	158 9	21
Process industry	182	23
Services and logistics and independent profession	218 40	33
Public administration services Utilities and public companies Education	91 29 66	23

Source: Calculated according to the data from questionnaire

For research purposes the questionnaire is structured in which participants used scale from 1 to 5 (1= completely irrelevant factor, 5 = extremely relevant factor) evaluated their views on the importance of certain intangible factors of motivation. Based on the previously identified intangible factors, 18 factors were offered to the participants. Offered intangible factors of motivation are: how interesting is your job, full respect for the job, feeling that I am up to date with developments, job security, promotion and development of the organization, good working conditions, professional education (seminars), personal loyalty of managers, discipline with a lot of tact, empathy in personal problems, flexible working hours, recognition of success, participation in decision making, feedback on return information, motivation and self-motivating, the status in the company, social climate and organizational culture.

For every factor of intangible motivation average grade for participants within each activity is calculated and then the average grade for group of activities is compared. During the comparison of the group of activities for

each factor is calculated the difference between the results of the group with the highest and lowest grade.

3.1. Analysis of the results with discussion

From a total of 17 factors of intangible motivation, with which the participants evaluated the importance, diversity perception was found in all factors but the research results show a statistically significant difference in the assessment in the four of them: professional education, empathy in personal problems, recognition of achievement and participation in decision-making (table 2). The statistical significance of differences in the results is defined in all cases in which the difference between the highest and lowest average grade is greater than 1,5.

Intangible motivation factors	Individual and small-scale production	Process industry	Services and logistics	Public administration services	Utilities and public companies	Independent profession	Farmers and fishermen	Education
Interesting work	4,491	3,75	4,317	3,958	4,2	4,727	4,75	4,6
Full respect for the job done	4,526	3,796	4,061	3,875	4,143	4,182	4,75	4,545
Being informed about organizational news	4,316	3,832	3,805	3,583	3,571	4,545	4	4,3
Job security	4,579	4,185	4,122	4,208	4,5	4,182	4	4,5
Promotion and development within the organisation	4,404	3,824	3,902	2,958	3,643	3,909	3,25	4
Good working conditions	4,702	3,889	4,354	3,542	4,286	4,818	3,5	4,4
Professional education	4,246	3,602	3,854	3,333	3,714	4,455	2	4,5
Personal loyalty of a manager	4,158	3,861	3,829	3,208	3,643	3,455	3,5	3,5
Tactful discipline	4,246	3,769	3,683	3,458	3,643	4,182	3	4,1
Empathy for personal issues	4,123	3,787	3,439	3,292	3,571	3,818	2,5	3,9
Flexible working hours	4,07	3,815	3,366	2,75	3,5	4	4	3,6
Recognition of success	4,439	3,88	4,037	3,292	3,786	4	2,5	4,4
Taking part in decision making	4,263	3,556	3,549	3,208	3,214	4,091	2,25	4,5
Feedback	4,509	3,944	4,11	3,542	4,214	4,091	3,75	4,3
Motivating and self-motivating	4,421	3,824	4,085	3,417	3,571	4,364	3,75	4,2
Status within the	4,088	3,657	3,561	3,333	3,214	3,909	3,5	3,7

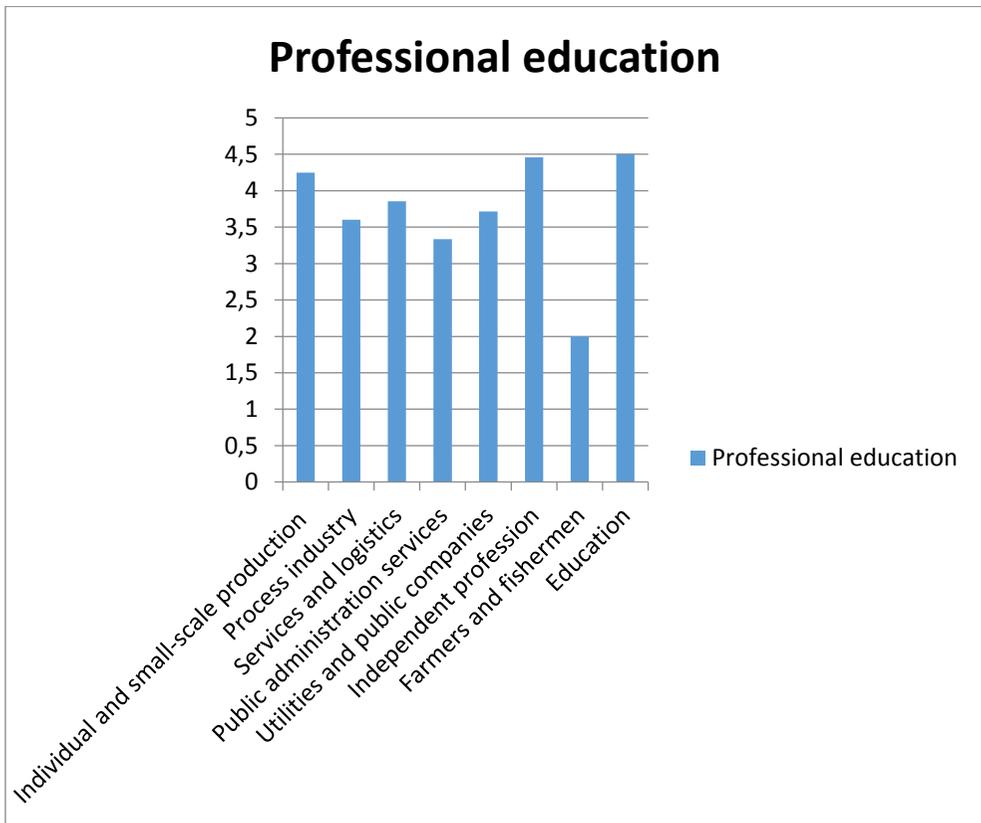
organization								
Social climate	4,193	3,787	3,939	3,333	3,857	4,636	3,5	4,3
Organizational culture	4,421	3,972	4,024	3,417	3,786	4,455	4,25	4,2

Table 2: The average rating of the results of research assessment priorities of intangible factors of motivation towards different activities

Source: Calculated according to the research data

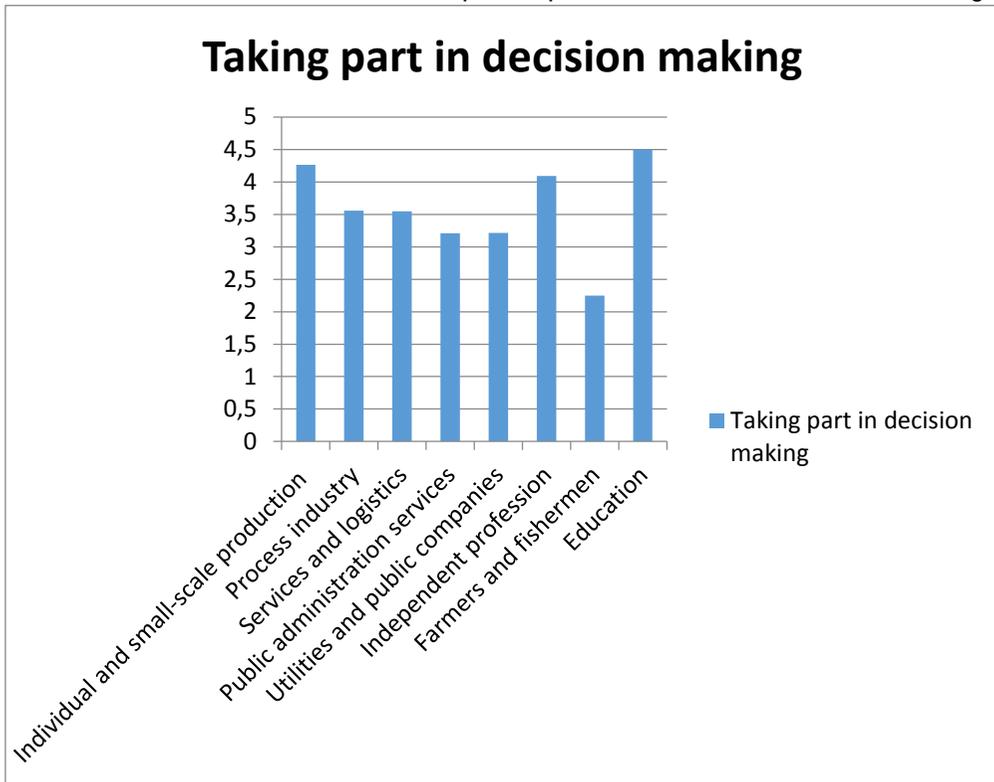
For factor "professional education" the highest average grade of 4,5 was found in education activities and the lowest of 2,5 at farmers and fishermen that makes a difference of average grade of 2,5 (figure 2). It is important to notice that the lowest average grades in all statistically significant results were observed in the farmers and fishermen activities. Slightly small difference of 2,25 was found in factor of "participation in decision-making" where also the highest grade of 4,5 and the lowest grade of 2,25 is in the education (figure 3).

Figure 2: Results of average grades according to the activities in the assessment factors of „professional education“



Source: Author work according to the research results

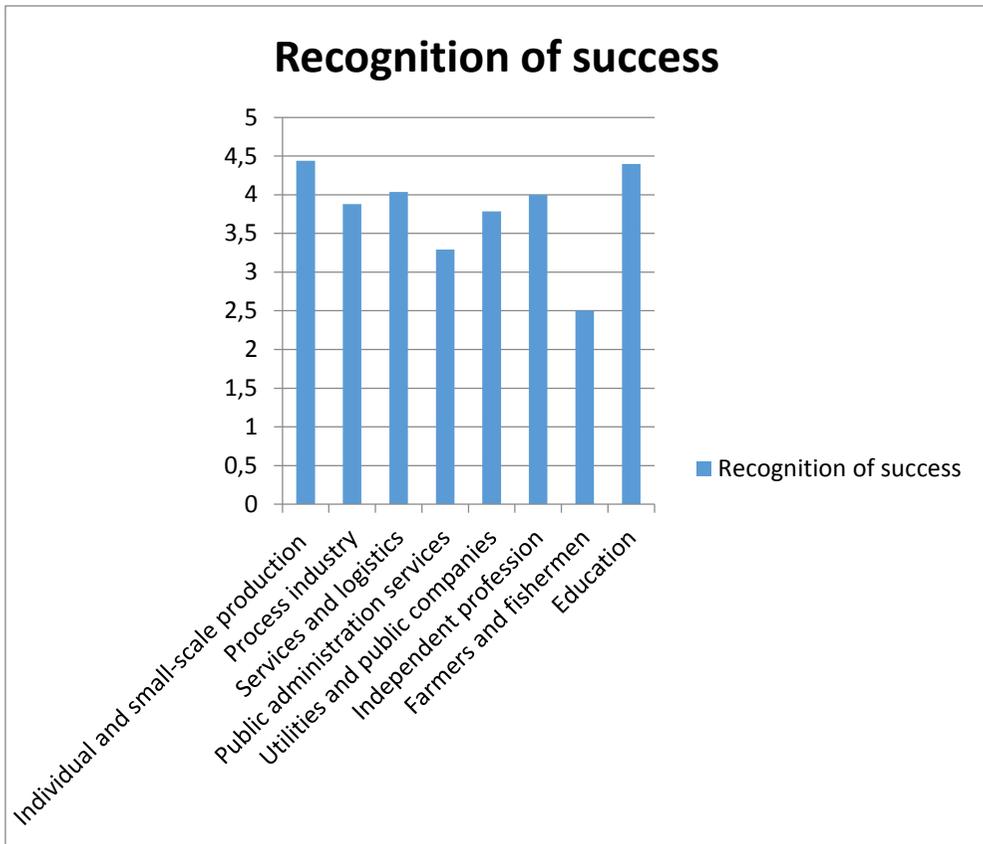
Figure 3: Results of average grades according to the activities in the assessment factors of „participation in decision-making“



Source: Author work according to the research results

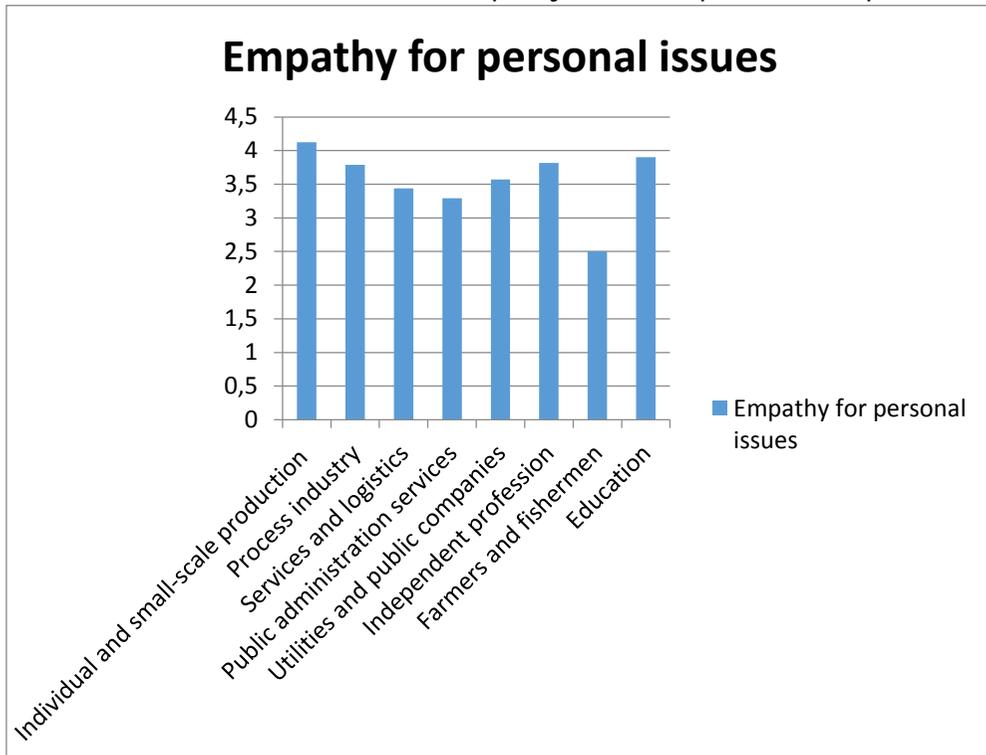
Factor „recognition of success “shows the difference between the highest and lowest average grade of 1,93 where the highest is 4,43 observed in the activities of individual and small-scale production (figure 4).The difference between the highest and lowest grade is 1,623 and it is also located in individual industries, small-scale production, farmers and fishermen and in factor „empathy in personal problems“ and is amounted 1,623. The highest average grade for this factor is 4,123 and the lowest is 2,5 (figure 5).

Figure 4: Results of average grades according to the activities in the assessment factors of „recognition of the success“



Source: Author work according to the research results

Figure 5: Results of average grades according to the activities in the assessment factors of „empathy in personal problems“



Source: Author work according to the research results

The largest number of highest average grade is in the activities of individual and small-scale production and independent professions while most of the lowest average grades were observed among employees in public administration services (seven lowest results) and with farmers and fishermen which were evaluated with the lowest grade in six factors of intangible motivation.

In the second part of the comparison of research results and after grouping the activities into four groups:

1. the first group included participants who are employed in the sector: individual and small-scale production, farmers and fishermen;
2. the second group included participants from the process industry
3. in the third group consolidated are participants employed in service industries and logistics or in one of the independent professions and

4. the last group consists of employees in public administration services, utilities and public companies and education.

In the first group as the most significant is estimated the factor "full respect for the performed work" with the highest grade of 4,638 while the lowest grade is 3,123 and it was observed in the "professional training". Employees in the process industry considered that the most significant factor of intangible motivation is "job security" and estimated the grade of importance with 4,185 while their least important factor with an average grade of 3,556 is for "participation in decision-making". Employees in the service sector and in independent professions give the most significance to the factor "working conditions" and valued him by 4,586 while the same participants believe that "empathy for personal problems" is the least important factor and the result showed average grade of 3,629.

At last, participants from the public administration sector or in all activities involved in the third summarized group evaluate as the most significant factor with a grade of 4,298 "interesting work", while the least significant factor of intangible motivation with a score of 3,544 is "participation in decision-making".

Table 3 Review of average grades by groups of activities with calculation of difference between the highest and lowest grade per factor

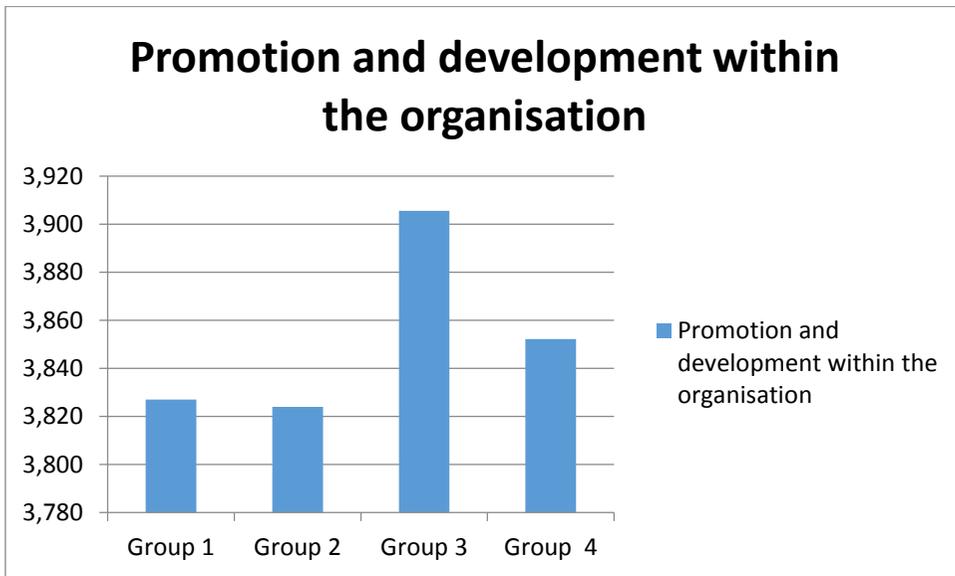
Intangible motivation factors	Group 1	Group 2	Group 3	Group 4	Difference
Interesting job	4,621	3,750	4,522	4,298	0,871
Full respect for the job done	4,638	3,796	4,122	4,185	0,842
Being informed about organizational news	4,158	3,832	4,175	4,055	0,343
Job security	4,290	4,185	4,152	4,209	0,138
Promotion and development within the organisation	3,827	3,824	3,906	3,852	0,082
Good working conditions	4,101	3,889	4,586	4,192	0,697
Professional education	3,123	3,602	4,155	3,627	1,032
Personal loyalty of a	3,829	3,861	3,642	3,777	0,219

manager					
Tactful discipline	3,623	3,769	3,933	3,775	0,310
Empathy for personal issues	3,312	3,787	3,629	3,576	0,475
Flexible working hours	4,035	3,815	3,683	3,844	0,352
Recognition of success	3,470	3,880	4,019	3,789	0,549
Taking part in decision making	3,257	3,556	3,820	3,544	0,560
Feedback	4,130	3,944	4,101	4,058	0,860
Motivating and self-motivating	4,086	3,824	4,225	4,045	0,401
Status within the organization	3,794	3,657	3,735	3,729	0,137
Social climate	3,847	3,787	4,288	3,974	0,501
Organizational culture	4,336	3,972	4,240	4,182	0,364

Source: Research results

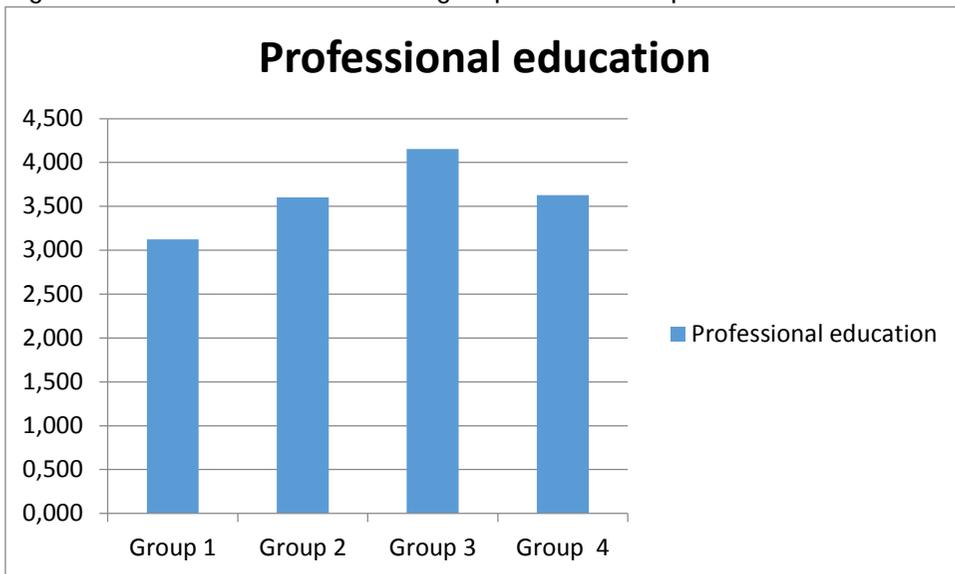
In the table 3 the results of the average grade by groups for each questioned factor of intangible motivation are compared. In comparison of each factor the calculation between highest and lowest assessment is made. In the table the highest grades are marked with red and the lowest with the green colour. The results show that there is no statistically significant difference in none of the factors as the determined difference in all is less than 1,5. The smallest difference of 0,082 was observed in the factor of "promotion and development in organization" (figure 6) while the highest difference with a grade 1,032 was observed in "professional education" (figure 7).

Figure 6 Results of the group factors "promotion and development"



Source: Research results

Figure 7 Results of the group factors "professional education"



Source: Research results

4. CONCLUSION

The research results that are presented in this article point to extremely important conclusion. First of all it can be concluded that the participants from different sectors have shown statistically significant differences in the assessment of the importance of intangible factors of motivation, with which the first hypothesis: "The employees in different sectors differently perceived the importance of each factor of intangible motivation" can be confirmed. But, when the results were observed and compared in four general categories grouped by similarity of activities statistical significance is completely lost and hypotheses: "There are significant differences in the perception of the importance of intangible factors of motivation due to the group of related activities" is not confirmed. The above states that the activity in which employees work significantly influences the perception of the importance of intangible factors of motivation and that these factors are impossible to be observed generally or separately from the factor of activities. In other words, if the ranking list according to the importance of intangible factors want to be established it is necessary to conduct in-depth and extensive research within each very specific activities.

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