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„Effect of employee's motivation on staff retention and on  
organizational performance (SME in Kosovo)“

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## **Statutory Declaration**

I declare in lieu of an oath that I have written this master thesis myself and that I have not used any sources or resources other than stated for its preparation. I also declare that I have clearly indicated all direct and indirect quotations. This master thesis has not been submitted elsewhere for examination purposes

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## **Abstract- English**

Globalization has made small and medium enterprises consider human assets as key drivers of success. Thus, an appropriate motivation system will encourage employees to meet the goals of organizations. Of course, employee rewards and incentives will depend on the employees' efforts. Therefore, a majority of organizations are paying attention to employee motivation systems to ensure better performance and staff retention in the organization.

The aim of the research is to highlight the effect of motivation on employee retention and organizational performance. The study also tries to show the correlation between motivation and performance. The study is supported by scientific literature, journals, articles, books and thesis. Most of the relevant authors agrees that employee motivation is a precondition for the success of a company. Therefore, the management has to use efficient strategies of motivation to enhance efficiency and productivity.

For my study 126 respondents from different SMEs in Kosovo filled in my questionnaire. My hypothesis is proven by measured 10 predictors of motivation as independent variables and 5 predictors of performance and employee retention as dependent variables. As research method quantitative research has been used, as well as the SPSS statistical package for the social sciences for the analysis of the results.

After the evaluation of the data from regression and the sample T test the result indicates that a strong effect of motivation on employee retention does exist. Out of ten predictors the research found only the predictor monetary rewards, salary and hygiene factors, training and development, promotion and goal achievement has a positive effect on productivity, growth and competitive advantages. The study shows a moderate correlation between motivation and performance.

**Keywords:** Motivation, Theories of motivation, Organizational performance, Employee retention, SMEs, Kosovo.

## **Abstract- German**

**Die Globalisierung hat kleine und mittlere Unternehmen dazu veranlasst, menschliche Vermögenswerte als Schlüsselfaktoren für den Erfolg zu betrachten. Ein entsprechendes Motivationssystem wird die Mitarbeiter daher ermutigen, die Ziele von Organisationen zu erreichen. Natürlich werden Mitarbeiterbelohnungen und -anreize von den Bemühungen der Mitarbeiter abhängen. Daher achten die meisten Organisationen auf Mitarbeitermotivationssysteme, um eine bessere Leistung und Mitarbeiterbindung in der Organisation sicherzustellen.**

**Ziel der Forschung ist es, den Einfluss von Motivation auf Mitarbeiterbindung und organisatorische Leistung aufzuzeigen. Die Studie versucht auch, den Zusammenhang zwischen Motivation und Leistung aufzuzeigen. Die Studie wird durch wissenschaftliche Literatur, Zeitschriften, Artikel, Bücher und Dissertationen unterstützt. Die meisten relevanten Autoren sind sich einig, dass die Motivation der Mitarbeiter eine Voraussetzung für den Erfolg eines Unternehmens ist. Daher muss das Management effiziente Strategien der Motivation einsetzen, um Effizienz und Produktivität zu steigern.**

**Für meine Studie füllten 126 Befragte aus verschiedenen KMU im Kosovo meinen Fragebogen aus. Meine Hypothese wird durch gemessene 10 Prädiktoren der Motivation als unabhängige Variablen und 5 Prädiktoren für Leistung und Mitarbeiterbindung als abhängige Variablen bewiesen. Als Forschungsmethode wurde quantitative Forschung eingesetzt, ebenso wie das SPSS-Statistikpaket für die Sozialwissenschaften zur Analyse der Ergebnisse.**

**Nach der Auswertung der Daten aus der Regression und dem Stichproben-T-Test zeigt das Ergebnis, dass ein starker Motivationseffekt auf die Mitarbeiterbindung besteht. Von zehn Prädiktoren hat die Untersuchung nur die Prädiktoren Geldprämien, Lohn- und Hygienefaktoren, Training und Entwicklung, Beförderung und Zielerreichung positiv auf Produktivität, Wachstum und Wettbewerbsvorteile ausgemacht. Die Studie zeigt eine moderate Korrelation zwischen Motivation und Leistung.**

**Schlüsselwörter: Motivation, Motivationstheorien, Organisationsleistung, Mitarbeiterbindung, KMU, Kosovo.**

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## 1.0 Research background

A majority of companies in Kosovo find it difficult to retain their employees in organization. Because the majority of young people leave their country due to their inability to find the right job which it helps them to meet their needs and exercise the profession they have been trained for, therefore they are looking for better opportunities in other countries. Even well operating companies are facing severe problems when it comes to finding the right strategies to motivate their employees, knowing that the success of a company depends on the use of their employees' full skills.

The key to success of a company is to keep their employees motivated. Employees are the most valuable asset of a company, their needs must be met and managed. Moreover, if a company wants them to contribute to its performance and to the achievements of its goals, the manager has to manage their perspectives, values and attributes, because, otherwise, inappropriate management will have severe consequences since employees are key factors for failure or success of a company, (Osabiya et.al, 2015).

Therefore, the management of the company must find appropriate ways to motivate employees and engage them in their work, in order to increase the efficiency and make them contribute to the growth of the company. Undoubtedly, employee reward is one of the most important elements in the activities of each organization and their mission, that defines ways of developing business activity. When employees receive appropriate remuneration, they will perform better and will increase business profits. In each organization it is important to develop a genuine motivation strategy which will be essential to successfully encourage staff to stay in the organization.

Recent research has shown that equal pay structures have big effects on employee co-operation, inclusion, satisfaction, and engagement (Bloom and Michael 2002; Levine 1991; Pfeffer and Langton 1999), which were used as occupational retention.

Research has been conducted on remuneration strategies for staff retention in organization as well as on their effect on the motivation of employees in the framework of organizational performance. Research by different authors helps to properly define remuneration programs that are mainly related to the organization's performance by focusing on these elements:

- What bonuses are related to staff retention?

- Which forms of motivation do increase the likelihood of retention of employees?
- Is the performance of the organization related to employee retention?
- Does motivation affect the organization's performance?

In essence, as seen above, the motivation of the staff is related to financial reward but working environment conditions also play an important role in motivating workers;

- Involvement in planning and achieving goals for a great performance at work etc.
- Remuneration for efforts to achieve the organization's objectives,
- Readiness to improve their functioning and performance,
- Understanding the organization, having the skills for change and being ready to live up to one's potential.

The best means to make people work hard are motivation and reward them for what they achieve. Consequently, pushing them do their best for their salary will be of influence on the performance of the company. But motivating staff proves to be quite difficult., Human beings are difficult to understand. Many researchers were committed to this topic showing that very often companies do not have a proper understanding of motivation let alone put it into practice. (Shazadi et.al, 2014).

Motivation is a rather complex phenomenon that affects many different factors. So successful management and motivation of employees is no just an option but a time-consuming obligation. Thus, to maintain a good relationship between work and employees, effective management is needed, which has to be adjusted to the specific needs organization in which it is implemented (Pei, 2007).

According to Chintallo and Mahado (2013) salaries, bonuses, benefits and promotion perspectives will lead to changes of employees' performance. The performance of an organization will be measured according to standards that will be defined by managers and deal with costumers. From here we can see the monetary incentives are really important for employees, on the one hand they help to improve their life and other hand help to improve organizational performance.

Performance is measured by evaluating the result of the use of resources and the way of improving organizational performance, non-financial performance is measured in terms of product

quality and customer relation management, measures concerning employees are indirect factors of performance. (San & Theen, 2012).

Recently research has been carried out on various forms of motivation programs that affect the organization's staffing and organizational performance. Unlike in other countries in Kosovo there is little research in this area and therefore this study aims at improving the common knowledge in this topic. The research results of this paper will provide organizations that operate in Kosovo and organizations that want to set up business there with data to improve human resource management strategies and to gain insight into appropriate forms of motivation suitable to improve their performance.

## **1.1 Identifying the problem**

Today, organizations are facing various problems, especially financial ones. In order to face them, the efficient use of assets is crucial. One of the most important assets with a great impact on the organization's performance is human resources management. Consequently, the success of an organization is closely related to the way people are treated. This includes the satisfaction and motivation of people through rewards who do their very best to deliver services that meet their customers' needs and ensure success for shareholders. Appropriate human resources management will be in the interest of both workers and organization.

Given the importance and complexity of this topic, the paper aims to present the effects of reward as an important factor for retaining staff in an organization. This paper aims to highlight the fact that the reward influences the performance and motivation of the employees. Being motivated means that a person will act a certain, purpose-oriented way. However, on a professional level employees have different ambitions and objectives. Their objectives that they want to achieve are not identical with the company's.

Given the fact that there is a significant lack of research in the field of human resources management in Kosovo, and because of the sensitivity of this topic we consider it to be of interest to combine academic research with a practical approach in order to analyze the effects of reward on personnel retention. The main reason for this study has to do with the fact that, today, many organizations demand for success and competitiveness from their employees. Consequently,

performance management and evaluation systems should play an important role in helping organizations achieve their production objectives. (Stevens & Joyce, 2000).

## **1.2 The purpose of the research**

The purpose of the study is to show how important these motivational factors are in relation to performance and employee motivation. Since companies in Kosovo have been suffering for the right strategy to motivate and retain their employees in organization, this study will help managers to understand the needs of their employees in order to fulfill the objectives of companies and to achieve competitive advantages.

The other purpose of this paper is to determine the importance of motivation through rewarding the organization as an element that contributes to productivity and efficiency increase. This paper may serve human resource management researchers in Kosovo and other countries, academics and students in the field, who may, with the exception of the use of this paper for study purposes, be supported in further study.

## **1.3 Objectives**

The aim of this study is to provide a lucid description of concepts and terms of the motivation of employees. Based on literature and various research efforts that have been made in this area, I will try to provide a guide for the following researchers and collectors who have a special interest in this topic. This study can help entrepreneurs who plan to expand the companies to other countries, namely to Kosovo, but who are not familiar with strategies of motivation of the employees in these countries. This study is meant to serve as auxiliary guide for the proper selection of the strategic motivation of the employees.

Pursuant to the fact that employees are very different from each other and have different personal goals, what they want to achieve in their jobs and in their personal life is diverse, so the entrepreneur or manager has to understand individual differences and help the employees to meet everything they want from the organization.

The other purpose of this paper is to determine the importance of motivation by regarding motivation as a crucial component of the increase of productivity and efficiency. With this paper

I will provide a theoretical, practical and methodical contribution to the understanding of the role and the importance of motivation of employees on organizational performance.

There are some objectives of this topic:

- To explain how the reward system motivates employees and what the relationship is between rewards and organizational performance
- To show the relationship between motivation and performance and
- by analyzing the data of the questionnaires and the results of the literature research, the findings will indicate the importance of the reward effects on the organization's development and of employee benefits as driving forces to stay in a company.

#### **1.4 Research question:**

My topic I will based on research questions and I will try to answer them using different theoretical literature. Then I will collect the necessary data, I will analyze them and present them in an empirical way.

- What is the effect of rewards on organization performance?
- How does the motivation of employee affect performance?
- Employee motivation by reward is an important element for promoting staff retention in the organization.

#### **1.5 Hypothesis**

Regarding the hypothesis, I have used some hypotheses of preliminary studies, I will mainly use representatives of small and medium-sized enterprises of different sectors, whereby the fact is that in Kosovo most of the enterprises are small and medium-sized enterprises. A similar hypothesis has been used for studies in Ireland, Malaysia, Taiwan, Pakistan etc., but in Kosovo, research on this issue is lacking. The hypotheses that I will use for this study are the following:

- H1. Motivation of employee effects performance positively.
- H2: Motivation of employee effects staff retention in the organization positively.
- H3: There is a positive relationship between motivation and organization performance.

## **1.6 Research design**

As research method I will use a descriptive research design. It is a method for researching specific subjects, for observing and describing the behavior of individuals without influencing them, a method that is used for quantitative studies. (Explorable).

In this paper I will use the quantitative method for carrying out the research together with the questionnaire technique for data collection. To answer the above mentioned three research questions, it is necessary to test the links between the variables. Testing of these links will be done using quantitative methods. As a measuring instrument for research I will use the questionnaires I will compile for the company I intend to use in the study. The questionnaire will be sent to all the companies in question, primarily, the Sample will be randomly, which aims to provide general information on companies, employees and their activity.

In this paper I will organize the collection of data with questionnaires. The questionnaire will be distributed to different levels in the companies. The main purpose is to collect data in these businesses to explain the analysis of employee motivation effects on organizational performance. To distribute the questionnaire, we will use two ways: disseminating questionnaires to business through personal contacts and e-mailing.

The sample that I will use for this study is not very big, in fact however, it can be considered representative if we look at the 'response / variable number' ratio. I will be asking 126 respondents to fill in my questionnaire. Respondents will be employees of different companies, of different industry sectors and of different cities. A majority of data will be collected in from SMEs in Kosovo.

Finally, the analysis and interpretation of the results of the research, starting with the character of the study I will do with the help of the SPSS.

## **1.7 Theoretical Framework**

According to Shazadi et al. (2014). Motivation is an incentive that makes people behave in right way to achieve their objectives. Motivated employee is better committed to a job and to their work than unmotivated employees. But what are the factors that motivate employees, are these the same for all employees? There are in fact many theories that explain factors of motivation quite

well. I will study these theories in order to understand motivation of employees on organization performance.

In general, Remuneration and motivation theories by remuneration try to analyze and explain the trends that employees respond in accordance with their efforts and personal contribution. These theories describe strategies and efficient ways how an organization can stimulate employees to achieve results without meeting the personal needs of everyone. (Armstrong, 2006).

In my study I will discuss theories which have been used by Locke and Gary P. Latham (2004), I will start with individual needs and organizational demands, the Herzberg theory, work satisfaction, challenging, work characteristics and psychological and motivation to excel, Then I will focus on Vroom's theory and on the goal setting theory, the attribution theory and the social-cognitive theory of Bandura. I will also discuss the Adam theory and McClelland's personality-based approach to employee motivation and Weiner's attribution theory as well as Maslow's need hierarchy.

Furthermore, I will discuss new approaches in the literature review, Christy Smith (2018). The Aeron model, ten ways to motivate employees without breaking the bank and team work rewards.

With the help of these theories I will provide a clear understanding of employee motivation and indicate how the management can use the strategies to motivate employees. These theories and the new approaches will also help me to provide enough information to create a questionnaire. According to Locke and Gary P. Latham (2004), they presented six recommendations to build theories of motivation that are more useful. They reached the conclusion that many new ideas exist that have to be taken into consideration. Therefore, their study has many limitations but it can be used for the further studies of researchers in similar fields.

In the literature review I also will discuss organizational performance and the way how performance can be measured in order to proof my hypothesis. According to Chintallo and Mahado (2013) the increase or decrease of employees' motivation of employee especially in relation to salaries, bonuses, benefits and promotions will lead to changes of their performance. The performance of organization will be measured according to the standards set by managers and



customer relations. Therefore, the performance of employees can be improved if the employees are motivated to reach their goals.

I will examine some terms regarding organizational performance used in the study of Latham G (2000). According to him, if the employees have the capability and the knowledge required to solve a problem, performance goals should be set, whereas if the person does not know how to complete the task then a learning goal must be considered.

It will try to define the goal setting for employees and the standard of performance, then I will evaluate performance, I will continue with employee turnover and retention and will try to show a way how to keep employees in an organization. All these discussions will help me to collect enough information to create a questionnaire.

## **1.8 Structure of the thesis**

The entire study will be divided into seven chapters. In chapter 1 I will try to identify problem of the study, will continue with objectives, research question and hypothesis, then I will discuss the purpose of the research and I will finish with the description of the theoretical framework and of the keywords.

In chapters 2 and 3 I will examine a lucid description of employee motivation and performance, these two terms are the entire focus of this study. They are also very important for human resources management and organizations. In the framework of the literature review I will also discuss the most frequently used theories of motivation and I will show how performance is measured by particular factors by other researchers. Regarding the term performance, I will try to limit it because the performance is a wide topic and it is difficult to measure. Therefore, using only particular performance factors will make it easier to validate the hypotheses.

In chapter 4 I will describe the influence of human resource management in Kosovo and the right strategies to motivate the employees. I will give a short explanation of the SMEs in Kosovo as well as some information on the problems regarding employee motivation there. Chapter 5 describes the research method used and the design of the questionnaire. A description of the survey will be included.

In chapter 6 the result of the research will be shown as well as the interpretations, conclusions and recommendations obtained by the entire research. In chapter 7 I will provide the list of references, an appendix and the questionnaire in two languages, Albanian and English. This chapter concludes my research.

## **Chapter 2**

### **2.0 Introduction**

This chapter aims to give a brief theoretical overview of the role of economic and psychological factors for the extent and the forms of reward as crucial elements for encouraging staff to stay in the organization. Also, this chapter examines the scientific literature on human resource management, its definitions, and on motivation by reward as a driver of personnel retention. This chapter also discusses the theory of motivation by financial incentives and the motivation theory by financial rewards as a fair compensation. The study is based on the authors' conviction of a strong link between employee performance and job bonuses.

In general, remuneration and theories on motivation by remuneration analyze and explain the ways in which people respond with their efforts and contributions at work. These theories describe strategies and efficient ways how the organization can stimulate employees to achieve better results, but they do not explain ways to respond to the individual needs of workers (Armstrong, 2006).

Remuneration, salaries, and income are the result of interactions between employers and employees on the labor market, which is regulated by law and employment contracts. Lack of income or insufficient employment affects the living standard of individuals directly. For employees the workload and the amount of compensation they receive in return are essential.

Psychological theories emphasize the importance of at least two fundamental aspects: First, motivation by reward marks the individuals' efforts to meet its vital needs by concentrating all its energy to achieve results at work, provided that these efforts contribute to its individual objectives. Second, motivation gets a more specific meaning as it also relates to interventions from the outside to improve productivity. Today, economic theories focus on income and expense, psychologists argue that benefit is a significant motive in our daily work, but not determinant one (Frey, 2002).

Very often people are motivated by internal factors, but studies have shown that that is not enough. Motivational processes in an organization are not only very important for the individual but also for the organization as a whole. The authors emphasize the possibility of using resources to achieve the desired behavior (Kanfer et.al, 2008). External bonuses and incentives increase employee motivations to complete their assigned tasks in a better way (Platinga , 2006).

## **2.1 Managing Human Resources**

Work, land, capital and costs are essential production factors. Human resources are also described by the term workforce. Salaries constitute a considerable share of the costs in an organization. Therefore, they will try to make the most of their spending. They require effective leadership in order to capitalize better and build a more effective work force (Koli & Laci, 2005). Seeing employees as mere financial and physical resources has its origin in the employment policies of the industrial revolution. (Dauti, 2015). Human resources management (HRM) came into being because organizations were trying to find ways to make their employees work harder and produce more than they were paid for. (Appelbaum et.al, 2000).

Human resources change over time, as organizations themselves do due of globalization. They expand and operate not only in their country of origin but also abroad. This makes it even more important to see their employees as human beings and not just as productive material. Organization and institutions have to provide financial and ethical support in order to reach both, the employees' and the organizations' objectives. Employees have become more flexible, working for one single company a whole lifetime long is no longer the rule. Therefore, the majority of organizations had to look for the better ways to motivate their employees, to increase their performance and to reach their goals. The amount of research in the field of human resources increased accordingly. (Dauti, 2015, p, 142).

Human resource management has under gone a long process of development to reach the status it has today. being, one of the most important management functions in an organization. (Koli & Llaci, 2005). The human resources manager is involved in a multitude of processes. He is organizer, planner, voter, leader, he implements and controls processes. Furthermore, human

resource management is responsible for a safe and healthy work environment, for the cooperation of groups, for the definition of job descriptions, for recruitment, motivation and for promotion.

According to Gary Dessler (2006) human resource management has to be seen as a process, which includes planning, organizing, staffing, leading, controlling, compensating employees and taking care of good relationship between employer and staff as well ensuring fairness. (p. 4).

Today, managing human resources well has become essential for companies. (Schuler, 1998, p. 122). Human resource management represents more extending the requirements than refusing them for effectively manage staff. According to this definition we can state that employees are not just a cost factor, but a productive source like capital and equipment and most likely the most important one.

Human resource management describes the management of people and work to reach the desired goals, it is a process which it helps employees to understand requirements and develop their skills according to specific situations and new environments. HRM also helps to create valuable capabilities and is key driver for the functioning of the work process. Human resources are essential when it comes to the foundation and growth of organizations. (Boxall et.al, 2007, p. 1-7). In order to gain competitive advantages, organizations have to motivate their human resources. (Döckel, 2003). Motivation is the key for the management of human resources, it is essential for success and for better performance of the employees.

Thus, human resources management has the tasks of organizing the planning human resources, of expanding or downsizing the workforce, of selecting applicants, of organizing development (professional training), of attributing employees to various tasks. The management of companies has to motivate their employees by fulfilling the above mentioned tasks.

## **2.2 The Importance of Human Resource Management**

For the achievement of company objectives, every organization needs to provide human resources. The organization's staff or human resources are vital for their activities' success. Without efficient employees the organization would operate ineffectively and jeopardize its objectives and mission. Another reason for the importance of human resources is the fact is that staff is the main cost factor in an organization

According to Harold Schroeder (2012) HRM is very important because the managers can inspire and motivate others with excellent skills of communications and team-building capabilities, which encourage employees to work together effectively. Appropriate HRM of management will ensure staff stability and improve the performance of the organization and the employees. (p. 76-77) A network of HRM activities supports the management of the organization itself. This activity includes the recruitment of staff, the evaluation of the performance of workers, the regulation of salaries and the motivation of workers. (Kutllovci and Qehaja, 2004)

Human resource management helps to avoid recruitment mistakes and it will contribute to the stability of the workforce by observing appropriate compensation schemes. According to Gary Dessler (2006). A majority of managers are engaged in HRM activities on a daily basis. In small organizations, every manager, regardless of his direct responsibilities, has to deal with the management of human resources. They do so without the help of HRM specialists. (p. 5-7)

## **2.3 Motivation**

Recently a number of studies and debates on motivation focus on motivation and essential needs as basic requirements of each individual. Up till now, various theories have tried to determine how workers can be motivated to perform and in what way rewards affect motivation. But today, many companies face the fact that their requirements do increase and that meeting them becomes a necessity. Therefore, human resource management and a suitable HRM strategy have become a top priority. (Kraja, 2015, p. 35).

According to Armstrong and Taylor (2014) the term motivation derives from the Latin word for movement(movers). The word motive means the reason why the people behave in a certain way. Motivation describes the driving force that effects their attitude at work and act in certain way. Motivation also refers to the way how people define their individual objectives and how they achieve them. (p.170)

Motivation is a way of behavior that allows an individual to achieve the goal defined by his superior. According to Nancy H. Shanks (book, chapter 2) motivation is a process which it makes a person perform an action, based on the needs that have to meet. Employees can be rewarded by intrinsic or extrinsic rewards. Thus, the main task of the manager is to use the right strategy to encourage the employee to act in the appropriate way to achieve defined objective.

In fact, many definitions of motivation do exist. But there are two main reasons why the people have to be motivated: They have to achieve their own objectives as well as the company's goals. According to Kelli Burton (2012) motivation is motive, it helps individuals to reach their goals. He also defined motivation as tendency or condition to behave in a right manner to achieve organizational goals, therefore, the better the motivation of an employee, the higher the chances are to achieve the employees' and the organization's objectives alike. (p. 6-7)

Motivation is the driving force which encourages people to behave in the right way, they can be motivated intrinsically or by their environment. The key to success of the management is to develop a strategy that enhances both types of motivation. The employees will not only be motivated by financial but also by nonfinancial rewards. (Sturman & Ford, 2011). According to Osabiya, et.al (2015). motivation consists actions that make people to try to achieve high performance and is assumed to be under control.

Although historically motivation is regarded as an invisible quality of an individual that is difficult to measure, more recent theories and studies have looked at the term from different angles. For example, the theory of equality defines motivation at work as attitudes and as level behaviors, while the purpose of setting the goal addresses behavior as the first indicative element of motivation. Individuals are motivated by the motives and values they embrace (McClelland, 1985) and they influence their behavior. Most researchers have described motivation in the same way but have different perceptions. Therefore, it becomes clear that motivation depends on time and circumstances and means something different to different individuals. (Robbins, 2005).

## **2.4 Factors that affect the motivation of employees**

Factors that affect motivation at work can be external or internal, but the two are intertwined. The mere knowledge of these factors alone helps to discuss some of the motivational core elements of employees.

Researchers have been studying factors which effect motivation, be they external or internal. When employees are internally motivated, they may increase their output but also external motivation has significant role. Employees are motivated internally when they compete with one another. (Aya Tsintzias, 2015)

As we can see people are motivated by themselves, by the desire to work, to do something in a better way, by the wish to do something new, by using their own devices to be more productive, to their wish to fulfill their needs and by career ambitions. Internal motivation has to do with the wish to be appreciated for what they have achieved in the organization and for their contribution to the organization. (Koeman, 2006).

Employees are externally motivated when they are rewarded financially, when they are supported and appreciated by others. If a job is well liked, if a person's professional requirements and expectations are met, if he or she can act independently and is able to use all his or her skills, motivation is expected to be high, making financial rewards less important. In many cases one can see that employees prefer a job that makes them feel good to a less satisfying one, but employees with well-paid jobs might not respect other organizational elements. (Vallerand & Loiser, 1994).

According to the author Hardre et.al. (2011), internal motivation focuses on individual efforts to do the tasks we like and do things we are interested in, whereas external motivation is driven by the benefits we want to receive from external pressure or to avoid punishment. **There are three steps to improve motivation:**

1. **Autonomy**- motivates people to draw up their own schedule and focus on the completion of a job.
2. **Mastery**- refers to all steps that should be taken to improve progress
3. **Purpose**- consists of all instructions to be observed and why. (Armstrong and Taylor, 2014, p. 170).

## **2.5 Theories of motivation**

Theories of motivation try to explain human behavior, they ensure the understanding of how to motivate people and how the managers can motivate others. On the basis of many theories, motivation can be understood as incentive force which makes people behave in particularly way, even if this may be difficult to understand. Different employee may do the same job but they are motivated to reach the same objective differently. (SEHD, 2007).

Human life consists of many activities; this flow of activity cannot be understood by the others easily. The psychology of motivation is deals with activities which directly influence primarily goals. Other theories of motivation are better able to explain how people can be

motivated and why many different conditions are required to make people reach for certainty goals. There are two basic requirements to motivate human action: controlling the physical and social environment and putting key procedures in place. (Jutta & Heinz Heckhausen, 1991, 2010, 2018, p, 1-4).

According to H. Heckhausen (1991,2010,2018) the concept of motivation has been addressed long time ago, the first approach was to define motivation is the reason for action. The focus was on pleasure on the job and on the avoidance of pain. After psychology became scientific motivation have been seen in different context. It was then that volition or will would be understood as the active pursuit of goal. Will was often conceived as guardian of moral norms and duty. Five decades later the scientific concept of ‘will’ lost its credibility. It was considered to have explanatory value for perception, imagination and thought. At present the psychology of motivation is still far away from being precise in terms of theories, methods, variables and issues. Humans behave according to their reason and motives. Therefore, their behaviors can be explained with two concepts: random variation and natural selection of the fittest. (p.15-17)

Fredric Taylor and his colleagues made a big contribution to the understanding of motivation. He focused his attention on the inefficiencies of factory production in an increasingly industrial age. His colleagues paid more attention to job training and pay according to performance. According to Taylor the improvement of manufacturing techniques and the application of rewards will increase efficiency and productivity of the employee. (Taylor, 1911).

By the 1950ies theories on motivation multiplied as for example content theories, which were looking to find factors associated with motivation. During that time many different theories were drawn up, hierarchy theory by Maslow is one example. Maslow argued that at first the three basic needs must be fulfilled before people develop needs related to achievement. During the same period of time Mc Clelland developed his own theoretical approach. He emphasized the need of achievements. But both Maslow and Mc Clelland paid attention to individual differences. According to Herzberg’s his theory performance is influenced by motivation on the job. There was during that time extended for research by Hackman and Oldham who have brought together theories based on intrinsic and extrinsic factors on motivation. (Steers et.al, 2004, p. 380-381).

New theories of motivation were published at the beginning of the 1960ies. Their main focus was on the development of tools for work motivation. One of the earliest content theories



was the so-called process theory, which tries to understand the mental process that people go through condition of work. Another one of the theories of that period was the expectancy theory with its main focus on conscious intentions. and the Vroom theory by Porter and Lawler, who concluded that a relation exists between performance and subsequent satisfaction due to the quality of the reward. An important cognitive theory is the equity theory presented by Adams. He concluded that underpayment and overpayment can both influence the behavior of employees. The goal-setting theory developed by Steers et al claimed that goal specificity, goal difficulty and goal commitment can lead to higher performance. Badura's cognitive theory was the last one of the decade. He argued that self-confidence is the key driver of motivation to act in particular way. (Steer et.al, 2004, p. 381-383).

In recent year not many new theories are published, the majority of researchers in the field of management use the same theories although they have their limitations and disadvantages and although working conditions have been changed by technological inventions and by globalization. These changes have a considerable impact on the ways to motivate employees, retain them and increase their performance.

Today the working environment is characterized by a short- term focus, interdependence of employees, by an increase of value and motive conflicts on the part of the employees and the knowledge of the transitory character of their careers. There are six papers addressing these issues. The most interesting one was formulated by Locke and Latham who give six recommendations for the development of more useful motivation theories. (Steers et.al, 2004, p. 384).

## **2.6 Maslow's need hierarchy**

All members of human race are motivated by needs, the needs of safety, protection, care, respect, status, desire etc. Some of them are basic but the most of them need to be fulfilled, in order to ensure satisfaction. (Robbins et-al, 2009, p.71-77)

The best known theory of motivation is Maslow's need hierarchy of motivation which consists of five hierarchical levels of need. According to Maslow physiological needs are the starting point of motivation. These needs serve as channels of other needs. Maslow argues that individuals whose needs have always been satisfied will be the ones who are best adapted to

tolerate deprivation in the future compared to individuals who that have been disappointed in the past. (Maslow,1954, p. 57-59).

According to Maslow, the hierarchy of needs consists of five levels:

- physiological needs
- safety needs
- belonging and love needs
- esteem needs
- need of self-actualization

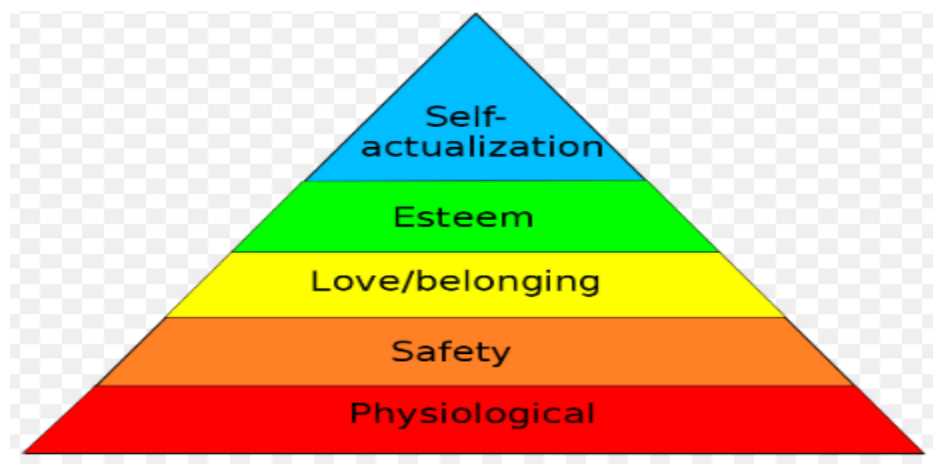


Figure 1. Maslow Hierarchy Model. Source: Mullins (2005)

- **The physiological needs-** these are biological needs like need of oxygen, food, water, salt, sugar, protein, fat and body temperature. It is difficult to make a list of physiological needs; the need depends on the degree of specification of the description They are the strongest needs because the physiological ones will be the first to be fill. (Jerome,2013, p. 42).
- **The safety needs-** after the physiological need has been satisfied, humans can work to meet their need of safety or security. Safety needs refer to the desire for security or protection. They include protection form physiological danger, economic security and the desire to achieve some control of the uncertainties of life. (O. Venugoplan, 2007).
- **The need of belonging and love -** they constitute the third level of needs; belonging and love needs refer to the need to be loved or accepted by the other people. To fulfill these

needs, companies are organizing events allowing participants to meet their colleagues (Kaur, 2013). It has to be stressed that love needs are not referring to sexual desires; these are to be considered as mere physiological needs. (Maslow, 1954, p. 44).

- **The esteem needs-** humans have a need of stability self -respect or self-esteem. These need can be divided into two parts; the desire for achievement and the desire for reputation. Fulfilling this need leads to feelings of self- confidence like strength, capability and adequacy. The esteem need is based on being respected by others and showing respect to others. (Maslow, 1954, p. 46)
- **The need for self- actualization-** this need is different from the other needs and is really difficult to satisfy as it means something different for each person. This needs involve activities like going to an art gallery, climbing mountains, writing novels, going to the theater, cinema etc. (The economist, 2018).

The hierarchy needs of motivation by Maslow help managers in their understanding of how to motivate employees and how to create better workplace conditions in a way so that employees are able to satisfy their needs as well as meet the objective of the organizations. The theory claims that the people move up need hierarchy until they all their needs are satisfied. They do so by developing their skills thanks to being motivated by managers so that they are able to make their contribution in their particularly field. (Kroth, 2007). It is important that managers know all their individual employees, their needs in different situations and time in order to be able to improve to their performance.

## 2.7 ERG Theory (Alderfer)

In 1972 Alderfer presented his content theory which describes three primary categories of needs:

- **Existence need-** it includes all basic need for life such as: water, bread, air etc.
- **Relatedness need-** humans need to engage in transactions with their fellow men. Acceptance, understanding and influence are elements of the process of relatedness
- **Growth needs-** refers to the need that people find opportunities to be themselves and prove what they are able to achieve. It is the most important need. Armstrong and (Taylor, 2014, p. 172).

## 2.8 Mc Clelland achievement motivation theory

Mc Clelland was opposed to Maslow's, hierarchy of needs, he focused on motivational potencies like achievement, affiliation, power and autonomy instead. He defined needs that are related to the behavior at the workplace Mc Clelland reached the conclusion that work motivation depends on individual factors (Steers et.al, 2004, p. 381).

According to Mc Clelland (1961) people with strong achievement motives will require circumstances in which they can get achievement satisfaction. These people set achievement standards for themselves and are not influenced by extrinsic incentives. Those people do things different and more important to try to achieve satisfaction, the things that have done on the past to make money they may change into activity to pursue their defined standards. (p.46)

Mc Clellands defined three needs that are required by individuals at all times.

- Achievement
- Affiliation
- Power

### Model of need theory



Figure 2. Model of need theory (Mc Clelland). Source: Nduro (2012).

- **Achievement-** People with a big need of achievement have to work either alone or together with other people who share their goals. They avoid easy low risk tasks because they aim at success. They usually take on high risk projects which for them means opportunity to

perform. They work on the basis of a defined plan and ask for regular feedback. (Arab British Academy, 2018).

- **Affiliation-** describes the need to be part of a group. People with this need tend to dislike high risks and prefer to collaborate with competitors. They usually like to do what their group wants to do. (Mind Tools, 2017). They need to harmonious relations with others and want to feel accepted by them the others. This kind of people work well in the field of customer service and client interaction. (Ball, 2012, p. 12).
- **Power-** power can be divided into two different types: personal and institutional power. Personal power describes a person who wants to command others. Institutional power is need of person to define other goals of organization and those people that have higher institutional power are more effective than the other mention above. (B. Ball, 2012, p. 12)

According to Schüler et.al (2010) people with a manifest need of achievement are found to be very experienced, have a big amount of intrinsic motivation, a strong commitment to their goals. They achieve more goal progress compared to others with very little need of achievement., Persons with a strong need of affiliation will benefit from the feeling of relatedness and will suffer from non-relatedness. Persons with a strong high need of power have been found to have the desire to influence others in order to feel strong themselves.

Mc Clelland's theory helps supervisors to assign key motivators to employees. They can use them to achieve goals and ensure feedback with which they can reward their employee easily. By using the theory of achievement people can easily be motivated to work effectively and to collaborate under the precondition that all group members are motivated for high achievements. But this theory is not lacks understanding because not all members have the capability to take on high risk and the desire for high achievement.

## **2.9 Herzberg theory (motivation-hygiene theory)**

According to Steers et.al (2004). Herzberg attempted to explain how work attitudes and the nature of a job influence performance and motivation. He argued that hygiene factors lead to the motivation and higher performance. Job enrichment and job design are key factors of motivation and job attitudes. Job enrichment is a technique involves motivators in the design of jobs. (p. 381)

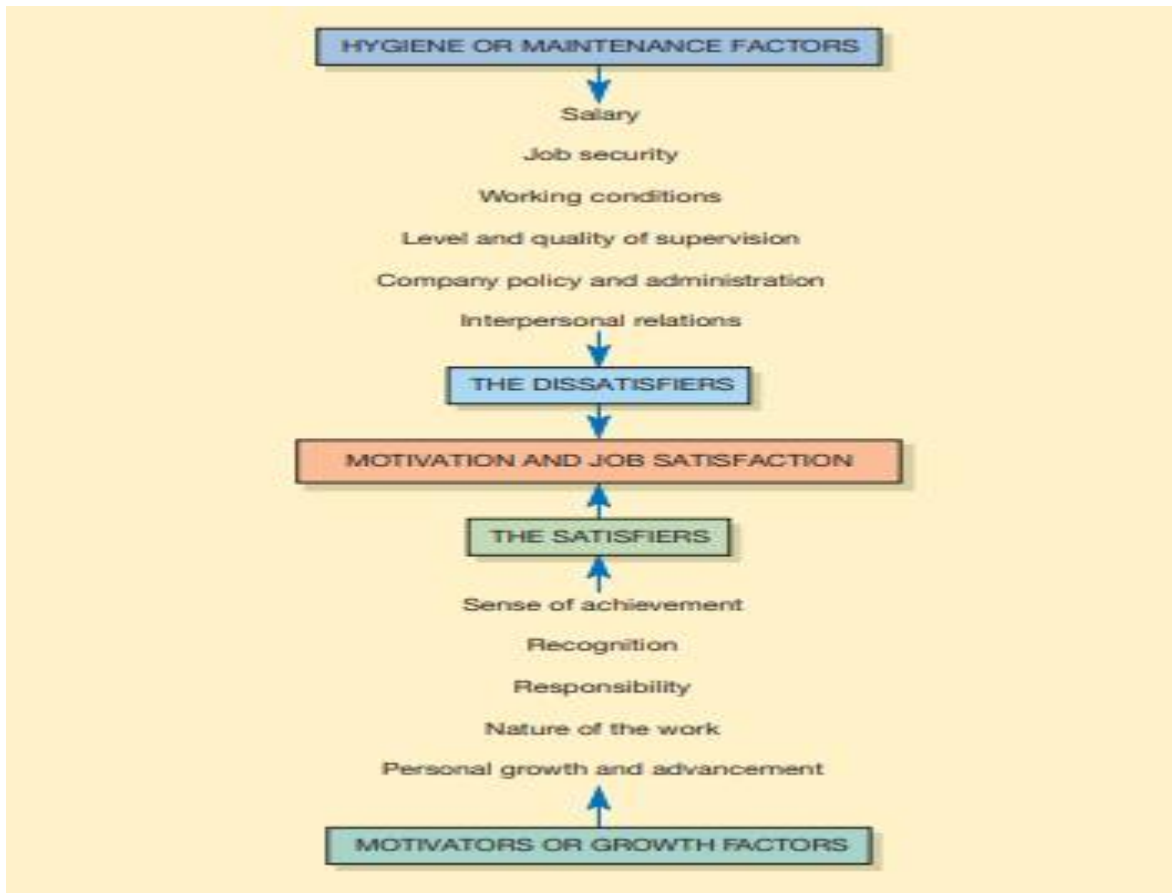


Figure 3. Herzberg- theory of motivation. Source: Mullins (2005, p, 486)

The motivation hygiene theory consists of two factor; hygiene factors and motivators. Individuals who enhance job satisfaction are called **motivators**.

- achievement
- recognition
- responsibility
- the work itself
- advancement and growth

These factors prepare the employee to face different challenges and to tolerate drawbacks, these factors also require high level needs to grow psychologically and external impact factors which do not influence the working activity directly. They do not create satisfaction but help primarily to prevent job dissatisfaction. They are called **hygiene factors** and include;

- company policy

- salary
- various benefits
- working relationships
- status and security. (Grazulis, 2009)

Herzberg in his Harvard Business Review article invented the acronym Kita (Kick in the Ass). He used motivation with Kita as straight formula to get people moving, to give people a kick so that they take action immediately. Two types of Kita exist:

**Negative physical Kita**, was used in the past, it has drawbacks and it is by no means elegant. A physical attack stimulates the nervous system and is the opposite of kindness. But there are some advantages. It reduces the likelihood of physical retaliation, (Herzberg, 1968, p. 5).

**Positive Kita** is very popular in the US, where positive Kita is seen as a way of seduction. In this case the organization does not to kick you but you have to kick yourself in cases of downfall. Positive Kita can be considered as a form of positive motivation. If the supervisor asks a person to do something for the company, he or she will get rewarded. (Herzberg, 1968, p. 6).

Herzberg with his Kita acronym tries to explain HRM practices such as reducing time at work, increasing wages, fringe benefits and job participation and training. (Thinker 001).

Hong and Waheed (2011) presented a paper about the motivation of employees in the retail industry of Malaysia. Their study is based on the hygiene theory of motivation of Herzberg. In their survey they interviewed 180 persons. After analyzing the data, they reached the conclusion that working conditions are the strongest motivation factor with the highest significant level on job satisfaction. they found that only recognition and money factors seem to be important factors for motivating sales personnel.

From this study we can see that motivators vary from country to country and that they depend on a person's age. Young people may be more interested in money, the older people may be motivated with interesting jobs and recognition. In the case of Malaysia, the retail companies must take hygiene factors into account to motivate their employees.

According to Herzberg (1968) compared to hygiene factors motivator factors have long term effect on employee attitudes. But not all jobs can be enriched: If you have an employee on a job

one cannot use you have to fire him or her. If you cannot fire the person, you will have to motivate him or her. (p. 13)

Job enrichment adopt motivators in job design, this includes;

- self-scheduling
- control of resources
- accountability and
- undertaking specialized tasks to become expert

An employee will not become centered style by education of supervisors but by changing the job he or she does. (Thinker 001 & Herzberg, 1968, p. 12).

## **2-10 Expectancy theory- Vroom theory**

In 1964 Vroom presented his theory known as expectancy theory. He, tried to explain motivation on the workplace, he argued that employees evaluate differences on the job and then they choose the best behavior that is believed to bring high rewards and results. Therefore, the energy invested and the attractiveness of some tasks will lead to a desired outcome. (Steers et al, 2004, p, 382). Although the expectancy theory is one of the best accepted theories is has many critics but proofs support the expectancy theory. (Robbins, 2005)

The expectancy theory is a cognitive theory, according to which the employees are convinced that efforts are related to performance and to the rewards they get. The theory is based in some assumptions; human beings work for organizations because they have to fulfill their needs. Another assumption states that humans according to the task what they have to complete, that they are free to choose their behavior because they want a better salary, job security or recognition. They act in accordance with their expectations. The last assumption states that humans try to find the best alternative to rise their output. (Lunenburg, 2011, p. 1).

The expectancy theory has three elements: effort(expectancy), instrumentality and valence. Motivation depends on the effort that people make and that leads to the desired performance. People will be rewarded in accordance with their performance.



$$E = A \times (\sum_{j=1}^n I_{ij} \times V_j)$$

E- the effort

A- the expectancy that effort will lead to performance

I<sub>ij</sub>- the instrumentality of the performance

V<sub>j</sub>- the valence of the second level result

n- the number of second level result. (Leonina et-al, 2013, p. 184)

**Expectancy** means the probability of the effort achieving an outcome. This does not mean that a maximum effort necessarily will lead to a better performance. Expectancy value vary between 0 and 1, if the expectancy value is one, this means that effort will lead to high performance. (Parijat & Bagga, 2014, p. 2)

**Instrumentality** means the probability that the performance of an employee will lead to various rewards. The value of instrumentality also varies between 0 and 1, if the instrumentality value is 1 the employee will receive a higher salary, higher bonuses. If there is no relationship between good performance and salary increase, then instrumentality will have the value 0. (Lunenburg, 2011, p. 2)

**Valence** measures the preferences for rewards and value of the work results for the employees, its varies between -1 and 1. Valences can be either negative or positive, if the people pretend to receive higher rewards then the valence will be positive or vice versa. Usually the valence of the employee is a monotonically increasing function. (Parijat & Bagga, 2014, p. 3)

According to Leonina et al (2013) an outcome is positively related to the person's beliefs to keep up the best performance by ascribing a very high value to one specific goal. If the person believes that reaching that goal by particular behavior but ascribes no value to that goal, then probability to attain it will be zero although motivation will be the same. Therefore, all the three factors are interconnected, the absence one of them will lead to weak motivation. The multiplication effect is very important because a higher level of motivation will only be achieved when the values of three factors are high. (p. 185).

The expectancy theory is different from other theories because it uses many variables that reflect the differences at works, it takes into account that employees are not motivated by identical incentives but they believe in their perception that their behavior will have influence on

the achievement of desired outcome. This is the reason why this theory is well accepted. People are motivated by things that they do want to have and behave according to their duty that believe will give higher performance.

## 2.11 Equity theory- John S. Adam Theory

The equity theory was first introduced by J.S. Adam in 1960. Its aim was to explain the way employee balance their behavior with the granted rewards in an organization. This theory is based on behavior of employees and motivation caused by fairness. (Kaur et al, 2014, p. 230) Both the condition of underpayment and overpayment can influence the behavior of the employee. Adam argued that pay allocation should be fair in order to have sustained motivation. (Steers et al. 2004, p, 382). In case of underpayment motivation will be interrupted therefore people will see justice, but in case of overpayment people may feel guilty considering themselves to be inadequately efficient.

According to Al-Zawahreh and Al-Madi (2012) equity has two aspects: the inputs and the outcomes. Inputs describes a person's contribution like intelligence, experience, education, skills, age, gender, job characteristics, personal appearances etc. (p.158). Outcomes describe rewards that people receive in exchange. Rewards can be tangible and intangible, tangible rewards are salaries, intrinsic rewards are bonuses, and advantages. Intangible rewards include recognition, reputation, praise, stimulus, job security. (Kaur et al, 2014, p. 231)

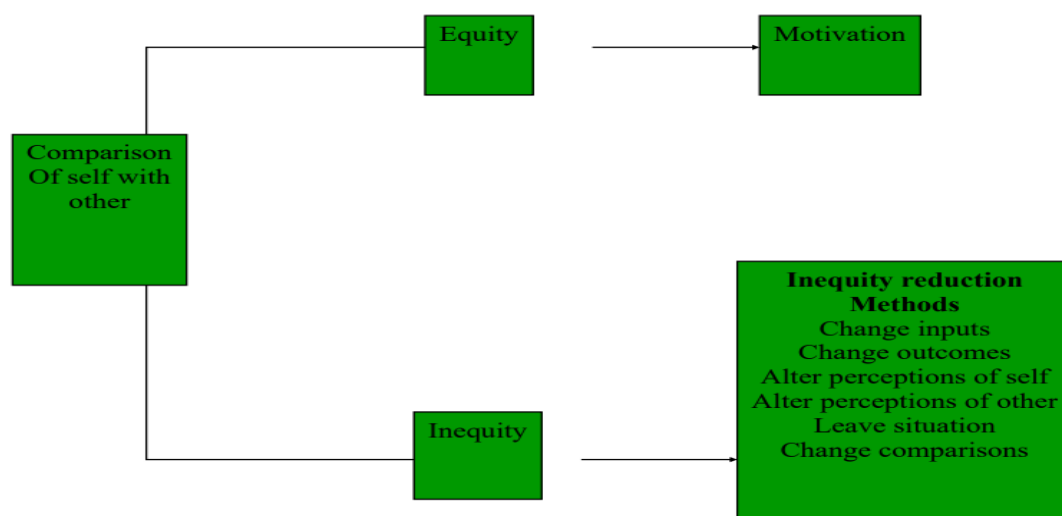


Figure 4. General model of equity theory. Source. Al-Zawahreh and Al-Madi (2012, p, 168).

Usually people compare their input on the job input to an outcome ration, If the employees are not satisfied with the perception, they will try to correct this inequity by being be less productive or by trying to reduce the quality of their work. Equity exists only when the sum of the all outcomes is equal to sum of all inputs. When a state of inequity exists, people will face a state of distress which will lead people to restore equity. The, greater the inequity, the greater the feeling of distress and the wish for the restauration of equity will be. Inequity may not only be caused by underpayment but also by overpayments. In case of inadequate payment is inputs to correct the ratio may increase. In case of overpayment is high employees may change the referent. (Al-Zawahreh and Al-Madi, 2012, p. 161)

According to Adam (1963) referent persons are group- and coworker, a supervisor, a craft group, a colleague, relative or a neighbor, a bank clerk, by an industry- wide pattern etc. Inputs and outcomes should be well correlated to keep the balance between equity and inequity. Adam argued that if inputs and outcomes are not in balance within the same sector inequity be the result. (p. 423-424).

The main core of the equity theory is to keep employees motivated an equitable balance should exist between employee. Consequences of inequity are:

- a perceived inequity may create tension in a person
- employee may try to influence the supervisor to increase rewards
- employees can reduce their effort
- employees can try to influence their referent
- employees can quit their job etc. (Mowday, Chapter4).

Inequity can be reduced in different ways:

- a person can increase his inputs in case they are poorer compared to the inputs of others and their outcomes,
- in case his or her effort is higher than that of the others, he may reduce his productivity and quality of work,

- a person can increase his or her productivity, if his or her performance is lower than the performance of others and vice versa,
- a person may quit his or her job if he or she faces inequity
- a person can increase or decrease his or her inputs and outcomes in accordance with the equity balance desired.
- A person can change his or her referent if inequity exists. (Adam, 1963, p. 428-430).

The equity theory is difficult to incorporate into other theories. In case of overpayments the situation does not correspond with the expectancy theory. Albeit its drawbacks, the equity theory appears to offer an useful approach to understand all social situations in which an exchange may take place. (Mowday, Chapter4).

## **2.12 Goal-setting theory- Locke and Latham**

In the late 1960ies the goal- setting theory was presented by Locke and Latham. They argued that goal setting is essentially correlated with performance, it states that specific goals and challenging goals contribute to higher and better performance. Many other researches also argued that goal specificity, goal difficulty and goal commitment help to face task performance. (Steers et al, 2004, p. 382). So it becomes clear that people confronted with difficult and specific goals will perform better compared to the others who have got easy goals.

According to Lunenburg (2011) the theory consists of two determinates of behavior; values and goals(intention), value creates the desire to do things consistent to certain goals. it becomes a pleasure to achieve extrinsic rewards such as money, recognition and promotion. (p.2). The goal is an objective an individual is trying to reach, it includes quota, tasks, a deadline and a certain budget. The goal is a mechanism that affects action, feedback and participation. (Locke et al, 1969-1980, p. 126). Goals consist of four mechanisms; direction, attention, strategies and effort, which motivate individuals to achieve a desired outcome or a better performance. (Locke et al, 1969-1980, p. 129-132).

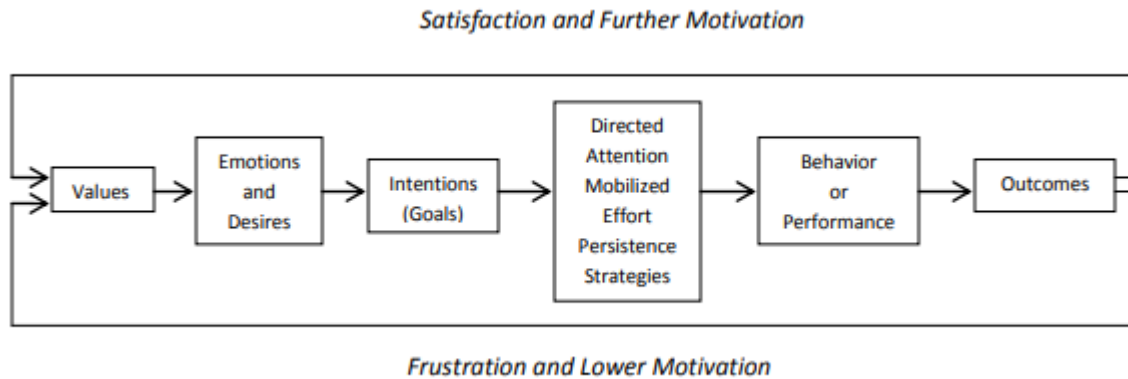


Figure 5. General model of goal-setting theory. Source: Lunenburg (2011, p. 2)

According to this theory goals should be:

- **Specific**- assigning a specific goal helps employees to know what is required of them how much effort should be invested in order to achieve better performance. Individuals should have the capability and the knowledge to reach their goals. Their knowledge should be necessary to improve performance. (Locke et al, 1969-1980, p. 146)
- **Accepted** - it is important that individuals accept the defined goal, especially in case that this goal will be difficult to reach. Therefore, individuals are required to participate in the goal setting process, which helps them not only to understand the goals better but also to reach them. (Lunenburg, 2011, p. 3).
- **Create feedback on goal attainment**- feedback is necessary to improve performance, as a substitute of goal setting is most helpful when task is divided it also helps to understand how well they are operating in order to encourage better performance. (Locke et al, 1969-1980, p. 146)

The goal setting theory also suggests that goals are more effective if they include a **deadline** for completion. (Lunenburg, 2011, p. 4).

Therefore, the goals should be defined in a clear way and well listed in order to get the desired performance. The theory is accepted by many researchers. They agree with the hypothesis that a positive relation between goals and performance exists. They also support the idea that performance will be higher if the goals are specific and difficult to be reached.

## 2.13 Social-cognitive theory from Bandura

The social cognitive theory by Bandura started as a social learning theory at the end of 1960ies from Bandura. In 1968 it was further developed to a social cognitive theory. Bandura argued that changes in social behavior are caused by different models of common cognitive mechanisms. (Behavioral change Model).

The cognitive process plays a very important role in acquisition and retention of new behavior because acquisition of response information is a main aspect of learning. Bandura also emphasizes that the theory takes a person's experience in the past into consideration which leads to change of social behavior. Experience can influence an individual's his behavior. Expectation also play an important role when it comes to behavior. In fact, expectations are the main reasons for people to choose a specific form of behavior. The main goal of this theory is to explain how people regulate their behavior through control and reinforcement to achieve goals. (Bandura, 1977, p. 191-194).

According to Nabavi (2012) the social cognitive theory helps to understand changes in human behavior, basically it focusses on how the people react cognitively to their social experiences and how this experiences effect their behavior and development. She argued that people behaving according to their assigned goals will regulate behavior by observing the others. She also presented five cognitive features that effect behavior (p. 10-13).

1. **Observational learning-** learning by observing different effects of others helps individuals to behave according to appropriate goals, consequences may serve to inform what they must do to get a beneficial outcome, observing others helps people to have new behavior and act as guides for action in the future. (Bandura, p. 1977:192).
2. **Behavior Capability-** refers to learning through the effect of one's action. Persons behave through knowledge and skills gained from experience, in order to behave successfully people, have to know how things have to be done and what is to be done, otherwise mistakes can cause cost or even fatal consequences, therefore people must adopt their knowledge in a proper way in order to behave successfully. (Bandura. 1989, p. 9-22)

3. **Expectation-** expectancy is referring to a particular behavior of an individual that will lead to certain outcome, expectations are people's hopes for desired outcomes. Expectation varies in many ways, they differ in task difficulty and mastery expectation (Bandura, 1977, p. 193-194)
4. **Reinforcement-** refers to a particular need that helps to sustain behavior to achieve goals, goals with higher reinforcement are the ones that are most desired.
5. **Reciprocal Determinisms-** it emphasizes the dynamic and reciprocal interaction of person, environment and behavior. It involves the experience of an individual, the external environment and the stimuli to reach a particular goal. (Behavioral change Models)

According to a study of (Minnesota State University) social cognitive theory has three key concepts and dimensions:

- **Human agency-** is the concept that requests the decision to invest in learning and helps to adopt behavior change, there are three modes of human agency: personal, proxy and collective. (Minnesota State University)
- **Self- regulation-** is the process by which people identify goals and adopt their strategy to achieve them. People can also behave according to their own ideas to reach desired goals. (Bandura, 1986).
- **Self- efficacy-** is the key of the theory because it effects motivation and learning. In some ways it effects behavior and cognition; goal setting, activity choice, effort, persistence, learning and achievement. (Nabavi, 2012, p. 16)

As many others this theory has its advantages and limitations but in general the theory was accepted by many researchers albeit its many limitations. Its strong point is that it is able to explain differences between aggressive behavior and non-aggressive behavior among individuals. It is its weak points that the theory is not able to explain why people in the absence of the model are motivated to show the same behavior. The theory is merely showing that people adopt their behavior according to the circumstances. (Get revising).

## 2.14 Goal moderators

According to Locke and Latham (2004) in the goal theory and the social cognitive theory four moderators exist: feedback, commitment, ability and task complexity. (p. 391)

- **Feedback-** people must know what they are doing because sometimes they invest less effort if they do not know that they are below target. Therefore, people need feedback. A combination of goals and feedback is more effective than a mere setting goals since it will improve the performance of employees. (Locke & Latham, 2002, p. 708)
- **Commitment-** performance is better if people are committed to these goals. Therefore, commitments are very important moderators especially if the goals are difficult. There are two factors that make commitment easy; importance- it convinces people that goal attainment is important and self-efficacy can be increased by training than can ensure the success experience. (Locke & Latham., 2002, p. 707)
- **Ability-** helps people to cope with difficult tasks and ensures better performance. Goal setting has a stronger effect on people with high abilities than people with lower abilities. (Pey Yu Lin, 2007, p. 35).
- **Task complexity-** requires a higher level of skills because people use different strategies on complex task than on easy tasks. The complexity of a task depends on the type of the goal that has been set, complex goals lead to a significantly better performance because that they motivate people to do the best. (Locke & Latham, 2002, p. 708)
- **Satisfaction-dissatisfaction-** goals also serve as objective or standard to measure satisfaction or dissatisfaction. Task complexity is correlated to satisfaction and dissatisfaction because people with complex goals will invest more effort since they will not be satisfied with less. People will set high goals for themselves because they expect future benefits, a higher salary and career success. It seems that satisfaction is a great incentive for an employee to do his or her job successfully. (Locke & Latham, 2002, p. 709-710).



## 2.15 Weiner's Attribution Theory of Motivation

The attribution theory was presented by Weiner. He attempted to explain the behavior of the people, why people do what they do, mainly Weiner's theory focusses on achievement. According to him the most important factors that affect attributions are ability, luck and task difficulty. (Weiner, 1972). He discovered three causal dimensions; locus, stability and controllability. (Weiner, 1985).

- **Locus-** refers to the source of a cause as represented by a causal ascription, locus can be internal (ability & effort) and external (task difficulty & luck). External locus interprets the behavior of people that is caused by external events, while people who perceive internal locus are responsible for their success or failure. (Woudzia, 1991, p. 6)
- **Stability-** why do causes change with time, thereby influencing a student's future performance expectation, stable (fix) factors predict future performance in a better way than unstable (variable) attributions such as effort. (Blefare, 1987, p. 13). In mathematics attributions of such ability are perceived as being constant, whereas good or bad luck attributions are considered temporary. (Woudzia, 1991, p. 7)
- **Controllability-** refers to the scope on which causes can be controlled. Construability is closely related to feelings of confidence and to future expectation. If people attribute failure to a controlled factor such effort, then a person will be more confident in the future than if the same failure is attributed to ability. (Woudzia, 1991, p. 8).

Achievement-motivated individuals attribute their success to their effort and hard work and their failures to their not having tried hard enough. If one succeeds one attributes internally, if a rival succeeds than one tends to attribute externally, if one fails, one tends to try again by using external attributions because they are convinced that they can succeed with a greater effort. In contrast, individuals with a low need of achievement, they attribute their own failures to other factors and see their success as a result of good luck or of the task difficulty. (Pei Yu Lin, 2007, p. 43).

## 2.16 Organizational Commitment

Organizational commitment refers to the relationship of the individual and the organization, it is the acceptance of the employee of the organizations' objectives and his or her readiness to invest effort for the benefit of the organization. Organizational commitment means being member of an organization and being bound by the actions and beliefs of the organization. (Chapter 3, p. 39-40). Organization commitment can be based on the following components:

- **Affective commitment-** the individual is committed to the organization because of an emotional attachment. The individual wishes to be part of the organization because he or she considers employment as pleasant and likes the goals and value of the company. (Chapter 3, p. 41)
- **Continuance commitment-** individuals are committed to organization because of economic benefits. They wish to stay in the organization because of their reward they are afraid of the costs and risks of leaving the organization. (Chapter 3, p. 44)
- **Normative commitment-** individuals are obligated to stay in organization for moral reasons. They are convinced that the organization is the right one to work for. they feel obliged to stay in an organization because the organization has invested in them with training or professional development. (Chapter 3, p. 44-45)

There are two levels of organizational commitment: a high and a low level of organizational commitment. Persons with high levels wish to stay in an organization because they accept the rules and values of the organization, individuals with a lower level will more likely quit their job since they do not accept the organizational goals and values. (Chapter 3, p. 46-48).

There are also some positive effects of organizational commitment Persons; members with high levels of commitment will show better performance and productivity, this will affect the organizational performance in a positive way. Organizational commitment will also lead to a productive and stable workforce. (Chapter 3, p. 50-51).

## 2.17 Teamwork

Today teamwork is important because many companies use a team to solve problems. Teamwork makes people share their ideas and leads to innovation. It can help a company to grow

and to be more productive. A team is group of individuals that share responsibility by using its members' abilities and skills to solve tasks. (Jiang, 2010, p. 224).

According to Pei Yu Lin (2007) teamwork facilitates responses to changes in the environment and it helps to increase flexibility in companies. When the employees work together cooperation will generate new ideas. Today, for many businesses teamwork is the key of success.

Team workers are rewarded in two ways: by team-based and by individual-based rewards.

- **Team- based rewards-** encourages team cooperation and team based structures
- **Individual-based rewards-** employees are rewarded in base of their individual performance and skills. These rewards motivate members to do their best for team.

Therefore, a combination of both strategies of rewards seems to be the best way to motivate employees to corporate in a team. (Jiang, 2010).

## 2.18 Aureon Model

Much research has been done in field of motivation and its effect on performance. Motivation strategies have to be designed for different persons because people are motivated in a different way and also supervisors will motivate their employees in a different way. Therefore, I will discuss Aureon Model below. In 2017 Christy Smith presented model that describes ten ways to motivate employees without braking the bank.

She argued that people are different and that they have different needs. Therefore, in order to motivate employees effectively one needs to understand how they think and one has to motivate them in an appropriate way. According to Smith the main motivator is money, it can be attributed through bonuses and pay raises. In case a company is not able to pay bonuses, ten ways of motivation without breaking the bank are mentioned below. (Smith, 2017).

1. **Recognition-** describes the appropriate acknowledgment of an employee's achievements. Recognition is a form of motivation,
2. **Rewards-** are very important factors to motivate people to achieve desire outcome. Rewards refer to all forms of financial return including benefits and tangible services. There are extrinsic and intrinsic rewards. External rewards include money, bonuses, promotion etc. The intrinsic rewards demonstrate that

it is not necessary to motivate employees with money, alone. Rewards like gifts, loans in the company, discounts for products can also play an important role. (Eshun & Duah, 2011, p. 14-15)

3. **Hours-** Flexible working hours will contribute to motivation. Flexibility can be organized in different ways. Being more flexible means that the employee will be able to combine professional and private life more easily. Flexibility also stands for trust in the employee, it will increase the stability of the workforce. Flexible working hours are especially important for older members of the staff as well as for leadership personnel. Reducing the working hours can motivate employees to work better and lead a healthier lifestyle. (Rozman et al, 2017, p. 21)
4. **Work from Home-** many researchers agree that working from home and flexible hours have positive effects on motivation and will make employees more productive. (Smith, 2017). Working from home has many aspects. Employees enjoy a higher degree of autonomy and will thereby perform better. Working from home also means more flexibility. At home employees will not be disturbed by their colleagues, productivity and efficiency will increase. The feasibility of working from home depends on both the character of the work and of the employee. Not all workers will be motivated enough to work autonomously. (Rupietta & Beckmann, 2016/2017, p. 5-15).
5. **Letter from CEO-** receiving a letter from the CEO will let an employee know that he or she is considered to be an important factor for the company, that their performance is appreciated. But such a letter should be given only in very particular and special cases. (Smith. 2017).
6. **Throw a Party-** many companies organize parties to motivate employees motivated. There are many ways to make employees feel respected, like small get together in the company, having for dinner with the team, celebrating the success of a project, providing tickets for cultural events
7. **Constant Feedback-** Feedback is the way to inform people about what they have achieved and what would be needed to enhance performance and to correct mistakes. Feedback is also a tool to acknowledge people's behavior. In general,

managers are responsible for feedback. Feedback should be clear, constant and quick. Getting positive feedback motivates humans, they will feel good. (Marthouret & Sigvardsson., 2016).

8. **Regular Manager Meetings-** after giving the employee constant and quick feedback, managers have to talk to employee face to face. This will increase the chance to change the employee's and will be more casual than the evaluation. Regular meetings will strengthen the bond between managers and employees. (Lauby, 2017).
9. **Offer Professional Development-** this is another way to motivate employees. Therefore, managers should offer means for professional development and coaching. Internal training courses or external seminars, will help employees to improve their performance by receiving tools that allow them to work efficiently. (Smith, 2017). Professional development is one of the main keys to motivation, taking part in trainings can be very satisfying.
10. **Team-Building Events-** are a very good way to motivate employees. Organizing games or other group activities will improve cooperation and efficiency. One of the best known activities is the well-known Scavenger hunt, a game in which employees have to work together in teams in order to find items on a web page. Participating in games will improve the employees' communication skills. Skills that are especially important in the field of customer advertising. Another popular activity is office redecoration. Employees can use their creativity. Going for a drink or for a meal with colleagues will improve relations in the workplace. (Dzhingarov, 2017).

## 2.19 Motivation strategies

Motivation strategies refer to ways of intrinsically motivating strategies and leaderships programs. Their aim is to create a working environment that will improve employees' performance. (Armstrong and Taylor, 2014, p. 180-183)

The following factors will be important for motivation strategies and should be taken into account:

- Paying attention to basic need of recognition

- Incentive pay
- Humans will be motivated differently, some will prefer money others other forms of reward
- Humans like to be appreciated
- Reasonable degree of autonomy
- Professional development and career opportunities
- The culture of an organization will influence the motivation of an employee
- Leadership responsibility for motivation and
- Achievement motivation is important

According to Frimpong (2018) there are many strategies of motivation: setting goals related to the job, restructuring of jobs, use effective methods, treating people fairly, satisfying employees' need, positive reinforcement and reward for job performance. A strategy of motivation should be understood as a plan that will help to achieve objectives and to have stability of the workforce. (p. 440)

## **2.20 Summary**

In the previous chapter discussing the theories I tried to explain the issue of motivation in various aspects. I used the theories to define the concept of motivation used by Locke and Latham in their integrated model of work motivation. Although it is quite difficult to come to a comprehensive definition of motivation albeit numerous studies on the issue, I focused on theories which are applicable in research. I tried to define motivation with the help of the most common ways of motivation. Therefore, it is important for the management of an organization to understand motivation and to develop appropriate reward strategies. Effective motivation will improve employees' performance

All theories contribute to the understanding of motivation. Need and content theories are more sophisticated albeit their limitations. Need theories describe factors that motivate people whereas contents theory provide strategies for motivation, although motivation theories offer useful explanations of motivation, more research on their effects on organizational performance is required.

In the next chapter I will discuss the concept of organizational performance and measurement methods that are required to proof my hypothesis. Furthermore, I will study the impact of motivation on organizational performance.

## **Chapter 3:**

### **3.0 Performance**

On performance numerous studies do exist. Some of them studies have shown a positive relationship between motivation and performance, others did not find a significant relationship. I will try to explain the effect of motivation on organizational performance below

Motivation has a huge influence on the employee and his or her performance. Workers are the determinates of success and failure for every project. , They can plan project goals and lead and organize activities. According to Osabiya (2015) a person's capability is understood as the ability to complete a job successfully. The performance of an individual depends on his or her ability and willingness to complete the assigned task, a feature described as commitment (p. 66).

**Performance = function (quality +commitment)**

According to Armstrong and Taylor (2014) performance is system of measuring general behavior and outcome of the employee by evaluating their capabilities to complete organizational task. Performance consists of three determinants:

- *Factual Knowledge about*
- *Knowledge about how things are done and the required skills*
- *Motivation to act, .to expand effort (p. 335).*

Mullins (2005, p, 483) presented a performance pyramid in order to improve employee commitment and retention. According to Osabiya (2015) and Frimpong (2018) there are five hierarchical levels of workforce needs:



Figure 6. Stum performance pyramid. Source: Osabiya (2015, p, 67).

- **Safety/security**- employees need to feel safe and free from threat, physical attack and danger. (Mullins, 2005, p. 480)
- **Rewards** – the need of extra compensations and benefits. (Osabiya, 2015, p. 68)
- **Affiliation**- need of belonging to the group of people or to an organization. (Frimpong et al, 2018, p. 441).
- **Growth**- is referring to the need of positive individual and organizational change
- **Work/life harmony**- the driving force to achieve a feeling of fulfilment in balancing work and life responsibilities. (Mullins, 2005, p. 483).

According to Frimpong et al (2018) money and systematical rewards are determinants of employee motivation. In order to have positive impact on organizational performance the pay system must be designed in an appropriate way so that it will fit into other strategies of motivation. Frimpong also argued that the all types of motivation strategies have a positive effect on the performance.

### 3.1 Organizational Performance

According to Morin and Audebrand (2014) organizational performance is important for private and public organizations alike. It means efficiency, productivity and quality. Often, performance is often understood in financial terms like investments, sales and profit only. This limitation may lead to a misinterpretation of results. Therefore, to correct this limitation Morin defines organizational performance indicators based on a study by (Lynch and Cross 1991). He uses indicators like customer satisfaction, flexibility, productivity, quality of service, products and



financial and non-financial indicators. All these indicators will show competitive advantages or increased financial performance.

**Organizational performance** describes how well an organization is performing to achieve its goals, missions and visions. The term organizational performance includes organizational financial efficiency and flexibility. Financial efficiency ensures better financial performance, while flexibility leads to sustainable competitive advantages. Flexible organization can respond to environment changes easily. (Evans & Davis, 2005, p. 762).

According to Yongmei Liu (2006) organizational performance can be measured according to five dimensions: productivity, retention, accounting returns, growth and market returns. (p.510)

High performance can ensure with the help of: (Evans & Davis, 2005, p. 760)

- **Compensation-** refers to all types of payments; individually based payment, group payment, contingent payment etc.
- **Communication-** refers to the communication channels accessible for all levels of operation.
- **Training-** refers to all programs of developing skills and capabilities.
- **Employee participation-** refers to responsibility for decision making and to access of resources,
- **Selectivity-** refers to relevant knowledge, capabilities and skills for assigned job and
- **Flexible work assignments-** refers to the ability to work in other jobs.

**Competitive advantages** refer to willingness of staff to achieve goals, to loyalty, cost efficiency, competences, skills, employee attitudes and staff stability in comparison to the company's competitors. Competitive advantages depend on motivation. Therefore, firms must focus on motivation in order to get higher financial performance and gain competitive advantages. (Al-Rfou & Tranwneh, 2009). Human resources must be considered as main assets for competitive advantages.

Organizational performance can be defined into main four components: Morin & (Audebrand, 2014, p. 10).

- ***Sustainability of the organization-*** ensures stability and growth by offering quality products and services which satisfy business partners (costumer, suppliers and creditors).
- ***The worth of personnel-*** is related to the staff working for an organization, it includes personnel health, safety, commitment, organizational climate and employee performance.
- ***Process efficiency-*** refers to economic resources, productivity and profitability.
- ***Legitimacy of the organization-*** refers to the position of the organization in its environment.

According to Delaney and Huselid (1996) by using a sample of 1427 organizations, they found out that firms which offer professional development by selectivity, training and incentive compensation of their staff have significant importance in organizational performance. They also they found that financial benefits are positively related to organizational performance. (p. 953-965).

Odusami et al (2003) in their study on the relation between project leadership, team composition and project performance in Nigeria, they analyzed data obtained from 12 samples drawn from five professional groups and 60 questionnaires. They, found that a positive relationship between team composition and performance exists and argued that performance will be definitely affected by team composition. They suggested that supervisors should select experienced team members who are familiar with the assigned task in order to facilitate the exchange ideas and to deliver results.

According to Dobre (2013) he wrote a paper on employee motivation and organizational performance. He suggested that the management of an organization has to use feedback from employees in order to fulfill their needs and skills. He came to the conclusion that qualified employees and motivation are determinates for the increase of productivity and customer satisfaction. Furthermore, he argued that employee participation will lead to efficiency, growth and safety, because if employees feel appreciated for what they are doing and if they are part of decision making better productivity and loyalty will be ensured.

### 3.2 Effect of Motivation on Performance

Motivation is the process that make employees showing the desired behavior and complete their need by achieving their objectives and also organization goals.

According to Nduro (2012) in his master thesis he concludes that motivation leads to higher performance. Therefore, the performance formula is as below:

$$\text{Performance} = \text{ability} \times \text{motivation} \times \text{resources}$$

With this formula it is understood clearly that in order to increase performance, on the one hand employees must have the capability to complete the task they were given, in other hand they have to be motivated by the right strategies. Otherwise they will fail to perform. With this formula is is also understood clearly that performance depends on ability, skills to complete the assigned task. In case that these capabilities do not suffice to complete a job, then definitely performance will be not optimal. Therefore, organizations must develop their employees' skills to have the desired performance.

A correlation also exists between motivation and performance Therefore, organizations must have sufficient resources to motivate their employees in order to have stable workforce and greater performance.

According to Rydval (2013) intrinsic motivation and financial incentives bring higher impacts on performance caused by individual abilities. Also according to Veling and Arts (2010). In their paper high rewards reduce failures to act on goal. By using a sample of 36 participants they came to the conclusion that in case a supervisor gives employees bigger monetary rewards, this will lead to faster responses to assigned tasks and will encourage employees to complete their task with high productivity. It will also make employees better prepared to implement goals in harmony with activities. A lot of studies agree that financial rewards lead to high performance, they (Veling and Arts) found that financial incentives have a negative effect on accomplishing goals therefore, special attention must be paid to specific task goals because as a function of rewards there are beneficial effects especially in cases where the goal is not supported by bottom-up processes via the environment.

Stajkoivc and Luthans (2003). By using meta- analytic method in their study, by splitting their study into seven groups, they try to show differences on performance effects between the three common types of motivations; money-individual reinforcement, feedback, recognition and the combination of all three indicators. They found that individual reinforcement has a significant relationship with performance, in fact all indicators have a significant relationship with performance but in different ways They came to the conclusion that monetary incentives improve performance by 23%, recognition by 17% and feedback by 10%. Feedback has an important impact on performance given outcome utility, informative content and self-regulation. But feedback is more complex then incentive monetary rewards and recognition. At the end their meta analyses showed that the combination of three indicators will lead to high performance, it will increase up to 45% and has a stronger effect on performance than applying indicators separately.

Motivation has different effects in different industries. Stajkovic and Luthans (2003). They focused their study on two industries; on manufacturing and service industries. They found that in general, motivation helps to improve performance in the manufacturing industry compared to the service industry. They suggest that combining three types of indicators of motivation will ensure synergistic effects on performance.

According to Chintaloo and Mahadeo (2013) in their paper they studied the effects of motivation on employee work performance at Ireland Blyth Limited. After they analyzed their data by using SPSS they found that a significant relationship exists between performance and motivation. They concluded that monetary incentives, organizational culture, commitment of employees, relations between employee- management, flexible hours and promotion are motivators that lead to achievement of goals by employee and organization and to high organizational performance. They also concluded that same factors do not motivate employees in different industries because these measures may lead to organizational conflicts. They suggested that many theories exist which can be used as guidelines for different companies and that motivation should be continuous.

Waiyaki (2017) her paper on the effect of motivation on employees is a case study in Nairobi using descriptive research design and a sample of 50 employees of Pam Golding Properties Limited. After she analyzing the data with SPSS, she come to the result that recognition and rewards program do not motivate the employees, 45% of the sample members disagreed with

system of rewards and recognition because the system of rewards was not competitive with other companies in the area and recognition was not used as a rewards to motivate employees. She also found that 73 % of the employees were not satisfied with level of the financial incentives they received because the company did not offer competitive benefits. Her findings are consistent with the study of (Locke and Latham, 1990). They emphasize there is a significant correlation between monetary incentives and performance.

Waiyaki only found a positive relationship between goal-setting motivation and performance, because the employee was able to understand the importance and the specification of the goals. They were allowed to participate in the setting of goals because the goals were not challenging. In her research she did not find that the company uses other indicators of motivation., Therefore, her study was not consistent with other studies that find a positive relationship between motivation and performance in most of the cases.

### **3.3 Effect of goal setting on Performance**

Choon and Patrick (2016) they defined goal setting as a program which involves many goals for individuals. All goals setting programs have the common objective to increase employee motivation and performance. The employee has to understand that goal setting provides direction, a sense of alignment and purpose to the organization. They validated three of their hypothesis by using sufficient information from an empirical study in Singapore and concluded that goal setting has an impact on employee effectiveness and improves organizational performance significantly.

Employee performance will be improved if employees are given specific and challenging goals. Goal setting is a key driver to increase individual and organizational performance. (Eshun & Duah, 2011). According to Latham G (2000) if the employees have the capability and knowledge to solve a problem, a performance goal should be set. But if a person does not know how to solve the task than a learning goal must be considered.

In order to proof my hypothesis, I will restrict the measurement of performance of organizations on standards and goals set by managers and deals with costumers. As we know, performance is a broad concept and involves numerous indicators that help to measure performance of organization.

### 3.3.1 Defining and Setting the Employee's Goals and Performance Standards

According to Dessler (2013). Goals for employees are set by managers. These goals should derive from the company and contribute to its overall aim. The manager's goals are assigned to him or her by the vice presidents of company. But setting effective goals is not that simple. By setting goals supervisors have to decide what to measure. Many managers measure goals on basis of company objectives like sales, growth or productivity. Goals, should be reasonable, specific, clearly defined, attainable, relevant to achieve and they should have deadline. (p. 287)

Four guidelines to set performance goals are given below:

- **Assign specific goals-** Employees must be given a specific goal in order to perform better than those without them,
- **Assign measurable goals-** Goals must be measured in quantitative terms and should be in time,
- **Assign challenging goals-** Goals must be difficult but not impossible to achieve
- **Encourage Participation-** in order to have higher performance employees must participate on goals assignments because it is easy to set standards when employees participate on process. (Dessler, 2013, p. 288).

According to Locke (2009) there are four subprinciples of motivation. To be able to explain why some people perform better than others he wrote this paper based on a study of (Latham and Locke). According to him goals must be challenging and specific, they must provide feedback and lead to goal commitment. By setting challenging and specific goals both performance and job satisfaction will increase. Providing feedback helps to avoid negative effects of goal setting. Feedback increases performance significantly only if the specific high goals are set. Goal setting without commitment is meaningless. (p. 162-164).

### Appraisal of the Performance

The most common appraisals for the performance are usually conducted by a supervisor. He is in the best position to do so and he is responsible to evaluate the performance of the organization. There are some others way to measure performance of employees too:

- **Peer appraisals-** peer appraisals is more effective and can impact open motivation, task motivation, group viability and satisfaction, employees are motivated to meet their colleagues,
- **Rating committees-** evaluation by many raters help to solve problems easily and has impact on performance,
- **Self- ratings-** self rating usually is contrary to the rating of supervisors because employees will rate themselves positively, a fact that is negatively correlated with performance.
- **360 Degree Feedback-** with 360-degree feedback an employer provides performance information to the entire company; to the employee, the costumer, the supervisors, peers, etc. (Dessler. 2013, p. 289)

### 3.4 Employee Turnover and Retention

**Turnover** rate they vary from industry to industry. Turnovers in the accommodation and food sector are very high compared to educational services. Turnover can be either voluntary or involuntary. Usually turnover means high costs, therefore, the management of the company has to identify the causes of voluntary turnover. Very often, the employee is not satisfied with monetary incentives, promotional opportunities, work-life balance, carrier development and health care benefits. But there are also other reasons like unfairness and lack of recognition. In some cases, turnovers have positive effects, losing low performer employees is better than losing one with high performance. Therefore, the management has to know why employees are leaving organization voluntarily in order to reduce employee turnover. (Dessler, 2013, p. 322).

**Retention** is really important because the management has to understand employees who are interested in their job but are missing certain things which make them leave the company. Managers have to use proper strategies to keep their employees in organization. (Dessler, 2013, p. 323)

Below you find some strategies of employee retention suggested by many experts which help to keep an employee in an organization:

- **Selection-** *retention starts with selecting and hiring the right employees and supervisors*

- **Professional growth-** increasing their carrier chances and developing them professionally make employees stay in an organization
- **Provide career direction-** employer has to discuss employee career preferences and help employees to design potential career plans
- **Meaningful work and ownership of goal-** employees have to know how to do their job and They also need to have ownership of assigned goals
- **Recognition and rewards-** must use appropriate systems of salaries and benefits and of recognition for a job well done
- **Culture and environment-** companies with a comfortable environment and culture make employee to stay in organization
- **Promote work- life balance-** flexible arrangements and telecommuting are benefits that makes employees stay in an organization
- **Acknowledge achievement-** if the employees are appreciated for what they do, better chances they will stay them in the organization exist (Dessler, 2013, p. 324).

### 3.5 Summary

In this chapter I will defend the concept of performance and organizational performance, I will also give a short description of the effect of motivation on organizational performance by referring to different empirical studies., In particular, I will focus on the effect of goal setting on performance and on the effect of motivation on staff retention. At the end I will give an overview of most common strategies suggested by many experts to keep staff in an organization. I understood that motivation has a significant effect on performance, but it depends on the type of industry and the way how the employee gets motivated. Therefore, the supervisor has to pay special attention to the system of motivation in order to have the desired performance and stable workforce on in the organization.



## 4.0 Chapter 4

### 4.1 The Influence of Management of Human Resources in Kosovo

In order to continuously improve their performance and to achieve competitive advantages an organization has to invest in human resources management and has to have a proper system of motivation. According to Armstrong & Taylor (2014) human resources management is very significant for the organization as well as the most valuable asset of an organization. Armstrong and Taylor support theories of motivation that have contribute to organizational performance strongly, the main goals of the human resources management are:

- Support of the organization in achieving its objectives by developing and implementing human resources
- Contribution to the development of a high-performance culture
- Make sure that the organization has the talented, skilled and engaged people it needs
- Create a positive relationship between management and employees (p. 5-6).



Figure 7. Impact of human resources management on organizational performance. Source: O’Riordan (2017).

The figure shows that organizations need adequate human resources and that they have to be motivated and committed so that they will have an impact on productivity and performance. (Gibbons & O’Connor, 2005). Organization that have a formal management of human resources show better performance than the others without it. The performance of an organization is depending on the people who work on it. Therefore, people have to be considered to the key of success for organization. (Armstrong, 2008). According to Folker & Koatey (2007) human resource management by training, recruiting, selection and compensation of employees has effects on performance and productivity.

Hasani et al (2014, p. 51-54) in their paper they discuss how human resources should be treated and managed. They use qualitative research design with a sample of 110 employees in Kosovo. After the analysis of their data they argue that companies need to be in step with modern management techniques in order to compete with organizations with higher standards of management and quality. which all lead to the success of organization by achieving their goals. The representatives were motivated by the salary they get, by cooperation and few representatives were motivated by the work itself.

The researchers suggest that employees that have no basic knowledge of how to implement a plan of the organization, must be recruited, trained and promoted. They have to improve their knowledge constantly, they must be creative and innovative, in order to be more effective and improve performance. (Hasani et al, 2014, p. 55)

Mulolli et al (2015) human resource management has a significant impact on performance of the organization. By using the multiple regression analysis, they found that the three independent variables have a positive coefficient, in their case depend variable was performance and independents variable were recruiting, selecting, training, developing, compensation and rewards. They the argue that compensation and rewards have an enormous influence on organizational performance. Therefore, they suggest that organizations have to apply appropriate systems of motivation in order to face competitors or to overtake them.

## **4.2 SMEs in Kosovo**

Kosovo is a small landlocked country in the Balkans with borders with Albania to the southwest, the Republic of Macedonia to the southeast, Montenegro to northwest and to the east with Serbia. Harvard University & NATO. (2005-5) The country has a total area of 10.908 square kilometers and is the tenth smallest country in Europe. Its capital and largest city is Pristina, the other major urban centers are Prizren, Pej and Ferizaj. In 2016 Kosovo had a population of around 1.8 million with a population density of 159/km<sup>2</sup> and a GDP of \$ 6.6 billion. With an average age of 26 Kosovo has the youngest population in Europe. (World Bank's work in Kosovo, 2017)

Kosovo is a country with sensational natural, financial and human resource- But the country requires appropriate development program and understanding of the importance of human resources in order to ensure stable economic growth. Today, Kosovo is a developing country with

the highest unemployment rate in the area of approximately 35%. There is no heavy industry, the majority of companies are private sector companies. (Ahmeti and Marmullaku, 2015).

Recently, Kosovo due to economic and politic crises is facing difficult business conditions and also is lacking foreign investment. Therefore, the country is trying to give importance to the role of SMEs for economic growth, because the SMEs in Kosovo is one of the most important factor for economic development and stability of the country. (Sejfiqaj, 2017, p. 109)



Figure 8. Map of Kosovo. Source: USAID (2014, p, 2018)

European Investment Bank (2016) Kosovo depends on the private sector, most businesses are SMEs which provide the biggest share of employment. The country struggles high employment rates and depends on foreign aid. The size of enterprises is defined by the European Union. According to EU standards SMEs consist of fewer than 250 employees and have an annual

turnover of maximum 50 million euro. In Kosovo the majority of companies has between 10 to 50 employees. Organizations with 250 employees are considered big companies.

<i>Enterprise category</i>	<i>Headcount</i>	<i>Turnover</i>	<i>Balance sheet total</i>
medium-sized	< 250	≤ € 50 million	≤ € 43 million
small	< 50	< € 10 million	< € 10 million
micro	< 10	≤ € 2 million	≤ € 2 million

Figure 9. Definition of SMEs in Kosovo. Source: Ahmeti & Marmullaku (2015)

<i>Classification</i>	<i>Nr. of employees</i>	<i>Nr. of Enterprises</i>	<i>%</i>
Microenterprises	1 - 9 employees	109798	98.40
Small enterprises	10 - 49 employees	1508	1.35
Medium enterprises	50 - 249 employees	224	0.20
Large enterprises	> 250 employees	60	0.05
Total		111590	100

Figure 10. Number of enterprises in Kosovo by size in 2015. Source; Ahmeti & Marmullaku (2015)

The size of SME in Kosovo is defined as in figure above;

- Micro enterprises have up to 9 employees with a turnover of 2 million euro
- Small enterprises between 10 to 49 employees with a turnover of 10 million euro
- Medium enterprises between 50 to 249 employees with a turnover of 43 million and
- Large enterprises with more than 250 employees and a turnover of more than 43 million euro.

For SMEs in Kosovo the most important factor is the number of employees. As we can see in the figure above, in 2015 with 98,4 % microenterprises are the largest group of SMEs followed by small and medium enterprises, only 0,05% are larger enterprises.

The SME sector is the primary source of economy growth and it provides employment in the country. Kosovo is also known for the big number of the young people who enter came to labor market. In order to provide them with jobs a growth rate of 7 % would be needed. (Ahemti & Marmullaku, 2015, p. 420).

The SMEs can definitely be considered to be the main source of income and employment in Kosovo. They significantly contribute to the innovation of products and services. In Kosovo they play a major role in job creation and economic growth. SMEs also ensure an increase of competition and production which effects regional economic sustainability directly. (Hyseni, 2016).

## 4.2 Characteristics of SMEs

In Kosovo the majority of the companies is involved in trade, 37% of employment is provided by this sector, manufacturing accounts to only 15,3% of employment and 12.7% of employment comes from larger enterprises. Accommodation and food services play a very important role in SMEs. The figure below shows the number of SMEs by economic sector.

Sector	2014	2013	2012	2011	2010
<b>Trade</b>	50.6%	55.4%	49.1%	47.8%	48.2%
<b>Manufacturing</b>	12.7%	12.9%	11.0%	10.2%	10.0%
<b>Accommodation and Food Services</b>	10.5%	10.8%	8.9%	8.3%	8.2%
<b>Construction</b>	6.7%	7.2%	7.3%	6.5%	6.2%
<b>Transportation and Storage</b>	3.7%	4.0%	2.8%	2.8%	2.8%
<b>Information and Communication</b>	2.2%	2.2%	8.5%	8.9%	9.1%
<b>Other</b>	13.6%	7.6%	12.4%	15.4%	15.5%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Figure 11. SMEs by Economic sector. Source: European Investment Bank. (2016)

Agricultural enterprises are not included in this figure. In 2014 they were 129 220 active agricultural land holdings in Kosovo. The majority of enterprises are located in Pristina, Peja Prizren and Ferizaj. (European Investment Bank, 2016).

## 6.3 Personnel-related Problems of SMEs

The main concern for an organization is to find a stable workforce. But the majority of the SMEs are facing grave problems when it comes to finding suitable personnel. (The KOSME survey, 2014). presented a list of the main obstacles of personnel related problems for SME. According to KOSME, the greatest problem is to find suitable personnel for vacancies. Almost one third of medium-sized enterprises are facing this problem, but only 16% of micro enterprises. Few enterprises indicate that their recruitment problems had to do with high labor costs, lack of

skills and too strict labor regulations because, in comparison with other EU countries the workforce of Kosovo is cheaper and younger. The figure below shows the personnel related problems that SMEs are facing.

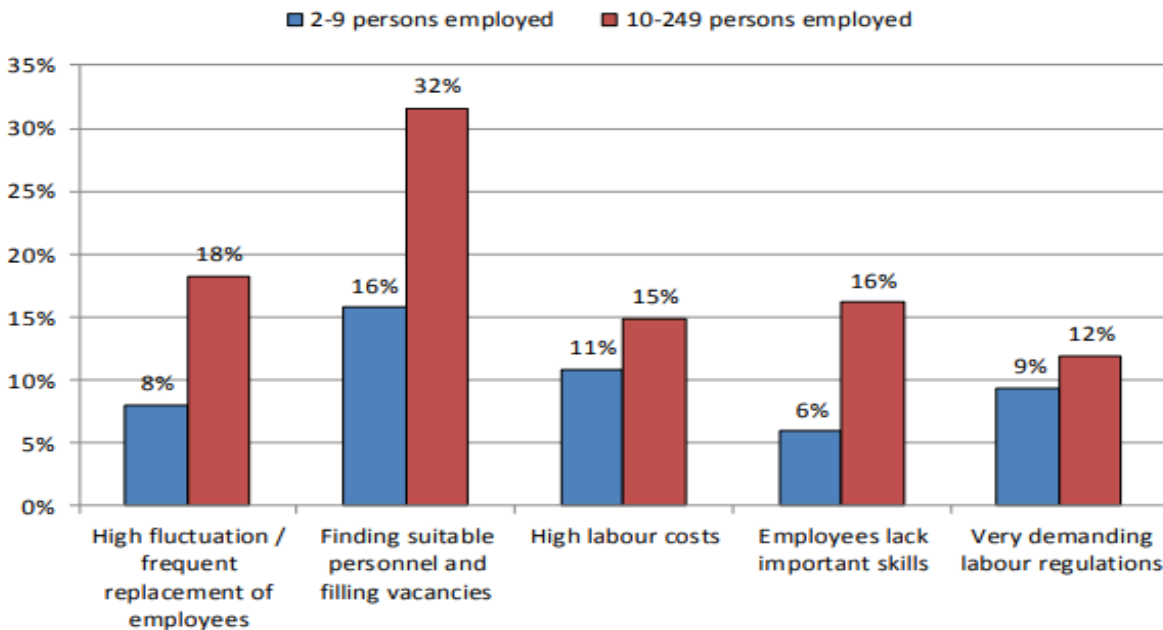


Figure 12. SMEs problem related to the personnel. Source: KOSME SME Survey (2014)

In general, the SMEs are satisfied with the skills of their employees, but some microenterprises complain about lack of foreign language skills because the majority of exports are assessing to language competences of their employee.

#### 4.4 Performance of SMEs

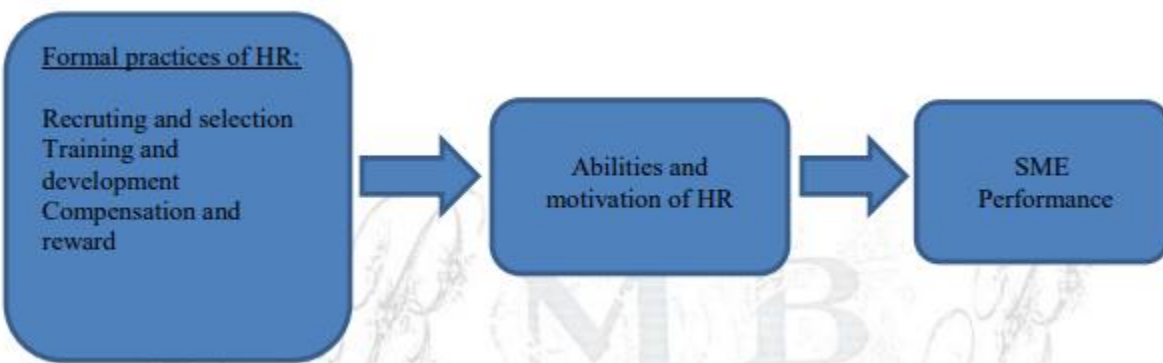


Figure 13. Conceptual model. Source: Mulolli (2015, p, 1175).

The performance of the SMEs depends on the capability of their employees and their motivation. Therefore, in order to increase SME performance, enterprises have to recruit, select and train personnel and give them possibilities for advancement in career by motivating them to improve their capabilities through rewards and compensation. Both, better capabilities and motivation exert significant influence on organizational performance. (Mulolli, 2015).

According to Sejfićaj (2017) in order to achieve better organizational performance, the management of SMEs in Kosovo have to pay attention to the following factors;

- Ability to improve and develop professional skills of employees through training or participation in different workgroups
- Ability to provide sufficient financial resources and rewards for employees
- Ability to motivate employees and customers and to raise their level of satisfaction

There are many other factors that have a higher impact on performance. But in our case we are only interested in the effect of employee motivation on performance. According to Sejfićaj (2017) his suggestion is consistent with many theories of motivation, and therefore, the performance of SMEs depends on their employee capability and on the way how they are motivated. He emphasized that organizations have to invest in people in order to add value to organization.

## **4.5 Summary**

In this chapter I focused on the description of SMEs in Kosovo, I gave a short description of impact of human resources management in Kosovo, then I continued with the explanation of importance of SMEs in Kosovo. I tried to give a short explanation of the size of enterprises and industries in which mainly are operating and tried to describe the personnel related challenges they are facing. Concluding on the basis of some studies I showed the way how the performance of SMEs in Kosovo is which indicators of motivation have more influence on the performance of SMEs.

## **5.0 Chapter 5: Research Methodology**

### **5.1 Introduction**

The purpose of research methodology is to explain the effect of employee motivation on organizational performance and also in correlation between motivation and performance by testing many motivational indicators in different enterprise in Kosovo, whereby the majority of enterprises are SMEs.

In this chapter I will introduce the methodology that was used to conduct the research study. For the examination of the problem, I used the descriptive approach. The information for theoretical knowledge about motivation, performance, employee retention and SMEs mainly are provided by journals, articles, books, statistical reports, reliable internet sources, master thesis, PhD thesis and reports from various organizations. For the research of my master thesis I used the quantitative method in order to proof my hypothesis.

In this chapter I also will present:

- Overview of paradigm and research design
- Questionnaire design,
- Sampling technique/population,
- Data analysis method
- Reliability and validity in quantitative research.
- Concepts and their measurements
- Statistical data analysis
- Restriction and limitation

### **5.2 Overview of Paradigm and Research Design**

Choosing a research method is one of the most difficult parts of the research. One has to decide whether to opt for a quantitative or qualitative research method or for a combination of both. Therefore, the method has to be suitable to obtain a collection of data. Reliability and validity have to be considered.



According to Wahyuni (2012) there are two main philosophical dimensions to categorize existing research; ontology and epistemology. Ontology is the way reality is perceived. The existence of reality can be seen as independent of social actors, it is more objectivist. On the other hand one is subjectivist, believes that reality is dependent of social actors and that individuals can contribute to social phenomena. Epistemology is the belief to understand and to use knowledge that is acceptable and valid. These two fundamentals influence the way how reality axiology and methodology is investigated.

Hallebone & Priest (2009) defined three alternative paradigm approaches for conducting research, which are guidelines for choosing their research method. All research paradigms are defined by a combination of epistemology and ontology. Research paradigms are shown in the figure below:

<b>Aspect of research</b>	<b>Positivism</b>	<b>Interpretivism</b>	<b>Criticalist research</b>
Purpose	Test theory or theoretical prediction	Develop descriptive theory	Develop theory to address real-world problems.
Using extant literature	Identify theory to test. Identify hypotheses to test the theory.	Identify need for theory. Develop sensitizing concepts.	Select knowledge of structural nature. Identify approach to explain/ change problem.
Form of inquiry	Develop hypotheses as posited relationships between variables	Explore social world to develop key questions and new theory.	Empirical facts and tentative theory generate new questions and actions.
Tactic in conducting study	Hypotheses are fixed in order to test a theory. Theory is expanded, reinforced, confirmed, qualified or rejected.	Hypotheses emerge as meaning is constructed using building blocks of local integrating descriptive theory.	Combination of iterative hypothesis formation and hypothesis testing to build explanatory theory

Figure. 13. Similarities and differences between three paradigms. Source: Hallebone & Priest (2009).

- **Positivism-** mainly test hypothesis, collection and analysis of data, qualifies hypothesis, statistical test of significance, provides generalizable findings and is compact and quantitative.
- **Interpretivism-** generates understanding and data, analysis data generation, inductive generalization of categories, time and space specifics, shares finding with participants and is often detailed and qualitative.
- **Criticalist research-** stimulates explanations., combination of generation and collection, combination of analysis and data collection, iterative modelling, combination of quantitative and qualitative research methods. (Hallebone & Priest. 2009, p. 46-47).

Harding (2013) defined the differences between quantitative and qualitative research. The difference between the two methods is that quantitative studies tend to involve a larger number of respondents while qualitative research collects specific information from a smaller number of people. (p.8)

In my research I have chosen a combination of **quantitative and deductive research** because deductive logic is provided by positivism. Research deductive allows to address research questions and to test my hypothesis. Quantitative research is consistent with my research and I choose it on the basis of the study of (Harding, 2013, & Hallebone & Priest, 2009), who provides a very useful explanation of how to choose right research method for research.

According to Harding (2013) quantitative research is associated with the following key principles:

- **Measurement-** refers to the idea that social phenomena can be measured in the same manner as natural phenomena. Participants in a survey are asked to indicate whether they agree with a particular statement or not on a scale 1 to 10.
- **Causality-** some factors have impacts on other factors, for quantitative researchers a set of complex procedures such regression or correlation has been developed in order to be able to analyze the impact of independent variable on dependent variables.
- **Generalization-** the aim is not just to collect information about the target of the research but to generalize the others as well. If it is not possible to get information about an entire population, random sample will be used. (p. 9)

## 5.4 Main Steps in Quantitative Research

Brayman (2012). The quantitative research goes through the following steps;

- the first two steps are specifications of the theory and the hypothesis that has to be tested,
- in the course of the next steps a research design has to be selected, which has implications for the external validity of the finding and the ability to impute causality with their findings
- the next step is about devising measures of the concepts, concepts have to be measured, they can be in the form of independent or dependent variables.
- the following two steps constrain the selection of research site and the selection of respondents.
- Step 7 concerns the administration of the research instrument, it is experimental research, which includes cross-selection research and an experimental group.
- Step 8 is referring to the transformation of information into quantified data, this means some information can be coded with the use of software and transformed into numbers to facilitate the quantitative analysis of the data.
- Step 9 is about the analysis of the data, in this step different techniques of quantitative data will be used to reduce the amount of data collected and to test a relationship between variables.
- The two last steps are about the interpretation of findings and conclusions. Readers have to be convinced that the findings and conclusion are significant and valid (p. 161).

Below I will continue to cover steps that have not been covered related to our case. The first two steps were defined above, already. Then I will continue to discuss the other steps related to my topic.

## 5.4 Research Design

According to Brayman (2012). A research design is a mode for the gathering and analyzing of data. Its includes;

- Expressing a causal connection between variables

- Determining a larger group of individuals that can be part of investigation
- Understanding their behavior in a specific social context
- Having a temporal appreciation of social phenomena and their interconnection (p. 46).

There are five different types of research design; experimental design, cross- sectional or survey design, longitudinal design, case study design and comparative design. (p. 50).

In our case **cross-sectional design** as research design will be chosen, because it will help to collect data and test my hypothesis with the help of a self-completion questionnaire and structured interviews.

Brayman (2012,). Cross- sectional design is also known as survey design. It is about the gathering of data on more than one case and at a single point of time in order to collect a body of quantitative data in connection with two or more variables, that allows to examine only a connection between variables. Questionnaires and structured interviews are the best used instruments in cross-sectional design. (p. 59)

## 5.5 Reliability and Validity

Quantitative research is mainly supported by positivists and attempts to determine items into measurable or categories that can be applied to all situations. Therefore, it is important to measure what is meant to be measured. The test of measurement ensures reliability and validity, which are tools of positivist epistemology as well. (Golafshani, 2003, p. 598).

The items can be developed from a theory construct so that they are consistent with it, the items can be generated from different sources, reviews of associated literature or consultation with experts in the field. Special attention has to be paid to controversial or emotive items. Specific questions should be avoided in order to avoid double negative questions because a mixed positive and negative worded item may minimize the likelihood that respondents agree with a statement. (Kumar, 2015, p. 1-2)

The items must be reliable and valid. **Reliability** refers to repeatability, stability or consistency. In our case consistency uses the correlation to determine whether the items are measuring the same domain and refer to a homogeneity of items within a scale. This coefficient

should be as high as possible, if not, then items are contributing to low reliability. Reliability is a pre-condition for validity. (Kumar, 2015, p. 2).

**Validity** is referring to a way whether a tool is measuring what it is meant to measure. There are different types of validity. (Kumar, 2015, p. 2). Content validity tests items under the condition that they are reflect the theoretical domain of latent construct it claims to measure accurately. Construct validity- is about the more theoretical relationship between variables. Criterion validity refers to the ability to draw accurate inferences from test scores. Consequential validity refers to the notions that the social consequences of test scores should also be considered together with cultural norms. (Lakshmi & Mohiden, 2013).

## **5.6 Concepts and their Measurement**

A concept can have the form of an independent or dependent variable. They have to be measured. The best known technique to measure variables is the Likert scale, which I too will use in my case. The Likert scale is a multiple-indicator or multiple-items measurement of a set of attitudes relating to a specific area. Responders are asked to be agree with particular statement, usually in form of five-point scale; from I agree strongly to I disagree strongly. (Brayman, 2012, p. 166).

### **Independent variable:**

In my case independent variable are all types of motivation:

- **Monetary rewards (commissions, bonuses, health allowance)**
- **Salary and hygiene factors (company policies, working conditions)**
- **Recognition by the manager**
- **Non-monetary rewards (gift vouchers, cinema tickets, lunch and dinner vouchers)**
- **Training and development (seminar and sponsorship)**
- **Games and parties**
- **Specific goals (specific and clear goals)**
- **Achievable goals (achievable and realistic)**
- **Feedback.**
- **Promotion and career opportunities**

I will measure the performance of SMEs according to key factors below, which concern the **depend variable**:

- Organization Performance:
  - **No. of absent days**
  - **How well do you work?**
  - **Do you complete the task assigned by management in time?**
  - **How do you respond to customer complaints?**
  - **Completing standards set by the manager and solving costumer problems**
- Employee retention

## 5.7 Questionnaire Design

In the questionnaire one types of survey instruments will be used, **the self- competition questionnaire**. The questions will be designed in form of **Likert scales** (five levels of agreement/disagreements) and in form of **‘A show card’**.

The self-completion questionnaire- Respondents will be asked to fill in questionnaire They received the questionnaire via email in order to avoid costs and to safe time. According to Brayman (2012) questions will be designed in two forms; **closed questions with a horizontal format and closed questions with a vertical format will also be used horizontal format a Likert scale**.

The questionnaire is divided into four parts. The first part of the questions is about the general knowledge of the respondent and the enterprise in which he or she operates. For the most part the questions are designed by myself and adapted to collect necessary data for representatives and organizations. The second part is about questions on motivation. The questions are designed in combination with question of other studies, (Ndure , 2012), (Waiyaki, 2017) & (Pei Yu Lin, 2007) The third part includes the question on performance which are designed according to the work of (Osabiya, 2015). Questions on employee retention form the last part.

Questions are designed in accordance with the topic and Brayman’s (2012) book and are adopted in order to proof the assigned hypothesis.

## 5.8 Sampling

Greener. (2008). Sampling is the way of studying people and their activities, attitudes, beliefs, relations, ideas related to the business. The sample is representative for the group (population). (Brayman, 2012). A sample is representing a part of the population to apply as research tools. According to Brayman there are two types of sampling; probability and non-probability.

In our case the sample is represented by the population (1.920 000 inhabitants) of Kosovo, will be chosen non-probability sample for this research. According to Greener (2008) choosing a non- probability sample population may have a better chance of sufficient participation in the survey. The amount of time and the financial costs of this type of sample would be considerable. Brayman (2012) defined three types of non-probability sampling: convenience sample, snowball sample and quota sample (p. 201).

In my search the **snowball sample** will be selected for different reasons: achievement of contact with the target population is easy. This will help me to save time and reduce financial costs. Furthermore, this type of sample can be delivered to a number of people in companies. By using a paper pencil based questionnaire, the recipients then will deliver it to others and so it becomes easy to collect the necessary amount data to test the hypothesis.

According to Brayman (2012) snowball sampling a is type of convince sample. Initially, contact is made with small group of people who are relevant to the topic. Then these users will have established contact with others. The drawback of Snowball sampling is that it is unlikely that sample will be representative of the population. Therefore, the snowball sampling is mainly used in the qualitative research. (p. 202)

## 5.9 Sample Size, Time and Costs

The sample size represents the number of persons that you want to have in your sample. The size of the sample depends on many considerations.

Mostly the sample size is affected by time and costs considerations, therefore, the larger the sample size the greater the precision will be. But it may be very costly and time consuming to use a larger sample size. (Greener, 2008, p. 51). Furthermore, it is important to look at the absolute

sample size instead on the relative one, because the bigger the size of the elements, the more likely it will be that sample represents the population and the risk of sampling errors will be smaller. (Brayman, 2012, p. 198). One needs to take the non-response rate and the heterogeneity of the population into consideration. Therefore, the greater the homogeneity of population the larger the sample should be. The size of the group also depends on the response rate. Some persons might refuse to participate therefore, the larger the sample the higher the rate participation will be. (Brayman, 2012).

In my research I will have **126 represents** from different departments and different positions of work. My sample is not that big because I tried to have lower cost, save reduce the time. The **error margin of around 9% is not that high.**

## **5.10 Data Collection**

Data will be collected from primary data and by **self- completion questionnaire**. The data will be collected after questions were completed to provide the information that is needed to test our hypothesis. The questionnaires will be delivered to representatives in order to answer the question and to collect the desired data.

Employees in the SMEs sector are our target group. I will use self-completion questionnaires that will be delivered by email or social networks. I will focus on a very small number of representatives to conduct structured face to face interviews in face to face. Since I already operate in Austria it is not feasible to fill in all questionnaires face to face. I have chosen a snowball sample.

According to Brayman (2012) using the self-completion questionnaire has some advantages: it is cheaper and quicker to administer, there are no interviewer effects, there is no need an interviewer and it is more convenient for respondents. But their drawbacks as well. You cannot ask respondents to cannot elaborate on the answer, the questionnaire can be read as a whole, some respondents might have difficulties to answer the questions, you are not able to collect additional data, you can't give a lot of questions because the response rate and risk of missing data will be bigger (p. 232-234).



## **5.11 Statistically Data Analysis**

The gathered data will be presented in two parts. The first part will show descriptive statistics of a part of the data gathered with the questionnaire. In the second part data will be analyzed by using particular statistical tools in order to construct and test the relationship between the variables.

Mainly I will be using three types of variables: interval/ratio variable, ordinal and dichotomous variables. The result will be shown in frequency tables for the interval/ratio variable. Diagram (pie chart, histogram or bar chart) will be used to present the ordinal variables, and contingency tables will be used to analyze the relation between variables. The arithmetic mean and median will be used to measure central tendency, and in order to be able to calculate the level of statistical significance I will apply Logistic Regression and the One Sample T-test. IBM SPSS Statistics 23 will be used for the analysis of the quantitative data.

## **Chapter**

## **6.0 Findings**

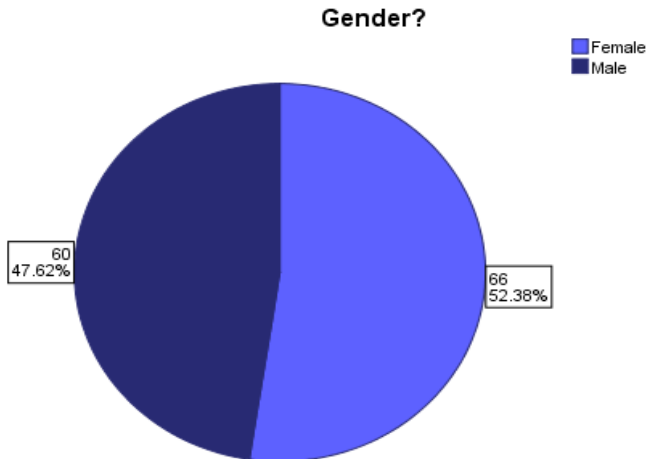
In this chapter I will be present the result gathered from questionnaire. The result will be shown in two parts, the first part consists of the descriptive analysis, in the second part hypothesis testing will be shown.

### **Results:**

## **6.1 Part I: Descriptive analysis**

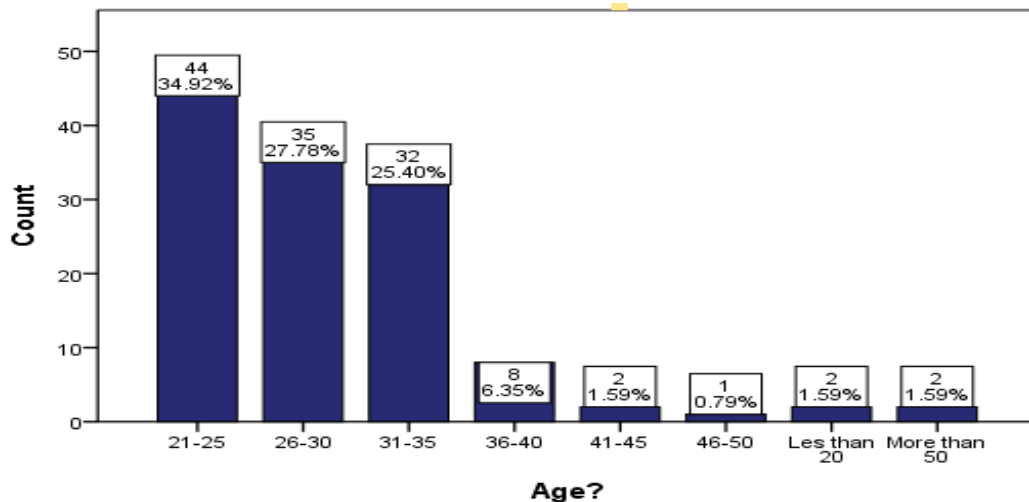
### **6.1.2 General knowledge of the representative and the enterprise in which they operate:**

Chart 1: Gender



The first question of questionnaire was asking about the gender, on the chart is to be seen that the biggest group of respondents were females, i.e. 53.38% or 66 respondents, 47.62% were male or 60 respondents. 126 respondents answered the entire questionnaire.

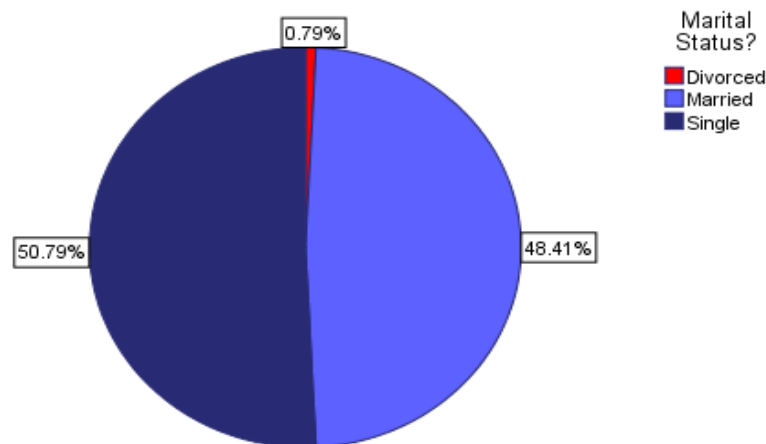
Chart 2: Age



Respondents had to select their age group. The chart shows that 34.95% are belonging to the group of 21-25 years, 27,68 % or 35 respondents belong to the group of 26-30 years, 25,40% or 32 respondents belong to the group of 31-35 years, 6.35% are between 36-40 years old, only 1,59 % are between 41 and 45years. In the age group 46-50 only one person was present, 0.79% of participants were less than 20 years old and only 1,59% were older than 50. The result is consistent

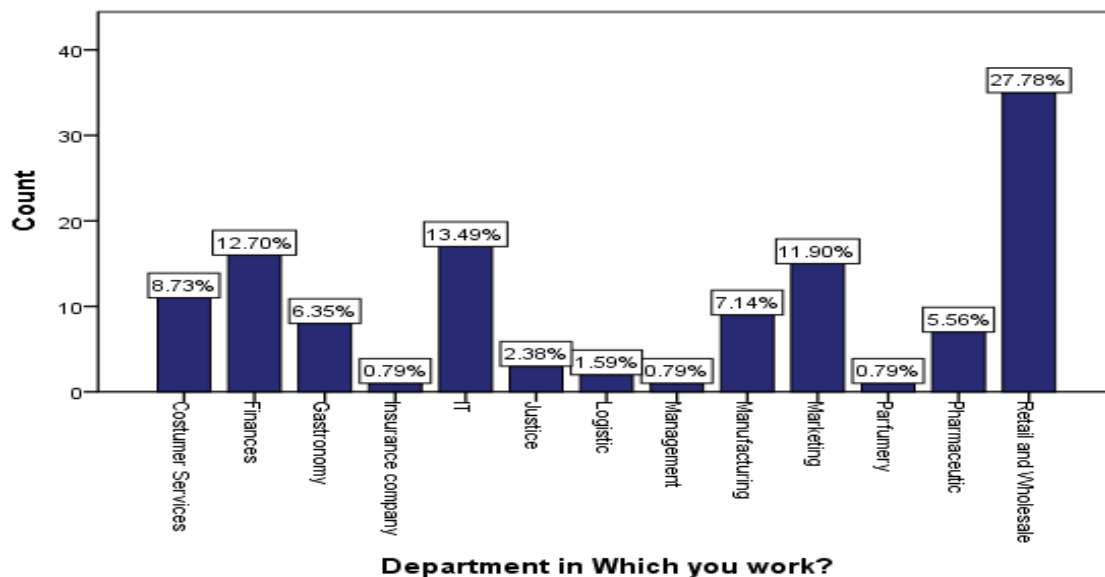
with literature review, showing that the population of Kosovo is very young and between 21 and 30 years old.

Chart: 3 Marital Status



The chart is showing that 50.79% of the members were single, not surprisingly, since a majority of respondents is very young. 48.41% of the respondents are married, and only 0.79% are divorced.

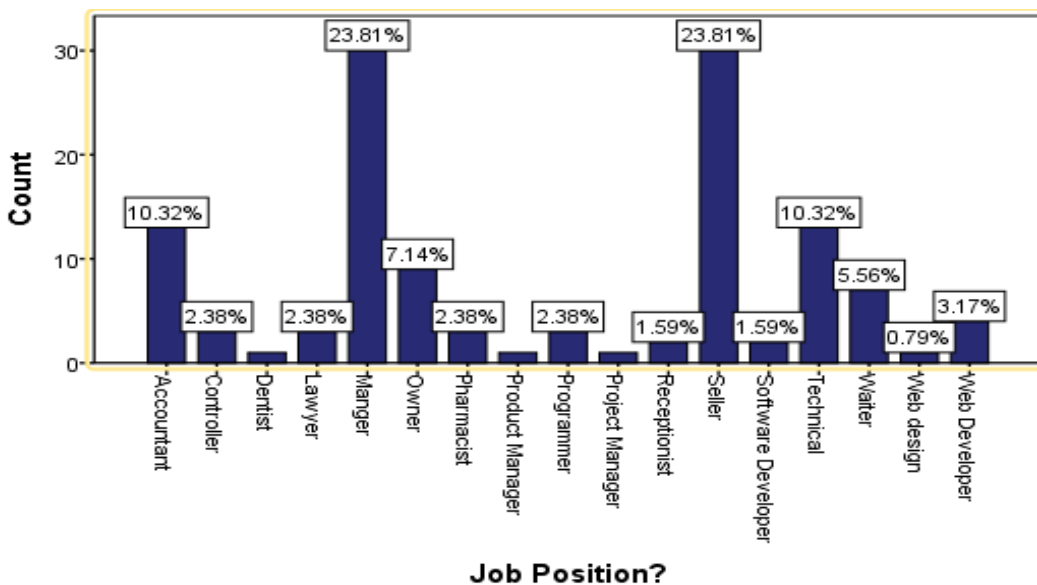
Chart: 4 Department of the work



The bar chart shows the department in which the respondents work, the majority of respondents works in retail and wholesale (27.78%). In Kosovo trade is a dominant sector. The

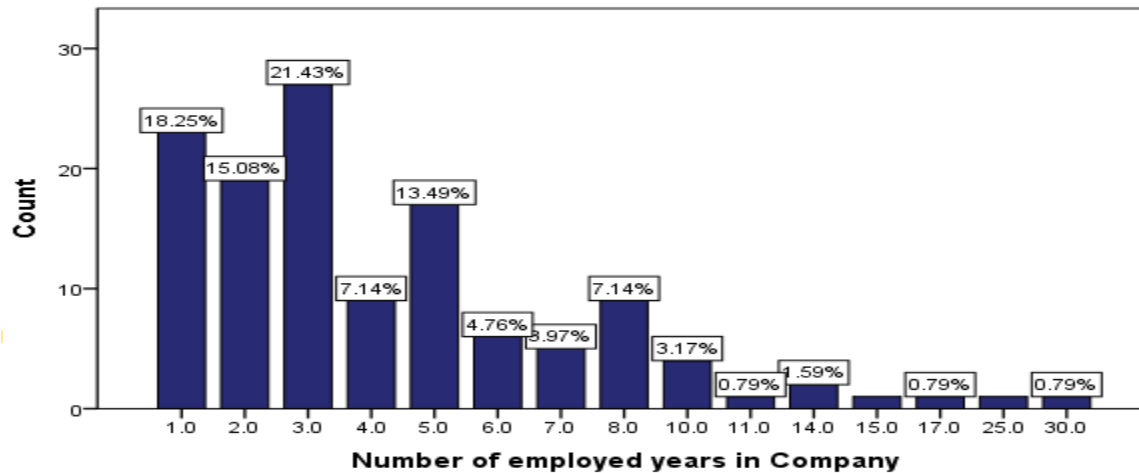
second largest group works in the IT sector (13.49% of the respondents), the sectors marketing (11,90%) and finance (12,70%) range next. Costumer Service (8,73%), manufacturing (7,14%), gastronomy (6.35%) pharmaceuticals (5.56%) play a less important role as well as the judicial system (2.38%). Other areas amounted to less than 2 % of the respondents.

Chart 5: Job Position



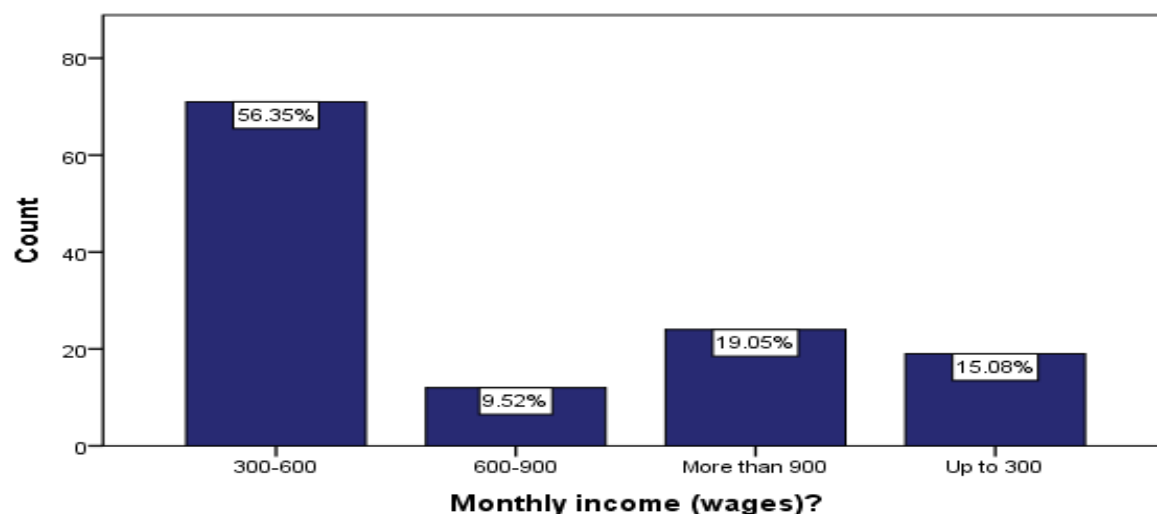
In this question respondents were asked to select their job position of job they do, a majority of employees were sellers and managers around 23.81% both were 23.81%, accounting was 10.32% as well as Technical Owners were 7.14%, Waiter 5.56%, Web Developer 3.17%, Programmer, Pharmacist were 2.38% and Controller also were 2.38%, Software Developer were both from 1.59% and Web design were only 0.79%.

Chart 6: Number of employed years in Company



The next question is about the amount of employed years in the company, the respondents with three years of employment were on the top with 21.43%, second came respondents with one-year experience (18,25%), flowed by 15,08% employed for two years, 13.49% were employed for 5 years, 7.14% were employed for 4 years 4,47 % for 6 years, 3.97% of the respondents were working for 7 years in the company, 3,17% worked for 10 years in same company, others were less than 2%. The question was important because motivation also depends on the number of the years employed in the company.

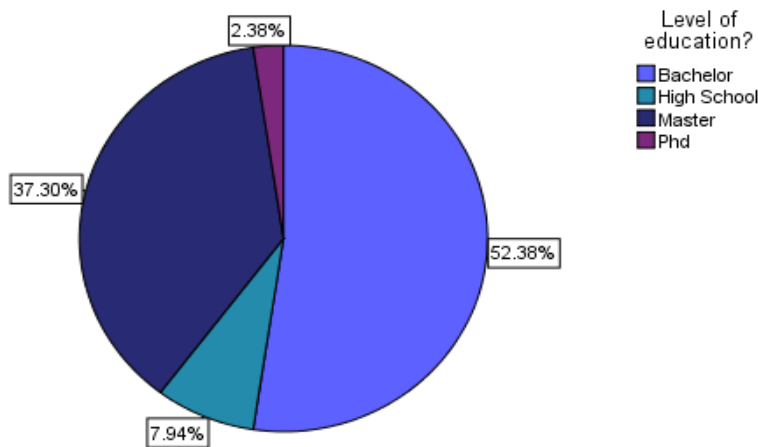
Chart 7: Monthly income



The bar chart is showing the monthly income of respondents, their monthly income is presented in four groups, up to 300 euro, between 300-600, 600-900 and more than 900 euro. In Kosovo the European currency is in use. From the result we learn that 56.35% earns an income of

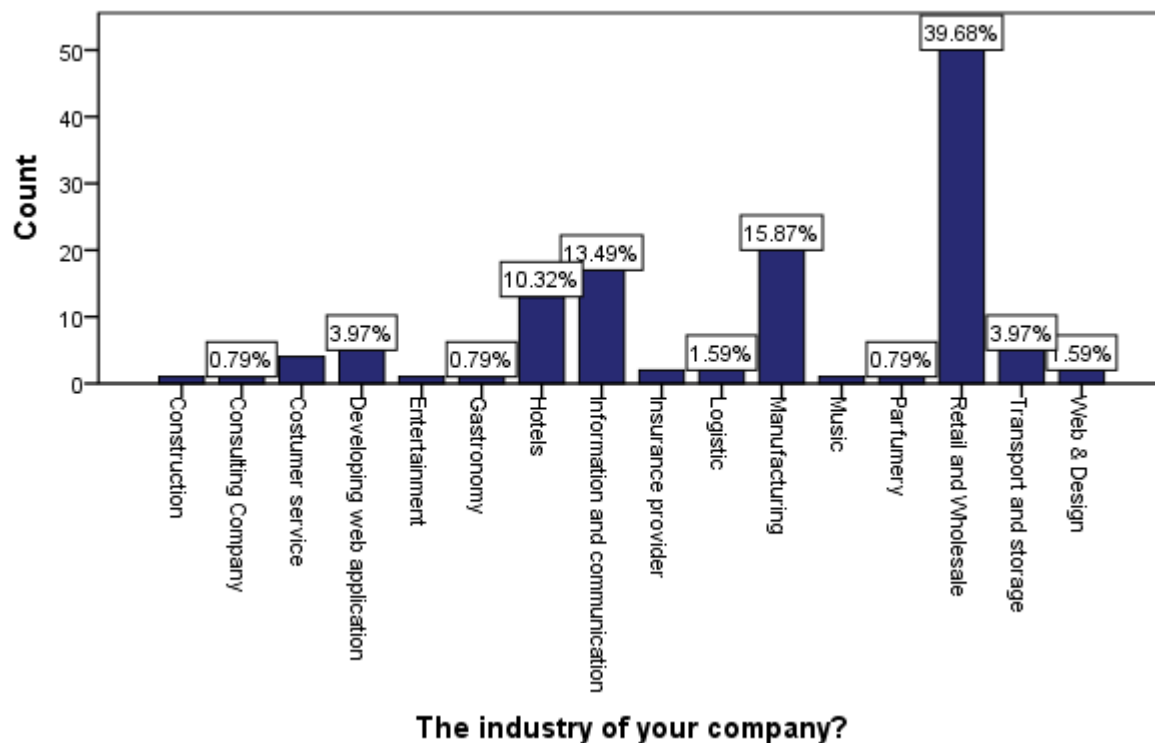
between 300-600 euro, only 9,52% earn between 600-900 euro, 19.05% earn more than 900 euro and only 15.08% earn less than 300 euro a month.

Chart 8: Level of Education



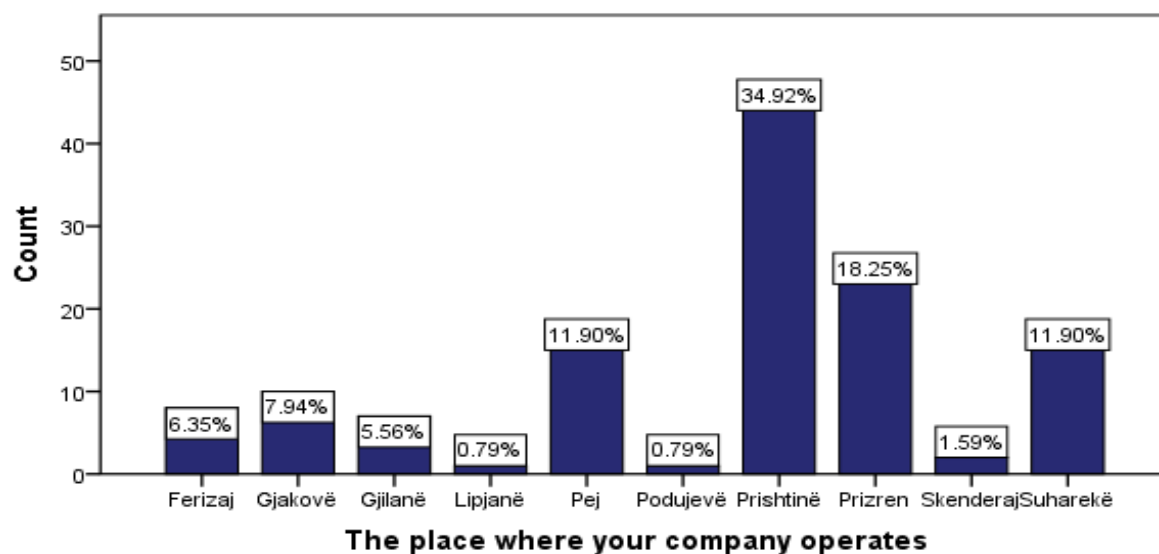
The pie chart illustrates the level of education. 7.94% of the respondents have a high school level of education. The majority (52,38%) has a bachelor degree, 37,30% a master degree, only 2,38% a PhD.

Chart 9: The industry of your company



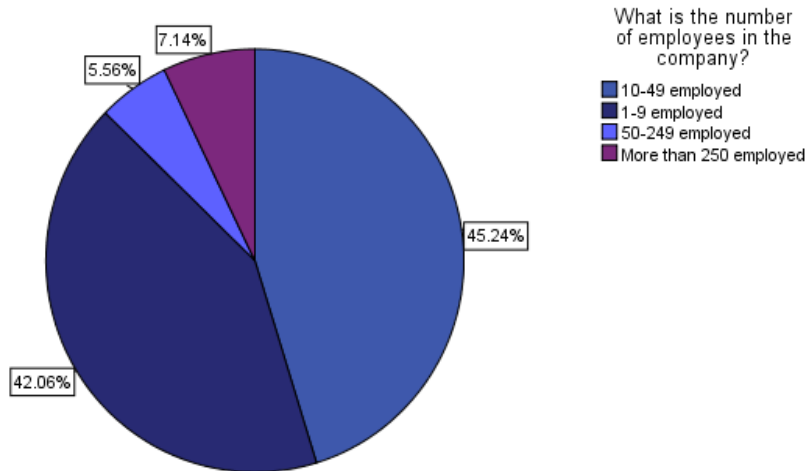
In this question respondents were asked about the field of industry, which their company operate, the chart illustrates the result. 39.68% of the respondents work for a retail and wholesale company, 15.87% in a manufacturing company, 13.49% in the field of information and communication, 10.32% in the hotel business, respondents in the transport, storage and web application industry all have the same percentage of 3.97%, 1,59% work in the field of logistic and web design are 1.59%, 0,79% work for consulting firms, in gastronomy and perfumery. Other areas made up less than 0.5% in the survey.

Chart 10: The place where your company operates



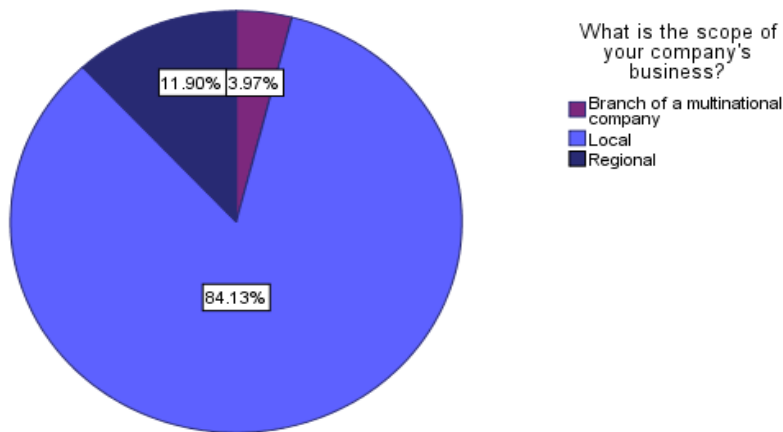
The bar charts are showing the cities where the respondents work, 34.92% work in Prishtina, 18.25% in Prizren, 11.90%, work in Pej and Suharekë, 7.94% in Gjakovë, 6.35% in Ferizaj, 5.56% in Gjilanë, 1.59% in Skenderaj, 0.79% in Lipjan and Pudjuevë.

Chart 11: Number of employees in the company



Respondents indicated the number of employees in their company, this number stands for the size of the company. The chart shows that 45.24% of enterprises have 10-49 employees, this type of enterprise belongs to the category of small enterprises, the next group (42.06%) are microenterprises with 1-9 employees. 7.14% have more than 250 persons employed, they are large enterprises and only 5.56% belong to the medium enterprises with 50-249 persons employed.

Chart 12: the scope of the companies



The pie chart shows the scope of the companies, 84.13% of the companies have local scope, 11.90% are regional companies and only 3.97% of the companies are a branch of multinational companies.

### 6.1.3 Motivation

Table 1: Individual needs



### Statistics

		Physiologic al Needs	Safety Needs	Social Needs	Self Esteem Needs	Self- Actualizatio n Needs
N	Valid	126	126	126	126	126
	Missin g	0	0	0	0	0
Mean		3.302	4.587	1.937	1.913	3.286
Minimum		1.0	1.0	1.0	1.0	1.0
Maximum		5.0	5.0	5.0	5.0	5.0

To the question of individual needs, respondents were asked to categorize their needs, which one they consider to be more important. The table shows the calculated mean for all types of individual needs and result was that safety needs have a higher mean (4.87). The majority of respondents consider this need as very important, followed by physiological needs with mean of 3.302. Self-actualization was considered less important with a mean of 3.286. Social needs have a mean of 1.937. Social Esteem was considered even less important with a mean of 1.913. Thus, needs are ranked as follows: Safety needs, Physiological needs, Self-Actualization need, Social need and Self Eastern. Which means that the ranking of individual needs is not consistent with the Maslow hierarchy stating that individuals must fulfill basic needs first before they address higher needs. Respondents seemed to agree with the ERG theory by Alderfer instead.

Frequency tables of individual needs can be founded in the appendix, where the order of importance of individual needs is shown.

#### 6.1.4 Financial Incentives

**Table 2: Financial Incentives**

The following questions shows the level of agreement or satisfaction with the answer: 1. Disagree strongly, 2. disagree, 3. Neutral, 4. Agree. 5. Agree strongly.

	1.0 Row N %	2.0 Row N %	3.0 Row N %	4.0 Row N %	5.0 Row N %
I am satisfied with the level of pay I receive	14.3%	10.3%	34.1%	27.8%	13.5%
The pay offered by the company is very competitive compared to others companies in the industry	6.3%	13.5%	19.8%	40.5%	19.8%
[Our company maintains a competitive pay and benefits; medical insurance	17.5%	11.9%	28.6%	27.0%	15.1%
I would be satisfied if I received a monthly expense; fuel and telephone allowance	5.6%	4.0%	15.1%	21.4%	54.0%
Our company uses monetary rewards like base pay, commission, bonus, incentives and healthy allowances to motivate us	15.1%	10.3%	15.9%	28.6%	30.2%
I believe that money is a crucial incentive to work motivation it is what I use to purchase the things I need and desire	4.8%	8.7%	19.0%	23.8%	43.7%
My salary and other hygiene factors; company policies, working condition, supervision have led to a disaffection of my employment	6.3%	8.7%	12.7%	22.2%	50.0%
Our company pay policy helps attract and retain high performing employee	21.4%	19.8%	32.5%	15.1%	11.1%

The question of pay satisfaction is showing that only 14.3%, of the respondents disagreed strongly, 10.3% disagreed, 34.13% were neutral, 27.8% would agree and 13.5% of respondents agreed strongly. The table shows that a majority of respondents is not satisfied with level of payment they receive.

The next question is showing whether salaries are competitive compared to other companies, 6.3% disagreed strongly, 13.5% disagreed, 19.8% were neutral, 40.5% agreed and only 19.8% agreed strongly. The result makes us understand that the salaries offered by the companies are competitive with other companies in the same industry.

With the next question respondents were asked if their company maintains competitive salaries and benefits. 17.5% disagreed strongly, 11.9% disagreed, 28.6% were neutral, 27.0% agreed and 15.1% agreed strongly. The result shows that half of the companies pay competitive salaries and benefits, the other half does not.

With the next question respondents were asked whether they were satisfied, whether they receive a monthly expense. 5.6% disagreed strongly, 4.0% disagreed, 15.1% were neutral, 21. %

agreed and the majority (54,0%) agreed strongly The result shows that majority of respondents will be motivated if the company offers monthly expense.

The respondents were asked whether the company uses bonuses, commissions monetary rewards and incentives to motivate them. 15.1 disagreed strongly, 10.3% disagreed, 15,9% were neutral 15.9%, 28.6 agreed and 30.2% agreed strongly. The results show that the majority of employees are motivated by rewards, bonuses and commissions.

With the next question respondents were asked whether the salary suffices to buy the things they need. 4.6% disagreed strongly, 8.7% disagreed, 19.0% were neutral, 23.8% agreed and 43.7% agreed strongly. The outcome makes us understand that employees are motivated by salaries that will help them to fulfill their needs and desires.

Next, respondents were asked whether hygiene factors would motivate them. The table shows that 6.3% disagreed strongly, 8.7% disagreed, 12.7% were neutral, 22.2% agreed and majority of about 50 % agreed strongly. This result makes us understand that employees are motivated by hygiene factors.

With the last question on financial incentives respondents was asked whether their company's payment policy make them perform well. , We got the following answers: 21.4% disagreed strongly, 19.8% disagreed, 32,5 % were, 15.1% agreed and 11.1 agreed strongly. The result shows that employees were not motivated by their company's payment policy.

### **6.1.5 Rewards and Recognition**

**Table 3: Rewards and Recognition**

	1.0	2.0	3.0	4.0	5.0
	Row N %	Row N %	Row N %	Row N %	Row N %
Our company uses non-monetary rewards like recognition, inclusive decision-making, receive letter from CEO, feedback and flexible working hours	22.2 %	16.7 %	33.3 %	15.1 %	12.7 %
It is important to me to be formally recognized by management/supervisor for a job well done	1.6 %	14.3 %	32.5 %	26.2 %	25.4 %
It is important to me to be recognized by my peers and co-workers for a job well done	5.6 %	15.1 %	35.7 %	18.3 %	25.4 %
Our company uses non-monetary rewards; gift vouchers, cinema tickets, lunch or dinner voucher to motivate us	27.0 %	21.4 %	28.6 %	19.0 %	4.0 %
If our company had a wellness benefits program; gym or sports club membership, I would be motivated	5.6 %	12.7 %	20.6 %	27.0 %	34.1 %
Our company uses training and development; seminar and sponsorship to motivate us	14.3 %	13.5 %	17.5 %	23.0 %	31.7 %
Our correct recognition and reward program motivates me to perform better	4.0 %	16.7 %	37.3 %	27.8 %	14.3 %
Our company offers individual and group rewards that motivate us to contribute to the group to achieve the objectives set	11.9 %	17.5 %	30.2 %	29.4 %	11.1 %
	1.0	2.0	3.0	4.0	5.0
	Row N %	Row N %	Row N %	Row N %	Row N %
Our company offers various games and organizes parties for successful completion of work, which motivates us to get to know more about work colleagues	11.1 %	19.0 %	30.2 %	26.2 %	13.5 %
The company offers work from the home as a form of remuneration	55.6 %	15.9 %	12.7 %	9.5 %	6.3 %

With the first question to rewards respondents were asked whether their company offers non-monetary rewards like recognition, letters from the CEO, feedback and flexible working hours. The table shows that 22.2% disagreed strongly, 16.7% disagreed, 33.3% were neutral, 15.1 % agreed and only 12.7% strongly agreed. The result shows that majority of the companies did not offer any recognition, feedback or flexible hours.

With the next question respondents were asked whether it is important for them to be recognized by the management for a job well done. The table shows that 1.6% disagreed strongly, 14.3% disagreed, 32.5% were neutral, 26.2% agreed and 25.4% agreed strongly. The outcome shows that a majority of employees is motivated by recognition of management.

The respondents were also asked whether it is important to them to be recognized by peers and coworkers. The table shows that 5.6% disagreed strongly, 15.1% disagreed, 35.7% were neutral, 18.3% agreed and 25.4% agreed strongly. The result shows that recognition by peers and coworkers does not really motivate employees.

With next question respondents were asked whether they will be motivated by their company offering gifts, vouchers, cinema ticket and lunch or dinner vouchers. 27.0% disagreed strongly, 21.4% disagreed, 28.6% were neutral, 19.9% agreed and 4.0% agreed strongly.

The respondents were asked whether they would be motivated, if their company offered wellness programs. The tables show that 5.6% disagreed strongly, 12.7% disagreed, 20.6% were neutral, 27.0% agreed and 34.1% agreed strongly. The result makes us understand that a majority of the employees will be motivated by wellness programs like free membership in a sport clubs.

With the next question respondents were asked whether they would be motivated by their company offering training and development. The table shows the following result 14.3% disagreed strongly, 13.5% disagreed, 17.5% were neutral, 23.0% agreed and 31.7% agreed strongly. The outcome shows that employees will be highly motivated by offering them opportunities of training and development.

With the next question respondents were asked whether a correct program of recognition and rewards would motivate employees to perform better. They answered as follows: 4.0% disagreed strongly, 16.7% disagreed, 37.3% were neutral, 27.8% agreed and 14.2% agreed strongly. The result shows that a majority of respondents were not satisfied with program of recognition and rewards.

With the next question respondents were asked whether their companies offered individual and group rewards to motivate them. The tables show that 11.9% disagreed strongly, 17.5% disagreed, 30.2% were neutral and 29.4% agreed whereas 11.1% agreed strongly. The results show that a majority of the companies did not offer any group rewards to motivate employees. But the

result makes us also understand that a majority of the employees would be motivated if their companies offered individual and group rewards.

With the next question respondents were asked whether their companies offer different games to motivate them so that they get to know their colleagues better. The table shows that 11.1% disagreed strongly, 19.0% disagreed, 30.0% were neutral. 26.2% agreed and only 13.5% agreed strongly. The outcome shows that only small number of the companies offer games to motivate their employees.

The last question on non-monetary rewards was whether the companies offer work from home. 55.5% disagreed strongly, 15.9% disagreed, 12.7% were neutral, 9.5% agreed and only 6.3% agreed strongly. The result shows that very few companies are offering work from home. Therefore, in order to motivate their employees, companies should make work from home possible.

## 6.1.6 Other motivators

**Table 4: Other Motivators**

	1.0	2.0	3.0	4.0	5.0
	Row N %	Row N %	Row N %	Row N %	Row N %
Interesting work	4.0%	6.3%	19.0%	19.0%	51.6%
Promotion and increase in career	7.1%	5.6%	16.7%	27.0%	43.7%
Need for high achievement	4.8%	7.9%	24.6%	27.8%	34.9%
Taking a high position in the organization (managing the others and setting the objectives of the organization)	2.4%	3.2%	11.9%	28.6%	54.0%
Efforts to achieve goals lead to high performance and getting rewarded in different forms	3.2%	4.8%	16.7%	37.3%	38.1%
Equality between employees	0.8%	12.7%	23.8%	33.3%	29.4%
Teaching from colleagues or learning during the action process helps to increase performance and achieve goals	2.4%	11.9%	29.4%	26.2%	30.2%
Employee with sufficient experience help to achieve goals and increase the performance of the organization	1.6%	3.2%	19.0%	41.3%	34.9%
Employee skills, lucky and task difficult effect on the achievement of objectives	4.8%	7.9%	30.2%	20.6%	36.5%

The question was whether interesting work motivates employees. We got the following answers: 4.0% disagreed strongly, 6.3% disagreed, 19.0% were neutral, the same percentage of respondents agreed and the majority (51.6%.) was agreeing strongly. The result makes us understand that in order to motivate employee's companies should provide them with interesting work.

The next question was about need of high achievement. The tables show 4.8% disagreed strongly, 7.9% disagreed, 24.6% were neutral and 27.8% agreed while 34.9% agreed strongly. The outcome shows that employees that have a considerable need for achievement. So if an organization provides opportunities for achievement employees will be motivated.

With the next question respondents were asked whether a higher position in the organization would motivate them. The result shows that 2.4% disagreed strongly, 3.2% disagreed, 11.9% were neutral 11.9% and 28.6% agrees whereas 54% agreed strongly. Having a better position in the company motivates employees.

With the following question respondents were asked whether rewards for efforts to achieve goals leading to better performance would motivate employees. The table shows that 3.2% disagreed strongly, 4.8% disagreed, 16.7% were neutral, 37.3% agreed and 38.1% agreed strongly. This result shows that a majority of employees are motivated by rewards for their efforts,

Next respondents were asked whether equality between employees motivate them, the answers show that 0.8% disagreed strongly, 12.7% disagreed, 23.7% were neutral, 33.3% agreed and 29.4% agreed strongly. The result shows that a majority of employee are motivated if they are equal with the others.

The question whether observing colleagues leads to high performance and achieving goals provided the following result, 2.4% disagreed strongly, 11.9% agreed, 29.4% were neutral and 26.2% agreed and 30.2% agreed strongly. The result shows that learning from others helps to increase organizational performance and achieving goals. The result is consistent with the social-cognitive theory by Bandura, with which he emphasized that observing others leads to change of behavior in an organization and better performance.

With the next question respondents were asked whether experienced employees would help to achieve goals and to increase organizational performance. The respondents answered as follows;

1.6% disagreed strongly, 3.2% disagreed, 19.0% were neutral, 19.0%, 41.3% agreed and 34.9% disagreed strongly. The result shows that having experienced employees will lead to higher organizational performance.

With the last question respondents were asked whether skills, luck and task difficulty effect the achievement of objectives, 4.9% disagreed strongly, 7.9% disagreed, 30.2% were neutral and 20.6% agreed whereas 36.5% agreed strongly. The result shows that companies have to take employee skills into account and make tasks difficult.

### **6.1.7 Setting goals and objectives**

#### **Table 5: Setting goals and objectives**

The following table shows the level of agreement or satisfaction with the answer: 1. Disagrees Strongly, 2. Disagrees, 3. Neutral, 4. Agrees. 5. Agrees strongly.



	1.0	2.0	3.0	4.0	5.0
	Row N %	Row N %	Row N %	Row N %	Row N %
My manager allows me to take part in setting the tasks and goals	25.4%	17.5%	22.2%	19.0%	15.9%
I understand the importance of my duties and objectives in relation with the company's objectives	1.6%	4.0%	17.5%	25.4%	51.6%
I have specific and clear goals for my work	2.4%	3.2%	12.7%	27.0%	54.8%
My goals are achievable and realistic	2.4%	3.2%	15.1%	19.8%	59.5%
I am pleased with the challenges that provide my job and I have the ability to solve them	2.4%	6.3%	15.9%	36.5%	38.9%
As I have been hired I have tough tasks and challenges that I have to meet at work	1.6%	11.1%	29.4%	27.8%	30.2%
I am regularly trained to improve knowledge and skills for work	2.4%	6.3%	26.2%	34.1%	31.0%
I have a supervisor who helps me to achieve the tasks and objectives	7.9%	9.5%	18.3%	14.3%	50.0%
I receive feedback regularly for the job that I do	11.1%	11.1%	34.9%	27.8%	15.1%
Determining tasks has generally improved the performance of the organization	3.2%	9.5%	25.4%	31.0%	31.0%

To the question whether the manager allows the employee to be part of the setting process of tasks and goals, the respondents responded as follows, 25% disagreed, 17.5% disagreed, 22.2% were neutral, 19.0 % agreed and only 15.9% agreed strongly. The result makes us understand that if employees are allowed to set tasks and goals they will be motivated.

To the next question the respondents were asked whether they understand the importance of the duties and objectives in relation to the company's objective. 1.6% of respondents disagreed strongly, 4.0% disagreed, 17.5% were neutral, 25.4% agreed were and a majority of 51,6% agreed strongly. The outcome on the table shows that majority of employees have the capability to understand the importance of their duties in comparison to the organization.

With the third question respondents were asked whether they have specific and clear goals for the work. 2.4% disagreed strongly, 3.2% disagreed, 12.7% were neutral, 27.0% agreed and 54.8% agreed strongly. The answers make us understand that employees are motivated if they are given specific and clear goals.

With the next question respondents were asked whether their goals are achievable and realistic. The table shows that 2.4% disagreed, 6.3% disagreed, 15.9% were neutral, 19.8% agreed and 59.5% agreed strongly. The result shows that a majority of respondents has achievable and realistic goals

The question whether the respondents are pleased with challenges and have the capability to solve them, was answered as follows: 2.4% disagreed strongly, 6.3% disagreed. 15.9% were neutral, 36.5% of the respondents agreed and 38.9% agreed strongly. The result shows that a majority has the capability to meet the challenges and that they are well educated- Therefore, having challenges to meet motivates employees.

With the next question respondents were asked whether they have difficult task and challenges to meet at work. The table shows that 1.6% disagreed strongly, 11.1% disagreed, 29.4%, were neutral, 27.8 agreed and 30.2% agreed strongly. The outcome shows that more than half have difficult task and challenges to meet at work. On the one hand the majority of employees are in higher positions, and on the other hand they get motivated by having challenges.

To the question whether they are trained regularly, the table shows that 2.4% disagreed strongly, 6.3% disagreed, 26.2% were neutral, 34.1% agreed and 31.0% agreed strongly. The result makes us understand that a majority was trained regularly to improve knowledge and skills at work. Therefore, providing training at work motivates employees.

With the next question respondents were asked whether they have a supervisor who helps them, 7.9% disagreed strongly, whereas 9.5 % disagreed, 18.3 % were neutral, 14.3% agreed and 50.0% agreed strongly. The outcome makes us understand that the majority of respondents had a supervisor who helps them to fulfill tasks and objectives and who motivates employees.

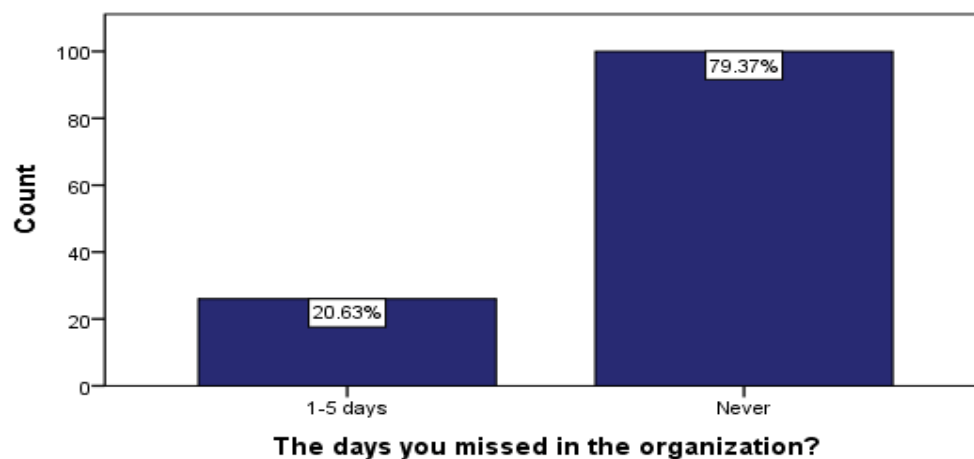
With the next question respondents were asked whether they get feedback regularly. The tables show that 11.1% disagreed strongly, the same percentage of respondents disagreed, neutral

were 34.8%, 27.8% agreed and 15.1% agreed strongly. The result makes us understand that receiving feedback motivates employees.

The last question on goal setting was about whether a defined task improves organizational performance. The table shows that 3.2% disagreed strongly, 9.5% disagreed, 25.4% were neutral, 31.0% agreed and the same percentage of respondents agreed strongly. This outcome makes us understand that in general, a defined task improves organizational performance because the employees know what to do and how to do their job.

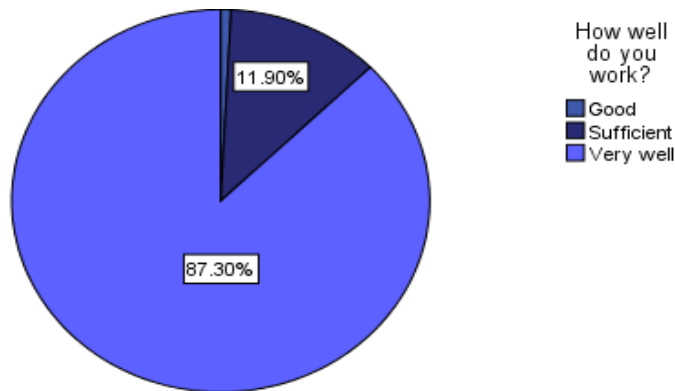
### 6.1.8 Performance

Chart 13. Absent days in the organization



To the question how many days you missed in the organization, the majority of respondents answered none (, 79.37%), and only 20.63% were absent for between 1-5 days. The respondents were asked also whether they were absent for more than 5 days. Nobody selected this answer. The absent days depend on the motivation. Employees with better incomes and power have been missing more days in organization in comparison to employees who have not fulfilled their primary needs.

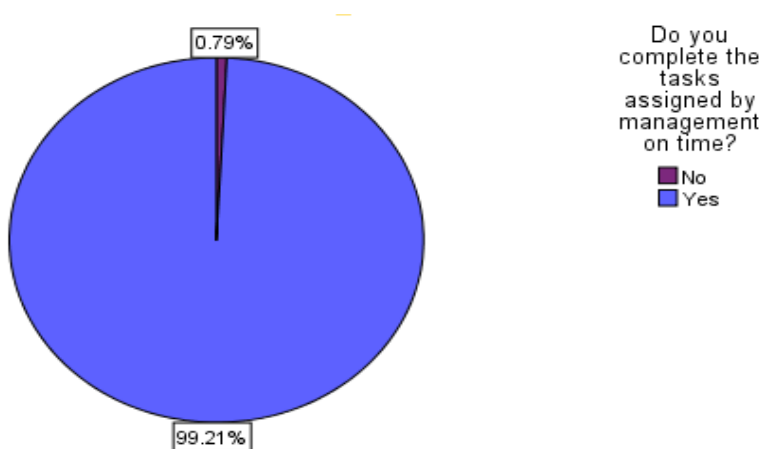
Chart 14: How well you work?



The next question gathered answers about how well the respondents work, 87.3% agreed with “good”, 11.90% answered “sufficient” and 0.8% “very well”.

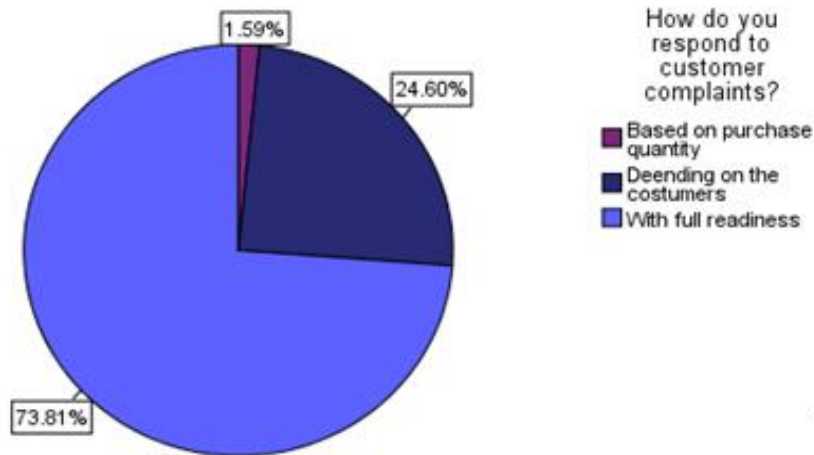
Nobody gave the answer “not good”. The pie chart shows that employees who have been motivated by their company work better in comparison to others who have not been motivated by their supervisors sufficiently.

Chart 15: Completing the task assigned by management



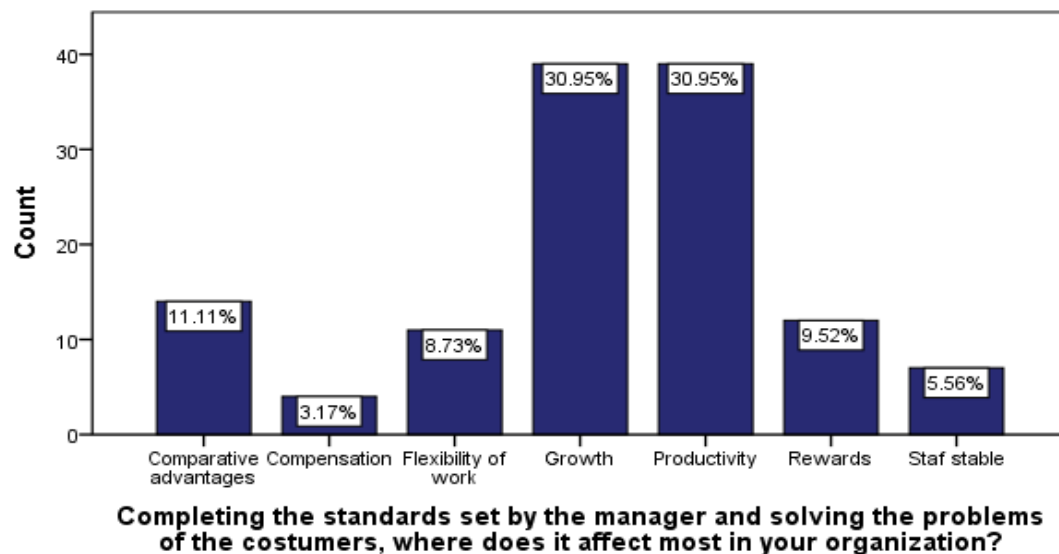
The pie chart shows that 99.21% of respondent’s complete task assigned by the management in time and only 0.79% do not.

Chart 16: Responds to customer complaints



The question on how you respond to costumer complains was answered by the majority of respondents (73.81%) with “full readiness”, 24.60% “depending on the costumers” and only 1.59% with “based on purchase quantity”.

Chart 17: Effect of solving problems of costumer’s complaints



The answers to the question on effects of completing standards set by the manager and solving problems both “growth and productivity have same value of 30.95%”, “competitive advantages” with 11.11%, “rewards” 9.52% 8.73% of respondents selected “flexibility of work”, 5.56% chose “staff stability” and only 3.17% chose “compensation”.

## 6.1.9 Employee retention

**Table 6: Employee retention**

	1.0	2.0	3.0	4.0	5.0
	Row N %	Row N %	Row N %	Row N %	Row N %
Selection and hiring the right employees and appropriate supervisors affects the retention of personnel in organization	4.0 %	9.5 %	30.2 %	27.0 %	29.4 %
Providing potential career advancement and professional development	1.6 %	4.8 %	11.9 %	32.5 %	49.2 %
Provide a system of care for employees holding employees in the organization	0.8 %	1.6 %	13.5 %	21.4 %	62.7 %
Provide a comfortable environment and organizational culture	0.8 %	4.0 %	32.5 %	34.9 %	27.8 %
Use of adequate payment and recognition system for good work	0.8 %	3.2 %	11.1 %	17.5 %	67.5 %
Acceptance of staff achievement by supervision	1.6 %	8.7 %	33.3 %	23.8 %	32.5 %
360 degree feedback for the work done, behavior towards consumers and supervisors of their colleagues	4.0 %	4.8 %	31.7 %	36.5 %	23.0 %
Individuals want to stay in the organization because of the emotions and satisfaction towards the goals and values of the organization	3.2 %	15.1 %	39.7 %	24.6 %	17.5 %
Individuals engage in organizations for economic benefits	3.2 %	5.6 %	13.5 %	29.4 %	48.4 %
Individuals are obliged to stay in organizations for moral reasons because they feel that the organization has invested in them through training and development	5.6 %	10.3 %	18.3 %	31.0 %	34.9 %

In the first question respondents were asked whether the selection and hiring of adequate employees affects the retention of personnel in the organization. The tables show that 4.0% disagreed, 9.5% disagreed, 30.2% were neutral, 27.0% agreed and 29.4% agreed strongly. The outcome shows that in order to keep personnel in the organization the selection and recruitment of adequate employees is crucial.

In the next questions respondents were asked whether the company provides potential career advancement and professional development and whether they will be staying in the organization. 1.6% disagreed strongly, 4.8% disagreed, 11.9% were neutral, 32.5% agreed and 49.2% agreed strongly. The outcome shows that providing professional development and potential career advancement motivates employees to stay in organization considerably.

To the question whether providing a system of care for employee makes respondents stay in the organization the following results were obtained: The tables show 0.8% disagreed strongly, 1.6% disagreed, 13.5% were neutral, 21.4% agreed and 62% agreed strongly. The results show that having an adequate system of care encourages employee to stay in the organization considerably.

In the next question respondents were asked whether the company provides a comfortable environment and organizational culture that will make them stay in the organization. The table shows 0.8% disagreed strongly, 4.0% disagreed, 32.5% were neutral, 34.9% agreed and 27.8% agreed strongly. The result tells us that a majority of employees are motivated a comfortable environment in the company.

The next question was about adequate systems of payment and rewards. 0.8% disagreed strongly disagree, 3.2% disagreed, 11.1% were neutral and 17.5% agreed whereas 67.5% agreed strongly. The result shows that using adequate payment and recognition systems motivates employees to stay in the organization considerably.

The respondents were asked whether being accepted by manager will make them stay in organization. 1.6% disagreed strongly. 8.7% disagreed, 33.3% were neutral, 23.8% agreed and 32.5% agreed strongly. The result shows that a majority of employees is motivated to stay in organization, if their achievement is accepted by the manager.

In the next question the respondents were asked whether a 360-degree feedback for the work, behavior towards costumers and supervisors will make them stay in the organization. 4.0% disagreed strongly, 4.8% disagreed, 31.7% were neutral, 36.5% agreed and 23.0% agreed strongly. The outcome shows that providing 360-degree feedback will motivate employees to stay in the organization.

The next question was whether individuals want to stay in the organization due to emotions and satisfaction with the goals and values of the organization. 3.2% disagreed strongly, 15.1%

disagreed, 39.7% were neutral and 24.6% agreed whereas 17.5% agreed strongly. The result shows that a majority of the employees are not motivated by emotion concerning satisfaction with goals and value of the organization.

The respondents were asked whether they are engaged in organization for economic benefits. 3.2% disagreed strongly, 15.1% disagreed, 33.5% were neutral, 29.4% agreed and 48.4% agreed strongly. The result shows that a majority of employees were motivated by economic benefits, to stay in the organization.

The last question put to the respondents was whether they feel obliged to stay in organization for moral reasons because the organization had invested in them with trainings and development. 5.6% disagreed strongly, 10.3% disagreed, 18.3% were neutral and 31.0% agreed whereas while 34.9% agreed strongly. The result shows that majority of the employees feel obliged to stay in company for moral reasons.

## 6.2 Part II. Data analysis

### 6.3 Reliability test

Table 7: Reliability Test

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.811	.815	10

Cronbach's Alpha is at point .811. which can be considered good Alpha in general.



Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Our company uses monetary rewards like base pay, commission, bonus, incentives and healthy allowances to motivate us	32.810	40.139	.509	.569	.793
My salary and other hygiene factors; company policies, working condition, supervision have led to a disaffection of my ...	32.286	42.142	.462	.530	.798
It is important to me to be formally recognized by management/supervisor ..	32.698	45.716	.301	.170	.813
Our company uses non-monetary rewards; gift vouchers, cinema tickets, lunch or dinner voucher to motivate us	33.778	42.286	.484	.324	.795
Our company uses training and development; seminar and sponsorship to motivate us	32.849	38.929	.577	.487	.784
Our company offers various games and organizes parties for successful completion of work, which motivates us to get to know more about work colleagues	33.175	40.897	.579	.407	.785
Taking a high position in the organization (managing the others and setting the objectives of the organization)	32.008	44.568	.444	.277	.800
I have specific and clear goals for my work	32.008	42.760	.591	.717	.786
My goals are achievable and realistic	31.984	42.352	.603	.687	.785
I receive feedback regularly for the job that I do	33.048	43.630	.398	.233	.805

Cronbach's alpha is common coefficient used to test internal reliability. According to Bryman. (2012). Cronbach's alpha calculates the average all possibility items, the alpha coefficient has to be between 1 and 0, 1 is when items have perfect internal reliability and 0 indicates no internal reliability, the level of alpha more than 0.75 is considered an accepted level

On the table below the alpha levels for each item is shown:

- Monetary rewards like base income, commission, bonuses, incentives and health allowances has a 0.792 alpha level
- Salary and hygiene factors have a 0.798 alpha level
- Recognition by manager/supervisor has a 0.813 alpha level
- Non-monetary rewards have a 0.813 alpha level
- Training and development have 0.795 alpha level
- Offering various games and parties has a 0.785 alpha level
- Taking higher position in the organization has 0.800 alpha level
- Specific and clear goals have a 0.796 alpha level
- Achievable and realistic goals have a 0.795 alpha level
- Receive feedback has a 0.805 alpha level

### 6.2.3 Hypotheses testing

In order to get smaller tables to present easy results of testing hypothesis, I will rewrite the independent variables and dependent variables. Otherwise, the SPSS will produce a larger table, the variables are rewritten as follows:

Independent variables (motivation)

1. Our company uses monetary rewards like basic salary, commission, bonuses, incentives and healthy allowances to motivate us- to **Monetary rewards**
2. My salary and other hygiene factors; company policies, working conditions, supervisor have led to disaffection with my employment- to **Salary and hygiene factors.**
3. It is important to me to be formally recognized by a management supervisor for a job well done- to **Recognition from manager.**
4. Our company use non-monetary rewards; gift vouchers, cinema tickets, lunch or dinner voucher to motivate us- to **Non-monetary rewards.**
5. Our company uses training and development; seminar and sponsorship to motivate us – to **Training and development.**
6. Our company offers various games and organizes parties for successful cooperation at work, which motivate us to get to know colleagues better - to **Games and parties.**
7. I have specific and clear goals for my work- to **Specific goals**

8. My goals are achievable and realistic- to **Achievable goals.**
9. I regularly receive feedback for the job that I do- to **Feedback.**
10. **Promotion and increase in** career- will be the same.

Dependent variables (Performance):

1. The day you missed in the organization- to **No. of absent days**
2. **How well do you work-** will be the same?
3. **Do you complete the task assigned by management in time-** will be the same?
4. **How do you respond to costumer complains-** to Deal with customer's complaints?
5. Completing the standards set by managers and solving the problems of costumers, where does it affect your organization- to **Completing standards set manager and solving costumer problems**

#### 6.2.4 Hypothesis 1:

In order to test the first hypothesis regression will be used, particularly the binary logistic regression, because the majority of dependent variables are dichotomous variables.

H1: Motivation of employee has a positive effect on performance

Linear regression is another tool to test or predict a value of some dependent variables. There are two types of linear regression; simple regression, which it predicts the dependent variable with a single independent variable. Multiple regression is another type which allow to use many independent variables to predict a dependent variable. Logistic regression has the capability to predict dichotomous variables based on independent or predictor variables. (Maczyk et.al, 2005, p. 224).

Before testing the hypothesis, we will also include correlation table in order to check if there exist problem of Multi-collinearity.

Multi-collinearity happens when two or more variables(predictors) are moderated or highly correlated in regression model, the main problem caused from multi-collinearity involve unstable and biased standards error, whereby it can provide a very unstable p-value for assessing the statistical significance of predictors, therefore researcher must pay attention by collecting date that ensure highly correlated predictors. Indeed, multi-collinearity doesn't help to solve or to ensure

any specific solution of the problem but it allows to interpret data carefully. (Vatcheva et al. 2016 p. 1).

By identify multi-collinearity exist many ways but more common and also in our model are used, are two collinearity diagnostic factors that can help to identify it; Tolerance factor and VIF- Variance inflation factor. VIF- measures the impact of collinearity among correlated predictors, it ensures an index that tell how much variance of regression coefficient is raised due of the multi-collinearity, the value of VIF should be all times greater or equal to 1, if value is under 5 should be not very concerned but if the value of VIF exceed 5 than the regression coefficients are poorly estimated due of multi-collinearity. (Phuse 2012). Tolerance is also other factor that measure collinearity, the tolerance value is  $1-R^2$ , as smaller the value of tolerance is the multi-collinearity may exist.

Table 8: Collinearity- No. of absent days

<b>Koeffizienten<sup>a</sup></b>		<b>Kollinearitätsstatistik</b>	
<b>Modell</b>		<b>Toleranz</b>	<b>VIF</b>
<b>1</b>	Monetary rewards	,421	2,374
	Salary and Hygiene factors	,482	2,077
	Recognition from Manager	,807	1,239
	Non-monetary rewards	,674	1,484
	Training and development	,513	1,949
	Games and parties	,592	1,690
	Specific goals	,295	3,394
	Achievable goals	,312	3,207
	Fedback	,755	1,324
	Promotion and increase in career	,847	1,181

a. Abhängige Variable: No. of absent day

From the table above we can see that all predictors have value of VIF less than 4, to the majority of predictors doesn't exist multi-collinearity problems, except the predictor specific goals and achievable goals looks that are multi-collinearity with value for no. of absent days. The reason why the majority of predictors are not multi-collinearity with No. of absent days is that the correlation between variables are less than moderate, correlation table can be found in Appendix. Also the tolerance value doesn't show any multi-collinearity all predictor value is more than 0.1

except specific goals and achievable goals predictors have value closer to 0.1, which may probably have multi-collinearity with value for No. of absent days.

Table 9: Classification table of Number of absent days

Classification Table <sup>a</sup>					
	Observed		Predicted		
			No. of absent days		Percentage Correct
			Never	1-5 days	
Step 1	No. of absent days	Never	98	2	98.0
		1-5 days	25	1	3.8
	Overall Percentage				78.6

a. The cut value is .500

The classification table shows how many cases are included in our analysis, 99 participants had provided the necessary data and 15 participants miss some variables (gender, age), 99 of 126 are correctly predictive by the model that they never were absent in the organization, the accuracy rate is 98%, and 27 are predictive to express that were absent 1-5 days, the accuracy rate is 3.8%. The overall percentage shows that 78.6% of our sample was predictive to group in question.

Table 10: Binary logistic regression table of the absent days in the organization

Modellzusammenfassung				
Modell	R	R-Quadrat	Korrigiertes R-Quadrat	Standardfehler des Schätzers
1	,267 <sup>a</sup>	,071	-,009	,408

a. Einflußvariablen : (Konstante), Promotion and increase in career, Salary and Hygiene factors , Feedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards , Specific goals

R-square is measure of amount of variance in the dependent variable that independent variable is account for, is taken as a group, it doesn't measure how much a given individual predictor accounts for but only if we take them as a group. The table above tell the model overall the regression model accounts 7.10 % for variance.

**Variables in the Equation**

	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Step 1 <sup>a</sup>								
Monetaryrewards	.255	.250	1.042	1	.307	1.291	.791	2.108
SalaryandHygienefactors	-.259	.264	.958	1	.328	.772	.460	1.296
RecognitionfromManager	.344	.243	2.004	1	.157	1.411	.876	2.273
Nonmonetaryrewards	-.133	.238	.311	1	.577	.875	.549	1.397
Traininganddevelopment	-.136	.222	.375	1	.540	.873	.565	1.349
Gamesandparties	-.219	.252	.757	1	.384	.803	.490	1.316
Specifikgoals	-.308	.437	.498	1	.480	.735	.312	1.730
Achievablegoals	.105	.425	.061	1	.805	1.110	.483	2.551
Fedback	.397	.234	2.881	1	.090	1.488	.940	2.355
Promotionandincreaseincareer	-.044	.214	.043	1	.837	.957	.629	1.455
Constant	-1.310	1.307	1.004	1	.316	.270		

a. Variable(s) entered on step 1: Monetaryrewards, SalaryandHygienefactors, RecognitionfromManager, Nonmonetaryrewards, Traininganddevelopment, Gamesandparties, Specifikgoals, Achievablegoals, Fedback, Promotionandincreaseincareer.

Regression coefficient:

**P** = statistically significant

$\alpha < 0.05$  (95% confidence level),  $\alpha < 0.001$  (99% confidence level),  $\alpha < 0.10$  (90% confidence level)

**B** -Interpret changes in logit for one unit in predicted variable

**Exp (B)**- is odds ratio and its tell changes on predictable variable B

**Lower and upper** is showing significant changes on odds

**S.E**- Standard error of coefficient

**df**- has to be constant

The table shows the effect of motivators on the absent days. From the table we can see that only feedback is significant at a coefficient level of more than 90% with a p value of 0.9, and recognition by the manager also shows significance with almost 90% coefficient level with p value 0.157. The other variable does not show any statistical significance; the reason is that the employees are not allowed to be absent otherwise they will get fired.

Table 11: Collinearity- How well do you work

### Koeffizienten<sup>a</sup>

Modell		Kollinearitätsstatistik	
		Toleranz	VIF
1	Monetary rewards	,424	2,358
	Salary and Hygiene factors	,487	2,053
	Recognition from Manager	,812	1,232
	Non-monetary rewards	,674	1,484
	Training and development	,490	2,040
	Games and parties	,580	1,724
	Specific goals	,294	3,396
	Achievable goals	,311	3,220
	Feedback	,750	1,333
	Promotion and increase in career	,843	1,186

a. Abhängige Variable: How well do you work?

From the table above we can see that all predictors have value of VIF less than 4, to the majority of predictors doesn't exist multi-collinearity problems, except the predictor specific goals and achievable goals looks that are multi-collinearity with value for How well do you work. Also the tolerance value doesn't show any multi-collinearity all predictor value is more than 0.1 except specific goals and achievable goals predictors have lower value, which may probably have multi-collinearity with value for How well do you work.

Table 12: Classification table of How well do you work

Classification Table <sup>a,b</sup>					
			Predicted		
			How well do you work?		Percentage Correct
			Very well	Sufficient	
Step 0	How well do you work?	Very well	110	0	100.0
		Sufficient	15	0	.0
	Overall Percentage				88.0

a. Constant is included in the model.

b. The cut value is .500

The classification table shows how many cases are included in our analysis, 110 respondents are observed, 15 are miss classification. 110 of 125 are correctly predictive from model that they work very well, the accuracy rate is 100%, and 15 are predictive that they do work sufficiently, the accuracy rate is 0%. The overall percentage shows that 88.0% of our sample was predictive to r group in question.

Table 13: Binary logistic regression table of How well do you work

Modellzusammenfassung				
Modell	R	R-Quadrat	Korrigiertes R-Quadrat	Standardfehler des Schätzers
1	.175 <sup>a</sup>	.031	-.054	.335

a. Einflußvariablen : (Konstante), Promotion and increase in career, Salary and Hygiene factors , Recognition from Manager, Fedback, Non-monetary rewards, Games and parties, Specifik goals, Training and development, Monetary rewards , Achievable goals

In the table above is showed the model overall the regression model accounts 3.1 % for variance. The R-square value is pretty low, less than 10% but still can be worked with date, but the regression model will not provide any statistical significant between variables.

Variables in the Equation									
		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Monetaryrewards	.121	.317	.145	1	.703	1.128	.606	2.099
	SalaryandHygienefactors	.328	.379	.749	1	.387	1.388	.660	2.917
	RecognitionfromManager	-.010	.301	.001	1	.972	.990	.548	1.787
	Nonmonetaryrewards	-.065	.294	.050	1	.824	.937	.527	1.665
	Traininganddevelopment	-.110	.277	.157	1	.691	.896	.521	1.541
	Gamesandparties	-.015	.315	.002	1	.963	.985	.531	1.828
	Specifikgoals	-.073	.496	.021	1	.884	.930	.352	2.456
	Achievablegoals	-.369	.459	.645	1	.422	.691	.281	1.701
	Fedback	.299	.303	.975	1	.324	1.348	.745	2.440
	Promotionandincreaseincareer	.106	.267	.157	1	.692	1.112	.659	1.875
	Constant	-2.724	1.812	2.262	1	.133	.066		

a. Variable(s) entered on step 1: Monetaryrewards, SalaryandHygienefactors, RecognitionfromManager, Nonmonetaryrewards, Traininganddevelopment, Gamesandparties, Specifikgoals, Achievablegoals, Fedback, Promotionandincreaseincareer.

Regression coefficient:

**P** = statistically significant

$\alpha < 0.05$  (95% confidence level),  $\alpha < 0.001$  (99% confidence level),  $\alpha < 0.10$  (90% confidence level)

**B** -Interpret changes in logit for one unit in predicted variable

**Exp (B)**- is odds ratio and its tell changes on predictable variable B

**Lower and upper** is showing significant changes on odds

**S.E**- Standard error of coefficient

**df**- has to be constant

The table does not show any statistical significance, none of the variables has statistical differences, the reason for that may be that in Kosovo the rate of unemployment is quite high with



36% of young people. Therefore, even if employees are not motivated they have to do their job well. The predictions are not able to reject the null hypothesis.

Table 14: Collinearity-Do you complete the tasks assigned by management on time

Koeffizienten <sup>a</sup>			
Modell		Kollinearitätsstatistik	
		Toleranz	VIF
1	Monetary rewards	,421	2,374
	Salary and Hygiene factors	,482	2,077
	Recognition from Manager	,807	1,239
	Non-monetary rewards	,674	1,484
	Training and development	,513	1,949
	Games and parties	,592	1,690
	Specific goals	,295	3,394
	Achievable goals	,312	3,207
	Feedback	,755	1,324
	Promotion and increase in career	,847	1,181

a. Abhängige Variable: Do you complete the tasks assigned by management on time?

Also in this table all predictors have value of VIF less than 4, it seems only the predictor specific goals and achievable goals likely have multi-collinearity problems with value for the depend predictor mention on the table, in the same time tolerance value doesn't show any multi-collinearity all predictor value is more than 0.1 except specific goals and achievable goals predictors have lower value, which may probably have multi-collinearity with value for Do you complete the tasks assigned by management on time.

Table 15: Classification table of Completing the tasks on time

Classification Table <sup>a</sup>					
			Predicted		
			Do you complete the tasks assigned by management on time?		Percentage Correct
			Yes	No	
Step 1	Do you complete the tasks assigned by management on time?	Yes	125	0	100.0
		No	0	1	100.0
	Overall Percentage				100.0

a. The cut value is .500

The classification table shows how many cases are included in our analysis 125 respondents are observed, 1 are miss classification. 125 of 126 are correctly predictive from model that they complete their tasks in time, the accuracy rate is 100%, and are predictive to express that he/she does not complete the tasks in time, the accuracy rate is 100%. The overall percentage shows that 100% of our sample was predictive to the group in question

Table 16: Binary logistic regression table of completing the task in time

Modellzusammenfassung				
Modell	R	R-Quadrat	Korrigiertes R-Quadrat	Standardfehler des Schätzers
1	.250 <sup>a</sup>	.063	-.019	.090

a. Einflußvariablen : (Konstante), Promotion and increase in career, Salary and Hygiene factors , Fedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards , Spezifik goals

Also in this table R-square has very low value, the regression model overall accounts around 7% for variance.

Variables in the Equation								
		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B) Lower Upper
Step 1 <sup>a</sup>	Monetaryrewards	-4.256	2727.876	.000	1	.999	.014	.000 .
	SalaryandHygienefactors	11.765	4640.219	.000	1	.998	128682.812	.000 .
	RecognitionfromManager	-4.243	2699.744	.000	1	.999	.014	.000 .
	Nonmonetaryrewards	.970	3910.769	.000	1	1.000	2.637	.000 .
	Traininganddevelopment	-1.958	5034.904	.000	1	1.000	.141	.000 .
	Gamesandparties	7.953	5043.529	.000	1	.999	2844.825	.000 .
	Spezifikgoals	-10.404	4508.395	.000	1	.998	.000	.000 .
	Achievablegoals	-9.145	6362.968	.000	1	.999	.000	.000 .
	Fedback	22.350	7612.645	.000	1	.998	5087581369	.000 .
	Promotionandincreaseincareer	.570	4030.133	.000	1	1.000	1.769	.000 .
	Constant	-85.187	17247.634	.000	1	.996	.000	

a. Variable(s) entered on step 1: Monetaryrewards, SalaryandHygienefactors, RecognitionfromManager, Nonmonetaryrewards, Traininganddevelopment, Gamesandparties, Spezifikgoals, Achievablegoals, Fedback, Promotionandincreaseincareer.

Regression coefficient:

**P** = statistically significant

$\alpha < 0.05$  (95% confidence level),  $\alpha < 0.001$  (99% confidence level),  $\alpha < 0.10$  (90% confidence level)

**B** -Interpret changes in logit for one unit in predicted variable

**Exp (B)**- is odds ratio and its tell changes on predictable variable B

**Lower and upper** is showing significant changes on odds

**S.E-** Standard error of coefficient

**df-** have to be constant

The tables above do not show any statistical significance at confidence level of 95%. The same reason as above is required that the employee has to finish his or her task in time, even if they do not like what they do. But due to poor possibilities for find another job, individuals are obliged to complete their task in time. One of the reason might also be that employees go to work for economic benefits, which is consistent with the test of hypothesis 2, which emphasizes that economic benefits make employees stay in the organization. The effect of motivation on task completion in time cannot reject null hypothesis either.

Table 17: Collinearity- Deal with costumers

Koeffizienten <sup>a</sup>		Kollinearitätsstatistik	
Modell		Toleranz	VIF
1	Monetary rewards	,419	2,388
	Salary and Hygiene factors	,486	2,057
	Recognition from Manager	,804	1,243
	Non-monetary rewards	,672	1,487
	Training and development	,502	1,992
	Games and parties	,593	1,687
	Specifik goals	,294	3,397
	Achievable goals	,314	3,184
	Fedback	,748	1,337
	Promotion and increase in career	,839	1,191

a. Abhängige Variable: Deal with costumers

In this table the value of the VIF are similar as in the table discussed above, also it seem only the predictors specific goals and achievable goals likely have multi-collinearity problems with value for Deal with costumers, tolerance factor also doesn't show any multi-collinearity problem with value for Deal with costumers.

Table 18: Classification table of Deal to customer complaints

Classification Table <sup>a,b</sup>					
	Observed	Predicted			
		Deal with costumer		Percentage Correct	
		With full readiness	Depending on the costumers		
Step 0	Deal with costumer	93	0	100.0	
	Depending on the costumers	31	0	.0	
Overall Percentage				75.0	

a. Constant is included in the model.

b. The cut value is .500

The classification table shows how many cases are included in our analysis, 93 respondents are observed, 31 are miss classification. 93 of 124 are correctly predictive from model to deal with customer complaints with full readiness and 31 are predictive to deal with costumers depending on them, the accuracy rate is 100%. The overall percentage shows that 75% of our sample was predictive to group in question.

Table 19: Binary logistic regression table of deal with costumer

Modellzusammenfassung				
Modell	R	R-Quadrat	Korrigiertes R-Quadrat	Standardfehler des Schätzers
1	.472 <sup>a</sup>	.223	.154	.400

a. Einflußvariablen : (Konstante), Promotion and increase in career, Salary and Hygiene factors , Fedback, Recognition from Manager, Non-monetary rewards, Games and parties, Achievable goals, Training and development, Monetary rewards , Specifik goals

The table above tell the model overall the regression model accounts around 25% for variance. The R-square value can be considering as good value, which will lead the regression model to provide statistically significant between predictors.

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Step 1 <sup>a</sup>								
Monetaryrewards	-.184	.268	.471	1	.492	.832	.492	1.407
SalaryandHygienefactors	.728	.350	4.313	1	.038	2.071	1.042	4.116
RecognitionfromManager	-.296	.280	1.113	1	.291	.744	.430	1.289
Nonmonetaryrewards	.917	.310	8.719	1	.003	2.501	1.361	4.595
Traininganddevelopment	-.725	.282	6.603	1	.010	.484	.278	.842
Gamesandparties	-.267	.294	.823	1	.364	.766	.431	1.362
Specifikgoals	-.344	.570	.364	1	.546	.709	.232	2.167
Achievablegoals	1.302	.627	4.316	1	.038	3.675	1.076	12.549
Fedback	.092	.259	.126	1	.723	1.096	.660	1.822
Promotionandincreaseincareer	-.513	.227	5.104	1	.024	.599	.384	.934
Constant	-4.331	1.783	5.904	1	.015	.013		

a. Variable(s) entered on step 1: Monetaryrewards, SalaryandHygienefactors, RecognitionfromManager, Nonmonetaryrewards, Traininganddevelopment, Gamesandparties, Specifikgoals, Achievablegoals, Fedback, Promotionandincreaseincareer.

Regression coefficient:

**P** = statistically significant

$\alpha < 0.05$  (95% confidence level),  $\alpha < 0.001$  (99% confidence level),  $\alpha < 0.10$  (90% confidence level)

**B** -Interpret changes in logit for one unit in predicted variable

**Exp (B)**- is odds ratio and its tell changes on predictable variable B

**Lower and upper** is showing significant changes on odds

**S.E**- Standard error of coefficient

**df**- has to be constant

The table shows that the majority of the predictors are showing statistical significance, the first prediction is salary and hygiene factor with a p value of 0.038, which is lower than 0.05, which is very significant. Another one is non-monetary rewards with a value of 0.003 it is very highly significant, training and development with a value of 0.010 is also highly significant, the next significant predictor is achievable goals with a value of p 0.038, and the last significant predictor is promotion and increase in carrier with a value of p for 0.024, which it can considered significant.

Other predictors like recognition by manager, games and parties and feedback did not have any statistical significance because the employees in Kosovo are better motivated by financial benefits than by recognition. Another reason is that they have different needs because the majority was regarding safety and physiological needs to be more important. This means that they did not meet their primary needs. In general, we can say that the null hypothesis is rejected.

Table 20: Collinearity- completing the standards set by the manager and solving problems of costumers.

**Koeffizienten<sup>a</sup>**

Modell		Kollinearitätsstatistik	
		Toleranz	VIF
1	Monetary rewards	,421	2,374
	Salary and Hygiene factors	,482	2,077
	Recognition from Manager	,807	1,239
	Non-monetary rewards	,674	1,484
	Training and development	,513	1,949
	Games and parties	,592	1,690
	Specifik goals	,295	3,394
	Achievable goals	,312	3,207
	Feedback	,755	1,324
	Promotion and increase in career	,847	1,181

a. Abhängige Variable: Compliting the standards set by the manager and solving problems of costumers

In the last table of collinearity also both factors VIF and Tolerance doesn't show any multi-collinearity problems, except two predictors mention above have higher value of VIF which probably have multi-collinearity problems with value for Completing standards set by the manager and solving problems of costumers.

Table 21: Classification table Effect of completing standards set by manager and costumer problem solving

**Classification Table<sup>a,b</sup>**

		Predicted		
		Completing the standards set by the manager and solving problems of costumers		Percentage Correct
		P/G	R/Ca	
Step 0	Observed			
	Compliting the standards set by the manager and solving problems of costumers	P/G 82	R/Ca 0	100.0
		R/Ca 44	0	.0
Overall Percentage				65.1

a. Constant is included in the model.

b. The cut value is .500

The classification table shows how many cases are included in our analysis 82 respondents are observed, 44 miss-classification. 82 of 126 are correctly predictive from model to express that P/G (productivity/growth) is affected by solving problems with costumer and by completing standards from manager, with an accuracy rate 100% and 44 are predictive to express R/Ca (rewards and comparative advantages), with an accuracy rate 0.%. The overall percentage shows that 65% of our sample was predictive to respective group.

Table 22: Binary logistic regression of competing standards set by manager and solving the problems of the costumer

Modellzusammenfassung				
Modell	R	R-Quadrat	Korrigiertes R-Quadrat	Standardfehler des Schätzers
1	,292 <sup>a</sup>	,085	,006	,477

a. Einflußvariablen : (Konstante), Promotion and increase in career, Salary and Hygiene factors , Fedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards , Spezifik goals

Also in this table R-square has very low value, the regression model overall accounts around 9% for variance.

Variables in the Equation									
		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Monetaryrewards	.549	.248	4.900	1	.027	1.731	1.065	2.813
	SalaryandHygienefactors	-.529	.250	4.486	1	.034	.589	.361	.961
	RecognitionfromManager	-.152	.212	.512	1	.474	.859	.566	1.303
	Nonmonetaryrewards	.021	.201	.011	1	.918	1.021	.688	1.515
	Traininganddevelopment	.050	.193	.066	1	.797	1.051	.720	1.535
	Gamesandparties	-.347	.224	2.402	1	.121	.707	.456	1.096
	Spezifikgoals	.078	.384	.041	1	.839	1.081	.509	2.297
	Achievablegoals	.262	.363	.521	1	.471	1.300	.638	2.648
	Fedback	.161	.191	.709	1	.400	1.175	.807	1.709
	Promotionandincreaseincareer	.087	.184	.227	1	.634	1.091	.761	1.564
Constant		-1.423	1.190	1.432	1	.231	.241		

a. Variable(s) entered on step 1: Monetaryrewards, SalaryandHygienefactors, RecognitionfromManager, Nonmonetaryrewards, Traininganddevelopment, Gamesandparties, Spezifikgoals, Achievablegoals, Fedback, Promotionandincreaseincareer.

Regression coefficient:

**P** = statistically significant

$\alpha < 0.05$  (95% confidence level),  $\alpha < 0.001$  (99% confidence level),  $\alpha < 0.10$  (90% confidence level)

**B** -Interpret changes in logit for one unit in predicted variable

**Exp (B)**- is odds ratio and its tell changes on predictable variable B

**Lower and upper** is showing significant changes on odds

**S.E**- Standard error of coefficient

**df**- has to be constant

The tables show that monetary rewards are statistical significant with a p value of 0.027, which is less than 0.05 and can be considered highly significant, followed by salary and hygiene factors with a p value of 0.034, it can be also considered significant, games and parties with a p value of 0.121% with confidence level of 90%. The other predictors did not show any statistically significance. The result makes us understand that employees in Kosovo are motivated mainly by financial benefits, such as a better salary, bonuses, commission. Also less significant were games and parties, which make it easy to get to know colleagues better and which improve performance in an organization as well. There are only these three predictors which are able to reject the null hypothesis.

### 6.2.5 Hypothesis II:

Very often the T-test is used to test the mean differences between two groups, as independent variables have to be dichotomous variables, and a dependent variable is a single continuous variable. It can be used for experimental groups or test of mean differences between two groups in a non-experimental context. (Maczyk et.al, 2005, p. 221).

To test the hypothesis with one sample T-test must take in consideration some assumption as below:

- The data should be continuous
- The data should be normal distributed and
- The sample should be random sample (NCSS Statistical Software, p. 205-3)

H2: Employee motivation effects staff retention in the organization positively

One Sample T-tests will be used to test the hypotheses 2. The predictors of employee retention and employee motivation shown on the table are test variables; test value will be used



value 126, which value represent the number of population, in our case population is 126, the sample that have been used is random sample and the data are continuous (question has been used as Liker scale question). One sample T- test mainly is used to compare means and median between groups, in the table below is shown statistically significant between variables, the value 4 used on the table is value of mean which it helps to show statistically significant among predictors, the predictor which has higher mean have higher statistically significant. If the significant value is less than .05 we can reject null hypothesis, the value of mean for each predictor is shown on the table on the Appendix. Table below show the results of testing hypothesis 2

Table 23: One- Sample T-test analysis

One-Sample Test

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Selection and hiring the right employees and appropriate supervisors affects the retention of personnel in organization	-3.197	125	.002	-.3175	-.514	-.121
Providing potential career advancement and professional development	2.725	125	.007	.2302	.063	.397
Provide a system of care for employees holding employees in the organization	5.807	125	.000	.4065	.288	.535
Provide a comfortable environment and organizational culture	-1.873	125	.063	-.1508	-.310	.009
Use of adequate payment and recognition system for good work	8.118	125	.000	.4782	.322	.630
Acceptance of staff achievement by supervision	-2.458	125	.015	-.2002	-.418	-.045
360 degree feedback for the work done, behavior towards consumers and supervisors of their colleagues	-3.085	125	.001	-.3018	-.479	-.124
Individuals want to stay in the organization because of the emotions and satisfaction towards the goals and values of the organization	-6.889	125	.000	-.8190	-.900	-.435
Individuals engage in organizations for economic benefits	1.518	125	.131	.1429	-.043	.329
Individuals are obliged to stay in organizations for moral reasons because they feel that the organization has invested in them through training and development	-1.949	125	.054	-.2063	-.418	.003

On the table above the results of One Sample T-test are represented. The table shows that selection and hiring the right employees has a highly significant effect on employee retention with a p value of 0.002 which has higher confidence level, providing the system care is one of the predictors that show the higher significance with a p value of 0.007, providing potential career and professional development, use the adequate system of payments and recognition and

individuals are engaged in organization for economic benefits are predictors that show the highest significance with a p value of 0.000, also 360 degree feedback is significant with a p value of 0.01, acceptance of staff achievement is significant with a p value of 0.015 and the last one that shows significance just under a 95 confidence level. The reason might be that individuals are obliged to stay in the organization for moral reason with a p value of 0.054 because they feel that organization invested in them.

All these predictors can reject the null hypothesis; only two predictors that did not show any significance. The reason might very well be that employees are not motivated by companies that having a comfortable environment and an organizational culture. The employees in Kosovo are not motivated to stay in organization for their emotions and their satisfaction with goals. The causes for these non-significant predictors might be that employees have different needs. In general, we can say that motivation has positive effects on employee retention.

#### **6.2.6 Hypothesis III:**

H3: There is a positive relation between motivation and organizational performance

In order to test the H3 Linear Regression will be used, the result will be presented in the correlation table, correlation will be calculated as entire coefficient for all independent variables in relation to dependent variables. Motivation is the independent variable; organizational performance is the dependent variable.

According to Maczyk et.al (2005). Correlation measures the association between two or more variables, expressed by a single number direction of the relationship and intensity of relationship. If two variables go into the same direction then they would be considered to have a positive relationship, or vice versa, if two variables are moving into an opposite direction, the relationship will be negative, the correlation coefficient is between -1.0 to + 1.0, therefore the closer relationship to 1.0 the stronger the relationship (p. 216-217).

Table 24: Correlation analysis dependent variable No. of absent days

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.267 <sup>a</sup>	.071	-.009	.408	.071	.885	10	115	.550

a. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors, Feedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards, Specific goals

The table above shows that  $R = 0.267$  is the coefficient correlation which means that 0.07% of variance on dependent variables was accounted from a combination of independent variables,  $R = 0.257$  is the combination of 10 independent variables created maximum to predict dependent variables, the coefficient R is the Pearson correlation for all independent variables. The value of 0.267 can be considered as smaller correlation between independent and dependent variables, whereby there is no significant relation between dependent and independent variables, a p value of 0.55 is no significant change in variables.

Table 20: Correlation analysis depend variable How well do you work

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.175 <sup>a</sup>	.031	-.054	.335	.031	.362	10	114	.961

a. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors, Recognition from Manager, Feedback, Non-monetary rewards, Games and parties, Specific goals, Training and development, Monetary rewards, Achievable goals

The table above shows that  $R = 0.175$  is the coefficient correlation which means that 0.031% of variance on dependent variables was accounted from a combination of independent variables,  $R = 0.175$  is a combination of 10 independent variables created maximum to predict dependent variables, the coefficient R is a Pearson correlation for all independents variable. The value 0.175 can be considered as smaller correlation between independent and dependent variables, whereby there is no significant relationship between dependent and independent variable s, the p values is 0.961 there are no significant changes in variables.

Table 25: Correlation analysis dependent variable Do your complete tasks assigned by manager on time

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.250 <sup>a</sup>	.063	-.019	.090	.063	.770	10	115	.657

a. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors, Feedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards, Specific goals

The table above shows that  $R = 0.250$  is a coefficient correlation which means that 0.063% of variance on dependent variable was accounted from a combination of independent variables,  $R = 0.250$  is a combination of 10 independent variables created maximum to predict dependent variable, the coefficient  $R$  is a Pearson correlation for all independent variables. The value 0.250 can be considered a smaller correlation between independent and dependent variables, whereby there is no significant relationship between dependent and independent variables, the  $p$  values is 0.657 there are no significant changes in variables.

Table 26: Correlation analysis dependent variable Deals with customer complains

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.472 <sup>a</sup>	.223	.154	.400	.223	3.244	10	113	.001

a. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors, Feedback, Recognition from Manager, Non-monetary rewards, Games and parties, Achievable goals, Training and development, Monetary rewards, Specific goals

The table above shows that  $R = 0.472$  is coefficient correlation which means that 0.223% of variance on dependent variables was accounted from combination of independent variables,  $R = 0.472$  is a combination of 10 independent variables created maximum to predict dependent variable, the coefficient  $R$  is a Pearson correlation for all independent variables. The value 0.472 can be considered as moderate correlation between independent and dependent variables, whereby

there is no significant relationship between dependent and independent variables, the p values is 0.001 and will lead to significant changes in variables.

Table 27: Correlation analysis dependent variable Completing standards set by manager and solving problems of the costumers

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.292 <sup>a</sup>	.085	.006	.477	.085	1.070	10	115	.391

a. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors, Fedback, Recognition from Manager, Training and development, Non-monetary rewards, Achievable goals, Games and parties, Monetary rewards, Specifik goals

The table above shows that  $R = 0.292$  is a coefficient correlation which means that 0.085% of variance on dependent variables was accounted from combination of independent variables,  $R = 0.292$  is a combination of 10 independent variables created maximum to predict dependent variables, the coefficient  $R$  is a Pearson correlation for all independent variables. The value 0.292 can be considered as moderate correlation between independent and dependent variables, whereby there is no significant relationship between dependent and independent variable, the p value is 0.391 it does not indicate significant changes in variables.

After we have obtained the results from correlation tables, we can conclude that our hypothesis is tested and that there exists a positive relationship between motivation and performance. Although, the correlation coefficient is not that high, by increasing the units of independent variables will lead to the increase of dependent variables too. Therefore, we can say that motivation and performance are positively correlated.

## 7.0 Chapter 7

In this chapter conclusions on the effects of motivation on the organization's performance will be presented, with particular emphasis on small and medium enterprises. At the end we will give some modest recommendations regarding the importance of motivation within organizations and I will discuss the limitations of my research.

## **7.1 Conclusions**

### **General Knowledge of the Representatives and Enterprises**

In my research the majority of representatives was female and relatively young with an age of 21-30 years, which shows that the Kosovo has a very young population with high potentials. Regarding to marital status, the single and marriage rates were almost equally high, only one person was divorced. In general, Kosovo has a very low divorce rate.

The result also shows that the majority of respondents were working on department like sales, IT, finance and marketing, other sectors had a low percentage. The majority were sales personnel, accountants, IT and technical staff. The result shows that companies are concentrated in the import and IT sector. The manufacturing sector is not well developed in Kosovo. It was only good for 15.87% of my research.

The majority of employees is well educated, a majority has Bachelor and Master degrees. Only a few respondents had a low level of education. The result show that the salaries of the majority vary between 300-600 euro and only 19.05% earned a salary of more than 900 euro. They either were managers (owners) of the company or they occupied high positions in the company hierarchy.

In my research a majority of companies were micro small or small companies, these companies made up 88% of the research, others were medium and large enterprises. A majority of employees were employed in Pristina, Prizren, Pej and Suharekë, only a few employees worked elsewhere.

### **Individual Needs**

The findings lead to the conclusion that most important needs for employees are: Safety needs with the highest mean, come first. Employees considered them important, because they do not feel safe at work, they do not have insurances that protect them from accidents at work, they do not have economic security, they do not have permanent employment contracts for work. Next on the priority list come physiological needs, self-actualization needs, social needs are less important, since the citizens in Kosovo are very social and therefore, is not difficult for employees

to be loved or to belong to the group. The individual needs are not consistent with the Maslow hierarchy.

### **Financial incentives**

The finding shows that a majority of employees is satisfied with the salary they receive; payments are competitive with other companies of the same sector. The companies motivate their employee with bonuses, basic salary and commissions. Hygiene factors like salary, work condition, job security and qualified supervisor were considered important by the employees for motivation to perform in a better way. Only a few companies offer policies to attract employees. The finding also shows that employees will be motivated if the companies offer a monthly expense. Additionally, employees considered their salaries very important because they can buy the things they need and desire with that money.

### **Rewards and recognition**

The finding shows that only few companies used non-monetary rewards such as recognition by manager, letters from the CEO, participation in decision making and feedback. A majority of companies did not hand out gift vouchers, cinema tickets or lunch and dinner vouchers.

The employees considered it important to get recognition from managers and from their peers, a majority of companies were offering training and professional development, some companies also were offering individual and group rewards.

The findings show that employees will be motivated if the companies offer wellness programs, such gym or sport club memberships, participation in different games. The research also shows that employees are not satisfied with the correct programs of rewards and recognition, also none of the companies offered work from home

### **Other motivators**

The research found out that interesting work, promotion and increase in carrier, equality between employees, being observed by others, employee skills, luck and task difficulty motivates employees considerably. Additionally, the need of high achievement, the effort to achieve goals and experienced employees help to increase the performance of the organization.

### **Setting goal and objectives**



The research concludes that a majority of companies did not allow employees to participate in task and goal setting, employees did not have any difficult task and challenges they had to meet. In addition, only a few receive feedback regularly.

We can conclude that a majority of employees understands their duties and objectives in relation to the company's objectives. They have specific and clear goals, their goals are realistic and achievable. A majority had a supervisor who helps them to achieve their tasks and objectives. A majority is pleased with challenges on the job and in general, well defined tasks help to improve organizational performance.

### **Performance**

Performance was measured on the basis of absent days in the organizations, of how well the employees work, of completing task assigned by manager in time, of dealings with customer complaints, of effects of compliance with standards set by managers and of solving problems with customers.

We can conclude that a majority of employees never was absent in the organization, they were doing their job well, a majority also completed tasks in times. Additionally, a majority of employees deals with customers with full readiness. Solving a customer's problems has a positive effect on productivity, growth, on comparative advantages and rewards.

### **Hypothesis Testing**

The finding shows that all 10 predicted variables were reliable, with a coefficient of Cronbach's alpha .911, which in general, can be considered a good alpha.

H1: Effect of motivation on organizational performance

By testing the first hypothesis the regression analysis shows that motivation on the first indicator of performance (number of absent days on the organization), does not have any statistical significant differences except on feedback, that shows significant differences with 90% level of confidence. Even in cases where the employees were not motivated they were not absent in the organization

To the second measure (how well the employee work) no statistical significance could be found. It seems that employees have to work well in order to stay in organization, otherwise they

will be fired, whereas the third measure of performance (completing the task on time) did not have any significant differences.

The fourth measure of performance (deal with customers) was showing very significant differences, especially salary and hygiene factors, non-monetary rewards, training and development, achievable and realistic goals and promotion and increase in carrier.

The last measure of performance (effect of completing task from manager and solving problems of costumer) showed significant differences only concerning monetary rewards, salary and hygiene factors. We can conclude that monetary rewards, hygiene factors, training and development are crucial to improve the organizational performance, in addition, achievable, realistic goals and promotion and increase in carrier has a positive effect on organizational performance.

H2: Employee motivation has a positive effect on staff retention in the organization

The hypothesis 2 was proven with the One Sample T test, independent variables were 10 predictors and dependent variable were value 4, which express level of agreement with variables.

In general, hypothesis 2 is proven, all predicted variables of motivation have huge effects on staff retention, except for two predictors, individuals are engaged in organization for emotions and satisfaction towards goals and value of the company and providing a comfortable environment and organizational culture did not show any statistical significant difference. Undoubtedly we can conclude that employee motivation has a positive effect on staff retention.

H3: There is a positive relationship between motivation and organizational performance

After analyzing 10 predictors of motivation as independent variable, with dependent variable performance with 5 measures, the hypothesis was tested from linear regression with the result that a moderate correlation between motivation and performance exists. The sums are not higher as well. Thus, the relation can be considered positive and therefore, by investing in employee motivation performance will improve.

Finally, based on research and analysis, it appears obvious that the paper has reached its predetermined goals. The study confirms that the structures, programs and motivation policies within an organization have a positive impact the organization's performance and encourage staff

to stay in the organization. It also has to be emphasized that small and medium enterprises in Kosovo still have a lot of work to do on the performance management process and on the design of successful motivation strategies in order to create a competitive advantage by being one step ahead of other organizations.

## **7.2 Recommendation**

The companies should provide better systems of care, recognition and rewards, use adequate payment systems to increase satisfaction among employees, make them perform better and keep them in organization.

The companies have to offer work from home to motivate employees. Work from home allows them to spend more time with their families.

The companies should provide a monthly expense to attract and retain high performing employees.

The companies should offer better working condition, job insurance, and permanent contracts in order to motivate employees

The management should ensure equality between employees, in order to avoid tensions, the management should give employees difficult tasks to make them more productive.

The management should allow them to set tasks and goals and enable them to contribute their ideas to reach the organization objectives.

The management should provide feedback for their employees regularly and ensure promotion opportunities.

For further studies research on the effects of motivation in individual sectors is recommended.

As well as on the effect of permanent and temporary employment on organizational performance and

On the effect on the motivation of more experienced employees on organizational performance

## **Limitation**

The first limitation is that the data only have been gathered for period of seven months in 2018, the employees may have other forms of motivation at different times and locations

The sample size of the study (126) is low, therefore we must be careful not to draw definitive conclusions for entire population of Kosovo.

Another limitation is that the sample was not probable sample but a random one, the snowball sampling technique has its limits when it comes to claim that of the results are representative for the entire population.

The next limitation is that a majority of respondents were young. Therefore, by generalizing the result one must to be careful, older employees might be motivated differently.

The other limitation is that a majority of participants was well educated and had good position in the company. Therefore, it is difficult to draw conclusions that are valid for the entire population.

The last limitation is that there are also other predictors of motivation that effect performance.

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## 7.4 Questioner:

Dear participants!

I **Besart Berisha** a student of Vienna University in Vienna, relaunched a research on the **effect of motivating employees in SMEs in the territory of Kosovo**, looking for participation in the respective research, the results of the survey will be used to complete the master thesis and hope to you have it in your understanding and you will find time to answer the question posed in the questionnaire below. The question remains anonymous, so your name or company is not required and the data from the survey will not be presented to the public, mainly used for statistical

purposes only. You are chosen to fill it in an instant and your opinion has significant importance for the purpose of the research.

Thank you for your time and success in completing the questionnaire,

**1. General knowledge of the representative and the enterprise in which they operate:**

Gender?

- ☐ Male
- ☐ Female

Age?

- ☐ \_\_\_\_\_ years

Marital status?

- ☐ Married
- ☐ Divorced
- ☐ Widowed
- ☐ Single

Department in which you work?

- ☐ Customer Services
- ☐ Finance
- ☐ Marketing
- ☐ Retail and Wholesale
- ☐ Manufacturing
- ☐ Logistic
- ☐ IT
- ☐ Pharmaceutical
- ☐ Others \_\_\_\_\_

Job position?

- ☐ Owner
- ☐ Manager
- ☐ Seller
- ☐ Technical
- ☐ Others \_\_\_\_\_

Number of Employed Years in Company?

- ☐ \_\_\_\_\_ years



Monthly income (wages)

- ☐ Up to 300
- ☐ 300- 600
- ☐ 600- 900
- ☐ More than 900

Level of education?

- ☐ High School
- ☐ Bachelor
- ☐ Master
- ☐ Doctors
- ☐ Others \_\_\_\_\_

The industry (industry) of your company?

- ☐ Manufacturing
- ☐ Wholesale and retail sale
- ☐ Hotels
- ☐ Construction
- ☐ Transport and storage
- ☐ Information and communication
- ☐ Agriculture, fishing and forestry
- ☐ Others \_\_\_\_\_

The place where your company operates?

- ☐ Specify city \_\_\_\_\_

What is the number of employees in the company?

- ☐ 1-9 employed
- ☐ 10-49 employed
- ☐ 50 - 249 employed
- ☐ More than 250 employees

What is the scope of your company's business?

- ☐ Local (within Kosovo)
- ☐ Regional (also outside Kosovo)
- ☐ Branch of a multinational company).

## **2. Motivation**

Next you are advised to rank your needs from 1 to 5, which you consider to be the most important to motivate people.

Individual Needs	1-5
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Physiological needs	
Safety needs	
Social needs	
Self Esteem needs	
Self-Actualization need	

The following shows the level of agreement or satisfaction with the answer: 1. Strongly disagrees, 2. Disagrees, 3. Neutral, 4. Agrees. 5. Strongly agrees.

<b>Financial incentives and conditions of the work</b>	1	2	3	4	5
I am satisfied with the level of pay I receive					
The pay offered by the company is very competitive compared to others companies in the industry					
Our company maintains a competitive pay and benefits; medical insurance					
I would be satisfied if I received a monthly expense; fuel and telephone allowance					
Our company uses monetary rewards like base pay, commission, bonus, incentives and healthy allowances to motivate us					
I believe that money is a crucial incentive to work motivation it is what I use to purchase the things I need and desire					
My salary and other hygiene factors; company policies, working condition, supervision have led to a disaffection of my employment					
Our company pay policy helps attract and retain high performing employee					

<b>Rewards and recognition</b>	1	2	3	4	5
Our company uses non-monetary rewards like recognition, inclusive decision- making, receive letter from CEO, feedback and flexible working hours					
It is important to me to be formally recognized by management/supervisor for a job well done					
It is important to me to be recognized by my peers and co-workers for a job well done					
Our company uses non-monetary rewards; gift vouchers, cinema tickets, lunch or dinner voucher to motivate us					
If our company had a wellness benefits program; gym or sports club membership, I would be motivated					
Our company uses training and development; seminar and sponsorship to motivate us					
Our correct recognition and reward program motivates me to perform better					
Our company offers individual and group rewards that motivate us to contribute to the group to achieve the objectives set					
The rewards system that has our own company has influenced the long-term quality improvement.					

Our company offers various games and organizes parties for successful completion of work, which motivates us to get to know more about work colleagues					
The company offers work from the home as a form of remuneration					

<b>Setting goals and objectives</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
My manager allows me to take part in setting the tasks and goals					
I understand the importance of my duties and objectives in relation with the company's objectives					
I have specific and clear goals for my work					
My goals are achievable and realistic					
I am pleased with the challenges that provide my job and I have the ability to solve them					
As I have been hired I have tough tasks and challenges that I have to meet at work					
I am regularly trained to improve knowledge and skills for work					
I have a supervisor who helps me to achieve the tasks and objectives					
I receive feedback regularly for the job that I do					
Determining tasks has generally improved the performance of the organization					

<b>Other motivators</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Interesting work					
Promotion and increase in career					
Need for high achievement					
Taking a high position in the organization (managing the others and setting the objectives of the organization)					
Efforts to achieve goals lead to high performance and getting rewarded in different forms					
Equality between employees					
Teaching from colleagues or learning during the action process helps to increase performance and achieve goals					
Employee with sufficient experience help to achieve goals and increase the performance of the organization					
Employee skills, lucky and task difficult effect on the achievement of objectives					

### 3. Performance

The days you missed in the organization?

- never
- 1-5 days
- more than days

How well do you work?

- ☐ Very well
- ☐ Good
- ☐ Sufficient
- ☐ Not good
- ☐ Others \_\_\_\_\_

Do you complete the tasks assigned by management on time?

- ☐ YES
- ☐ NO
- ☐ Others\_\_\_\_\_

How do you respond to customer complaints?

- ☐ With full readiness
- ☐ Depending on the costumers
- ☐ Based on the purchase quantity
- ☐ Others \_\_\_\_\_

Completing the standards set by the manager and solving the problems of the costumers, where does it affect most in your organization?

- ☐ Productivity
- ☐ Staff stable
- ☐ Growth
- ☐ Rewards
- ☐ Compensation
- ☐ Comparative advantages
- ☐ Flexibility of work
- ☐ Others \_\_\_\_\_

#### **4. Keeping the employees in the organization**

The following shows the level of agreement or satisfaction with the answer: 1. Strongly disagrees, 2. Disagrees, 3. Neutral, 4. Odd. 5. Strongly agrees.

<b>Employee retentions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Selection and hiring the right employees and appropriate supervisors affects the retention of personnel in organization					
Providing potential career advancement and professional development					
Provide a system of care for employees holding employees in the organization					
Provide a comfortable environment and organizational culture					
Use of adequate payment and recognition system for good work					
Acceptance of staff achievement by supervision					

360 degree feedback for the work done, behavior towards consumers and supervisors of their colleagues					
Individuals want to stay in the organization because of the emotions and satisfaction towards the goals and values of the organization					
Individuals engage in organizations for economic benefits					
Individuals are obliged to stay in organizations for moral reasons because they feel that the organization has invested in them through training and development.					

## 7.5 Questionnaire- Albanian

Te nderuar pjesëmarres!

Une **Besart Berisha** student I Universitetit te Vjenes ne Vjenë duke relaizuar nje hulumtim **per efektin e motivimit te punonjeseve në NVM-të ne territorin e Kosoves**, kerkoj per pjesmarrjen tuaj ne hulumtimin perkates, rezultatet e anketes do te shfrytzojen per kompletimin e tezes se Masterit dhe shpresoj qe do te hasi ne mirkuptimin tuaj dhe do te gjeni Kohen për t'u pergjigjur ne pyetjeter e parashtruara në pyetsorin e meposhtem. Pyetsori mbetet anonim, pra nuk nevojitet **emri juaj apo i ndermarrjes tuaj** dhe te dhenat nga anketa nuk do te paraqiten ne publik, kryesisht do te perdoren vetem per qellime statistikore. Ju jeni zgjedhur per ta plotsuar pyetsorin ne menyre te rastesishme andaj opinion juaj ka nje rendesi te veqant per qellimin e hulumtimit.

Faliminderit per kohen tuaj dhe suksese ne plotsimin e pyetsorit,

### 1. Njohurit e pergjithsme per representuesin dhe ndermarrjen ne te cilen operojn:

Gjinia ?

- ☐ Mashkull
- ☐ Femer

Mosha ?

- ☐ \_\_\_\_\_ vjet

Statusi martesor?

- ☐ Asniher I martuar
- ☐ Martuar
- ☐ Divorvuar
- ☐ I,e ve
- ☐ Beqar

Depertamenti ne te cilin punoni?

- ☐ Sherbime te konsumatoreve
- ☐ Financa
- ☐ Marketing
- ☐ Shitje me pakic dhe shumice

- Prodhim
- Logistic
- IT
- Farmaceutik
- Tjera\_\_\_\_\_

Pozita e punes?

- Pronar
- Menagjer
- Shites
- Teknik
- Tjeter\_\_\_\_\_

Numri I viteve I punsuar ne kompani?

- \_\_\_\_\_ vite

Te ardhurat mujore (paga)

- Deri ne 300
- 300- 600
- 600- 900
- Me shume se 900

Niveli I arsimit?

- Shkoll e mesme
- Bachelor
- Master
- Doctors
- Tjeter\_\_\_\_\_

Veprimtaria (industria) e kompanis ku punoni?

- Prodhim
- Shitje me shumice dhe pakice
- Hoteleri
- Ndertimtari
- Transport dhe magazinim
- Informacion dhe komunikacion
- Agrikultur, peshkim dhe pylltari
- Tjeter \_\_\_\_\_

Vendi ne te cilen operon kompania juaj?

- Specifikoni qytetin \_\_\_\_\_

Sa eshte numri I punetoreve te kompanise?

- 1-9 te punesuar
- 10-49 te punesuar
- 50 – 249 te punesuar

- Me shume se 250 te punesuar

Cila eshte shtrirja e veprimtarise se kompanise suaj?

- Lokale (Brenda Kosovës)
- Rajonale (edhe jashte Kosovës)
- Filiale e një kompanie shumëkombëshe).

## 2. Motivimi

Ne vazhdim renditeni nevojat personale prej 1 deri ne 5, te cilat ju I konsideroni si me te rendesishmet per tu motivuar.

<b>Nevojat personale</b>	<b>1-5</b>
Nevojat fiziologjike ( ajer, ushqim, pije, veshje, gjume etj)	
Nevojat e sigurise (mbrojtaj prej elementeve te ndryshme, si zjarri, permbytje etj)	
Nevojat sociale (nevoja per shoqeri, besim, perkatesi ten je grupi, dashuri etj)	
Nevojat per vetbesim (deshira per tu respektuar prej te tjereve)	
Nevojat per vetvlersim( dshira per zhvillim personal, zhvillim ne karrier)	

Ne vazhdim numrat tregon nivelin e pajtimit apo knaqesis me pergjigjen: 1. Fuqishem nuk bie ne dakort, 2. nuk bie dakort, 3. Neutral, 4. dakort. 5. Fuqishem bie dakort.

<b>Nxitesit financiar dhe kushtet e punes</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Jam I kenaqur me nivelin e pages te cilinin e marre					
Pagesa e ofruar prej kompanis eshte konkorruse krasuar me kompanit e njejtes idustri					
Kompania jone ofrone pagesa konkurruese dhe beneficcione si, sigurime shendetsore					
Do te isha I kenaqur nese do te mirrja pages per shpenzime mujore; karburant dhe telefon					
Komapnia jone perdor shperblimet monetare si; pagen baze, komisione, bonusa dhe ndihme shendetsore per ten a motivaur					
Une besoj se paraja eshte esenciale per tu motivuar ne pune sepse eshte diqka qe une e perdori per ti blere gjerat qe me duhen dhe kam deshire					
Paga dhe kushtet e punes; si sigurime ne kompani, kushtet e punes, mbikqyrsi. dergojn ne mosknqesin per tu punsuar					
Kompania jone paguan sigurime qe ndihmojn per ti terhequr dhe mbajtur punonjesit te performojn me nivel me te larte					

<b>Shperblimet dhe Njohja</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Kompania jone perdore shperblime jo monetare si; njohje, pjesmarrje ne vendime, ore fleksibile te punes, jep feedback te vazhdushem, marrim leter prej CEO si dhe organizon evente per tu ndertuaar si ekip					
Per mu eshte shume e rendesishme per tu njohur formalisht nga mmenagjei per punen e ber mire					

Eshte e rendesishme per tu njohur nga koleget per punen e perfunduar me sukses					
Kompania jone perdore shperblime jo monetare si; dhurata, tiketa per kino, teater, or kupon per drek apo dark si dhe menyra tjera per te motivuar neve					
Nese kompania jone ofron beneficione per sport; si gym, sport te tjera , do te isha I motivuar					
Kompania jone ofron trainime dhe zhvillim profesional per te na motivuar					
Njohjet momentane dhe programi I shperblimit me motivon per te performuar me mire					
Kompania jone ofron shperblime ne grupe dhe individuale te cilat na motivojn per te kontribuar ne grup per ti arritur objektivat e caktuara					
Sistemi i shperblimeve qe ka kompania jone, ka ndikuar ne permesimin afatgjate te kualitetit.					
Kompania jone ofron lojra te ndryshme dhe organizon feste per perfundimin e punes me sukses, te cilat na motivon per tu njohur me mire me koleget e punes					
Kompania ofron pune prej shtepie si form te shperblimit					

<b>Vendosja e qellimeve dhe objektive</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Menagjeri im me lejon te marre pjesene vendosjen e detyrave dhe qellimeve					
I kuptoj rendesin e detyrave dhe objektive te mija ne realcion me objektivat e kompanis					
Une kam qellime specifike dhe te qarta per punen time					
Qellimet e mija jan te realizushme dhe te arritshme					
Une jam I kenaqur me sfidat qe siguron puna ime dhe kam aftesi per ti zgjidhur ato					
Une si I punsuar kam detyra te veshtira dhe sfiduse qe duhet ti perfundoj ne pune					
Une jam rregullisht I traniur per ti permisuar njohurit dhe aftesit per pune					
Une kam nje mbikeqyres I cili me ndihmon per ti aritur detyrat dhe objektivat					
Une marr rregullisht feedback per punen qe beje					
Percaktimi I detyrave ka permisuar ne pergjithesi performance ne organizate					

<b>Motivues tjere</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Puna interesante					
Promovim dhe ngritje ne kompani					
Nevoje per arritje te larte ne pune					
Marrja nje pozit te larte ne organizate, (menagjimi I te tjereve dhe caktimi I objektive te organizates)					
Perpjekja per ti arritur qellimet qon ne performance ma te larte dhe shperbime ne forma te ndryshme					



Barazi ndermjet punonjeseve					
Mesimi prej te tjereve(kolegeve) apo mesimi gjate procesit te aksionit ndihmon ne rritjen e performances dhe arritjen e objektivave					
Te punesuarit me pervoje te mjaftueshme ndihmojn ne arritjen e objektivave dhe ne rritjen e performances se organizates					
Aftesit e punonjeseve, fati dhe detyrat e veshtira ndikojn ne arritjen e objektivave					

### 3. Performanca

Ditet qe keni munguar ne organizatë?

- ☐ asnjehere
- ☐ 1-5dite
- ☐ Më shumë se 5 dite

Sa mir beni punen?

- ☐ Shume mire
- ☐ Mire
- ☐ Mjaftushem
- ☐ Jo mir
- ☐ Tjeter \_\_\_\_\_

A I plotsoni detyrat e caktuar nga menagjerie me kohe?

- ☐ PO
- ☐ JO
- ☐ Tjeter\_\_\_\_\_

Si ju pergjigjeni ankesave te konsumatoreve?

- ☐ Me gatishmeri te plot
- ☐ Ne vartesi te kosumatores
- ☐ Ne baze te sasise se blerjes
- ☐ Tjeter \_\_\_\_\_

Perfundimi I dytrave te caktuar nga menagjeri dhe zgjidhja e problemve te kosumatoreve, ku ndikon me se shumti?

- ☐ Produktivitet
- ☐ Staf stabil
- ☐ Rritje
- ☐ Shperblime
- ☐ Kompensime
- ☐ Avantazhe krahasuse
- ☐ Fleksibilitet te punes
- ☐ Tjera\_\_\_\_\_

#### 4. Mbatja e punjoneseve ne organizate

Ne vazhdim numrat tregon nivelin e pajtimit apo knaqesis me pergjigjen: 1. Fuqishem nuk bie ne dakort, 2. nuk bie dakort, 3. Neutral, 4.dakort. 5. Fuqishem bie dakort.

<b>Mbajtja e personelit ne organizate</b>	1	2	3	4	5
Seleksionimi dhe punsimi I punonjeseve dhe mbikeqyreseve te duhur ndikon ne mbajtjen e personelit ne organiaze					
Ofrimi I mundesive ne ngritje ne karrier dhe zhvillim prefesional					
Ofrimi I nje sistemi te kujdesjes per te punesuarit I mban punonjesit ne organizat					
Ofrimi i mjedisit rehatshem dhe culture organizative					
Perdorimi I sistemit adekuat te pageses dhe njohjes per punen e berë mir					
Pranimi I arritjeve te punonjeseve nga mbikqyrsi					
360 shkall feedback per punen e kryer, sjelljet ndaj konsumatoreve dhe mbikeqyreseve deh kolegeve					
Ofrim I trainimeve te ndryshem per te punesuarit					
Individet deshirojn te qendroj ne organizate per shkak te emocioneve dhe kenaqesis ndaj qellimeve dhe vlerave te organizates					
Individet angazhohen ne organizat per shkak beneficioneve ekonomike					
Individet jane te obliguar te qendrojn ne organizat per motive morale, sepse ata ndiejn se organizata ka investuar ne ta permes trajnimeve dhe zhvillimeve.					

#### 7.5 SPSS output

#### Appendix

Physiological Needs				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.0	2	1.6	1.6	1.6
2.0	19	15.1	15.1	16.7
3.0	51	40.5	40.5	57.1
4.0	47	37.3	37.3	94.4
5.0	7	5.6	5.6	100.0
Total	126	100.0	100.0	

#### Safety Needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	1	.8	.8	.8
	2.0	1	.8	.8	1.6
	3.0	8	6.3	6.3	7.9
	4.0	29	23.0	23.0	31.0
	5.0	87	69.0	69.0	100.0
	Total	126	100.0	100.0	

#### Social Needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	42	33.3	33.3	33.3
	2.0	55	43.7	43.7	77.0
	3.0	25	19.8	19.8	96.8
	4.0	3	2.4	2.4	99.2
	5.0	1	.8	.8	100.0
	Total	126	100.0	100.0	

#### Self Esteem Needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	62	49.2	49.2	49.2
	2.0	38	30.2	30.2	79.4
	3.0	6	4.8	4.8	84.1
	4.0	15	11.9	11.9	96.0
	5.0	5	4.0	4.0	100.0
	Total	126	100.0	100.0	

#### Self-Actualization Needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	19	15.1	15.1	15.1
	2.0	12	9.5	9.5	24.6
	3.0	35	27.8	27.8	52.4
	4.0	34	27.0	27.0	79.4
	5.0	26	20.6	20.6	100.0

Total	126	100.0	100.0
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One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Selection and hiring the right employees and appropriate supervisors affects the retention of personnel in organization	126	3.683	1.1146	.0993
Providing potential career advancement and professional development	126	4.230	.9479	.0844
Provide a system of care for employees holding employees in the organization	126	4.437	.8438	.0752
Provide a comfortable environment and organizational culture	126	3.849	.9039	.0805
Use of adequate payment and recognition system for good work	126	4.476	.8737	.0778
Acceptance of staff achievement by supervision	126	3.770	1.0520	.0937
360 degree feedback for the work done, behavior towards consumers and supervisors of their colleagues	126	3.698	1.0061	.0896
Individuals want to stay in the organization because of the emotions and satisfaction towards the goals and values of the organization	126	3.381	1.0420	.0928
Individuals engage in organizations for economic benefits	126	4.143	1.0561	.0941
Individuals are obliged to stay in organizations for moral reasons because they feel that the organization has invested in them through training and development	126	3.794	1.1887	.1059

Korrelationen											
		No. of absent day	How well do you work?	Do you complete the tasks assigned by management on time?	Deal with costumers	Compilting the standards set by the manager and solving problems of costumers	Monetary rewards	Salary and Hygiene factors	Recognition from Manager	Non-monetary rewards	Training and development
No. of absent day	Korrelation	1,000	,059	,179	,079	,186	,003	-,040	,125	-,034	-,113
	Signifikanz (einseitig)	.	,259	,024	,192	,020	,487	,331	,085	,355	,106
	Freiheitsgrade	0	121	121	121	121	121	121	121	121	121
How well do you work?	Korrelation	,059	1,000	-,034	,013	-,053	,088	,097	-,030	,004	-,028
	Signifikanz (einseitig)	,259	.	,356	,445	,281	,168	,144	,372	,482	,380
	Freiheitsgrade	121	0	121	121	121	121	121	121	121	121
Do you complete the tasks assigned by management on time?	Korrelation	,179	-,034	1,000	,156	,064	,034	,073	-,053	,112	,036
	Signifikanz (einseitig)	,024	,356	.	,042	,241	,354	,212	,282	,109	,347
	Freiheitsgrade	121	121	0	121	121	121	121	121	121	121
Deal with costumers	Korrelation	,079	,013	,156	1,000	-,066	,059	,207	-,056	,154	-,140
	Signifikanz (einseitig)	,192	,445	,042	.	,233	,260	,011	,271	,044	,061
	Freiheitsgrade	121	121	121	0	121	121	121	121	121	121
Compilting the standards set by the manager and solving problems of costumers	Korrelation	,186	-,053	,064	-,066	1,000	-,107	,052	-,011	-,067	-,061
	Signifikanz (einseitig)	,020	,281	,241	,233	.	,120	,285	,453	,230	,252
	Freiheitsgrade	121	121	121	121	0	121	121	121	121	121
Monetary rewards	Korrelation	,003	,088	,034	,059	-,107	1,000	,675	,039	,411	,415
	Signifikanz (einseitig)	,487	,168	,354	,260	,120	.	,000	,334	,000	,000
	Freiheitsgrade	121	121	121	121	121	0	121	121	121	121
Salary and Hygiene factors	Korrelation	-,040	,097	,073	,207	,052	,675	1,000	,061	,244	,239
	Signifikanz (einseitig)	,331	,144	,212	,011	,285	,000	.	,251	,003	,004
	Freiheitsgrade	121	121	121	121	121	121	0	121	121	121
Recognition from Manager	Korrelation	,125	-,030	-,053	-,056	-,011	,039	,061	1,000	,220	,203
	Signifikanz (einseitig)	,085	,372	,282	,271	,453	,334	,251	.	,007	,012
	Freiheitsgrade	121	121	121	121	121	121	121	0	121	121
Non-monetary rewards	Korrelation	-,034	,004	,112	,154	-,067	,411	,244	,220	1,000	,434
	Signifikanz (einseitig)	,355	,482	,109	,044	,230	,000	,003	,007	.	,000
	Freiheitsgrade	121	121	121	121	121	121	121	121	0	121
Training and development	Korrelation	-,113	-,028	,036	-,140	-,061	,415	,239	,203	,434	1,000
	Signifikanz (einseitig)	,106	,380	,347	,061	,252	,000	,004	,012	,000	.

Korrelationen											
		No. of absent day	How well do you work?	Do you complete the tasks assigned by management on time?	Deal with costumers	Compilting the standards set by the manager and solving problems of costumers	Games and parties	Specifik goals	Achievable goals	Fedback	Promotion and increase in career
No. of absent day	Korrelation	1,000	,059	,179	,079	,186	-,089	-,040	-,010	,112	,031
	Signifikanz (einseitig)	.	,259	,024	,192	,020	,163	,332	,454	,108	,368
	Freiheitsgrade	0	121	121	121	121	121	121	121	121	121
How well do you work?	Korrelation	,059	1,000	-,034	,013	-,053	,001	-,055	-,062	,057	,031
	Signifikanz (einseitig)	,259	.	,356	,445	,281	,496	,274	,247	,264	,367
	Freiheitsgrade	121	0	121	121	121	121	121	121	121	121
Do you complete the tasks assigned by management on time?	Korrelation	,179	-,034	1,000	,156	,064	,142	-,026	-,027	,137	,002
	Signifikanz (einseitig)	,024	,356	.	,042	,241	,058	,389	,383	,065	,489
	Freiheitsgrade	121	121	0	121	121	121	121	121	121	121
Deal with costumers	Korrelation	,079	,013	,156	1,000	-,066	-,064	,104	,199	,035	-,219
	Signifikanz (einseitig)	,192	,445	,042	.	,233	,243	,125	,014	,350	,007
	Freiheitsgrade	121	121	121	0	121	121	121	121	121	121
Compilting the standards set by the manager and solving problems of costumers	Korrelation	,186	-,053	,064	-,066	1,000	,048	-,065	-,080	-,074	-,106
	Signifikanz (einseitig)	,020	,281	,241	,233	.	,298	,238	,189	,209	,122
	Freiheitsgrade	121	121	121	121	0	121	121	121	121	121
Games and parties	Korrelation	-,089	,001	,142	-,064	,048	1,000	,369	,356	,306	,215
	Signifikanz (einseitig)	,163	,496	,058	,243	,298	.	,000	,000	,000	,009
	Freiheitsgrade	121	121	121	121	121	0	121	121	121	121
Specifik goals	Korrelation	-,040	-,055	-,026	,104	-,065	,369	1,000	,805	,367	,273
	Signifikanz (einseitig)	,332	,274	,389	,125	,238	,000	.	,000	,000	,001
	Freiheitsgrade	121	121	121	121	121	121	0	121	121	121
Achievable goals	Korrelation	-,010	-,062	-,027	,199	-,080	,356	,805	1,000	,345	,191
	Signifikanz (einseitig)	,454	,247	,383	,014	,189	,000	,000	.	,000	,017
	Freiheitsgrade	121	121	121	121	121	121	121	0	121	121
Fedback	Korrelation	,112	,057	,137	,035	-,074	,306	,367	,345	1,000	,249
	Signifikanz (einseitig)	,108	,264	,065	,350	,209	,000	,000	,000	.	,003
	Freiheitsgrade	121	121	121	121	121	121	121	121	0	121
Promotion and increase in career	Korrelation	,031	,031	,002	-,219	-,106	,215	,273	,191	,249	1,000
	Signifikanz (einseitig)	,368	,367	,489	,007	,122	,009	,001	,017	,003	.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.474	10	.147	.885	.550 <sup>b</sup>
	Residual	19.161	115	.167		
	Total	20.635	125			

a. Dependent Variable: No. of absent days

b. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors ,  
Feedback, Recognition from Manager, Training and development, Non-monetary rewards,  
Achievable goals, Games and parties, Monetary rewards , Specifik goals

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.406	10	.041	.362	.961 <sup>b</sup>
	Residual	12.794	114	.112		
	Total	13.200	124			

a. Dependent Variable: How well do you work?

b. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors ,  
Recognition from Manager, Feedback, Non-monetary rewards, Games and parties, Specifik goals,  
Training and development, Monetary rewards , Achievable goals

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.062	10	.006	.770	.657 <sup>b</sup>
	Residual	.930	115	.008		
	Total	.992	125			

a. Dependent Variable: Do you complete the tasks assigned by management on time?

b. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors ,  
Feedback, Recognition from Manager, Training and development, Non-monetary rewards,  
Achievable goals, Games and parties, Monetary rewards , Specifik goals

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.185	10	.519	3.244	.001 <sup>b</sup>
	Residual	18.065	113	.160		
	Total	23.250	123			

a. Dependent Variable: Deal with costumer

b. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors ,  
Feedback, Recognition from Manager, Non-monetary rewards, Games and parties, Achievable  
goals, Training and development, Monetary rewards , Specifik goals

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.438	10	.244	1.070	.391 <sup>b</sup>
	Residual	26.197	115	.228		
	Total	28.635	125			

a. Dependent Variable: Compliting the standards set by the manager and solving problems of  
costumers

b. Predictors: (Constant), Promotion and increase in career, Salary and Hygiene factors ,  
Fedback, Recognition from Manager, Training and development, Non-monetary rewards,  
Achievable goals, Games and parties, Monetary rewards , Specifik goals