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## SIZE OF A COMPANY AND ITS IMPACT ON PERCEPTION OF INTANGIBLE MOTIVATION

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**Abstract:** *Motivation encourages creativity, innovation, professional development of employees and is the key for high business standards. Starting point for this research is that motivation for work will be greater if a person can fulfil several diversified needs. System of rewarding concentrates on design, implementation and maintenance of different forms. For this research intangible factors of motivation were defined. Aim of the research was to determine the differences in perception of intangible factors considering the size of the company they work in. The total of 536 respondents presented that without regard of the size of company they work for they consider intangible factors and strategies as very important.*

**Keywords:** *Motivation, Intangible motivation, Organization, Human resource management, Career development*

### 1. Introduction

Management and development of human resources is becoming increasingly important due to the new place and role of a human in all social processes and in the management of those. Motivation and employee satisfaction become the basis of occupation of modern human resource management because only the construction of quality motivational system can help the organization to increase its competitive ability and value of the company. Employee motivation is not only the area of psychological and sociological issue of work and work behavior but behavior directed toward a goal that excites the needs within a person. The goal is to satisfy these needs. Jambrek and Penić (2008) explain that man's actions are governed by the one's knowledge, opinions, beliefs and predictions,

and when asked why a person is ever in action, there is a question of motivation, which is a "driving force" toward a particular activity.

Most employers today would like to have their employees motivated and ready to work, but do not understand what truly motivates a person (Burton, 2012). Wiley (1997) discussed factors that motivate people in their work and what essential elements of human activity are being triggered. Survey results were collected and served as information and assistance to organizations on what to apply and use to improve motivation and employee work. At that time when such surveys were carried out, it is necessary to note that similar and if not the same motivational impacts on people and their performance at workplaces were mentioned, and all the factors and

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strategies that are now defined as important for the functioning of the organization are similarly shown then. Motivated people are crucial to create a sustainable competitive advantage for your company (Frey & Osterloh, 2002). Internal psychological triggers that force a person to some activity are the cause of some specific behavior. Therefore the individual's performance depends not only on the ability of one but also on the motivation of a person. A great number of intangible strategies were designed among which there are: job design, management style, participation, management by objectives, flexible working hours, recognition and feedback, organizational culture, training and career development, etc. Mentioned strategies together with the material strategies constitute a full motivational system.

Great interest for motivation has basically three reasons: to improve productivity, efficiency and creativity of work, improving the quality of organization's working life and strengthen the competitive ability and success of the company. Among many theories of motivation (Batson et al., 1981) mainly three fundamentals are emphasized.

The theory of the hierarchy of needs which is based on the specific needs and their satisfying as the basis for balance and survival of human organisms was developed by A. Maslow (1987). Theories of external influences and expectations emphasize the importance of environmental impact on the behavior of individuals and their reactions while the theories of achievement motivation (McClelland et al., 1976) do not consider what it takes to survive but what the individual wants.

There are three types of motivational needs: the need for power, the need for interconnection and the need for achievement. An individual with a high need for power will pay a great attention to its influence and control while individuals with a high need for interconnectivity are happy only when being accepted and loved. The

third need for achievement belongs to individuals with a great desire to succeed and at the same time these individuals fear of failure. Motivated employees are needed in our rapidly changing workplaces and they help organizations to survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform (Lindner, 1998). The current concepts of motivation system, motivational techniques and strategies are becoming scarce and insufficiently flexible so it is necessary to develop and introduce new ones that will by their versatility and concrete lead to high motivation and satisfaction of employees. At the same time these will influence development of a successful business. Particular importance is given to development and offering intangible forms of motivating employees. Masi and Cooke, (2000) noticed that sometimes small companies seem to face problem sin motivating their employees and even choose the motivating strategy comparing to the large companies which have greater resources and broader spectrum to offer. On the same topic Lee and Raschke (2016) add that "whether it's a small, medium or large organization, employees have common and similar needs driven by different ways of motivation."

## **2. Theory of intangible motivation**

A complete motivational system along with tangible strategies that make up its foundation must include a diversified upgrades and infrastructure of different intangible incentives for work that meet the diverse needs of people in organizations. The fundamental starting point of motivation practice in organizations nowadays is the realization that the motivation for work will be greater when a person can meet more of its diverse needs, not just the existential.

In view of such a situation, it is crucial that management takes care of employee motivation, which is a key factor for organizational effectiveness and efficiency

and for the successful implementation of the corporate strategy (Rožman, Treven & Čančer, 2017). Motivation is important because of its significance as a determinant of performance and its intangible nature (Zafar et al. 2014). Motivation at work is widely believed by most authors on the subject to be a key factor for performance of individuals and organizations and also has significance on intention to turnover. There is a strong link between job dissatisfaction and lack of motivation (Nduka, 2016). Osterloh et al. (2002) argue that motivation is an endogenous variable and introduce it as a crucial link into the theory of the firm.

Day by day the needs of higher order, the ones that consider development and validation of one own abilities and possibilities of autonomy and taking into account one's status, are more important.

Dimensions of work such as the content of the work (which includes diversity, autonomy in carrying out the tasks, the complexity of tasks, integrity of tasks), job function (including responsibility, authority, information flow, methods of work and the need for coordination) and relationships (the ability to work with others, to create friendship and requests for teamwork) directly affect the results of the work: the execution of tasks (effectiveness and efficiency) and the reaction of the executor-employee (satisfaction, absenteeism and turnover) (Carrell, Elbert & Hatfield, 1995).

While motivating employees managers have a very important task to determine and monitor their needs and preferences with regard to remuneration they want to receive for their work. This is often the issue of a misunderstanding between the opinions of managers and real wishes of the employees. Differences in managerial perceptions about what employees want and the actual preferences of employees (Bahtijarević-Šiber, 1999) can be found in the following factors: interesting work, respect for the work done, the feeling that the employee is being informed about what is going on, job security,

good payment, promotion and development within the organization, good working conditions, personal loyalty of managers, tactful discipline and compassionate assistance in personal problems. While creating a ranking list of priorities of those factors managers in the first place put factor 'good salary'. That is the only tangible factor of motivation on the list. At the same time the employees place 'interesting work' in the first place, while motivational factor that consider payment was positioned only at the fifth place. Significant differences in the perception of the importance of factors it is possible to notice with 'respect for their work' and 'the feeling that the employee is being informed about what is going on'. While these two factors are in the list of importance for the employees on the second and third place, with managers they are at eighth and tenth place. Full respect for the work done as a intangible factor Lam and Gurland (2008) explain as a feeling that one's effort and the time invested to do a certain job (that may sometimes not be within daily workplace commitments) really is worth it.

By developing organizational culture a company has significant influence on the motivation of employees. According to Buntak, Droždek and Kovačić (2013) culture that encourages high motivation has the following characteristics: binds its core values to their employees, quality work and services to consumers and customers, ensures a large space and adapts to the needs and demands of capable and creative people, develop a climate that encourages creativity and rewards innovators, does not punish mistakes, encourages risk-taking, demands continuous improvement, experimentation and introduction of changes, creates an informal friendly atmosphere that ensures hard work become pleasant and fun, creates and spreads a sense of success, satisfaction and pride for good work done and high quality on individual and organizational level and enhance the spirit of community and company caring of their employees.

### 3. Research methodology

The research objective was to determine whether there are differences in the perception of intangible factors and strategies and their impact on employees' motivation due to the size of the company and which factors and strategies are given greater importance. The starting hypothesis was: *Employees of small companies often attach more importance to the factors and strategies of intangible motivation compared to employees of large companies.*

The study included 21 companies of which 6 small ones, 9 medium-sized and 6 large companies.

The total number of respondents was 536 employees, of which 504 males (94%) and 32 female (6%). Most of respondents, 336 of them, have a high school education, while the least employee stated primary school as the

education they have. Interestingly, only one respondent-employee has not completed primary education. The largest number of respondents is aged 30-40 years while the lowest number (less than 20) is over the age of 60. Distribution of respondents due to the working position in the company is shown in Table 1.

Top management includes directors and board members, lower management are managers and heads of departments while the number of independent experts includes controllers, technologists and employees in IT support. In the non-production sector included were respondents from sales, logistics, accounting and procurement while in the process of production there were employees in the maintenance, installation, construction, machining and surface treatment.

**Table 1.** Distribution of respondents according to the position within the company

Working position in the company	No. of respondents
Top management	8
Middle management	38
Lower management	45
Independent expert	108
Non-production sector	89
Production proces	248

For the purpose of this study 18 key factors of motivation and 17 key strategies of motivation were defined. The key factors are: interesting work, respect for the job done, the feeling that the employee is being informed about what is going on, job security, promotion and development of the organization, good working conditions, education and seminars, personal loyalty of a manager, tactful discipline, empathy in personal problems, flexible working hours, recognition of success, participation in decision making, feedback, motivation and self-motivating, the status within the company, social climate and organizational

culture.

The 17 key strategies of motivation include: high productivity of skilled workers, higher quality of products and services, more ideas and suggestions, teamwork, greater flexibility, greater job satisfaction, less absenteeism (less training required), less fluctuation (it is easier to replace workers), enrichment of work (multiple tasks and skills, responsibility and autonomy), design of work (use of individual features and potential), participation (inclusion in decision-making and problem solving), organizational culture (social climate and culture that govern the

organization), training and career development, management by objectives, flexible working hours, recognition for a job well done and feedback.

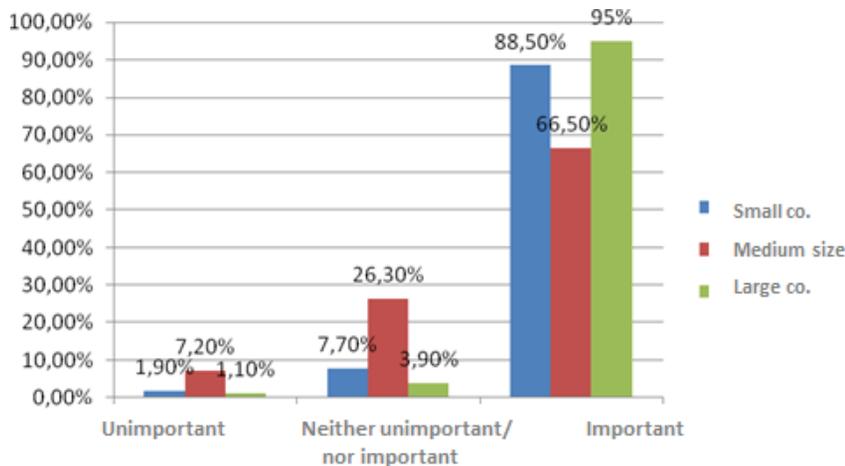
The survey is divided into three parts: demographic information, statement to assess the attitudes towards the importance of factors of motivation and the last part contains statements for assessment the importance of strategy of motivation. Each statement is associated with a Likert scale marked by scores from 1 to 5 where 1 is completely irrelevant, and 5 is very important. Also, respondents were asked to rank the factors and strategies of motivation of importance from the most to the list important ones.

#### 4. Results and discussion

The research results showed no statistically significant differences in the perception of the

importance of certain factors and strategies with regard to the size of the company from which the respondent comes. Also, when ranking importance of intangible factors respondents showed no significant variation in responses. The top three ranked factors that respondents find most important are: "respect for the job done, 'job security' and 'working conditions'. The most important strategies of motivation respondents considered 'higher quality of product', 'more ideas and suggestions' and 'job satisfaction'. These three factors and three strategies will be presented in continuation.

Factor "full respect for the work done" shows that 88.5% of the respondents from small companies evaluate it as partially or very important factor and 95% of respondents working in the large companies present the same opinion. Respondents from the medium size company are somewhat restrained.

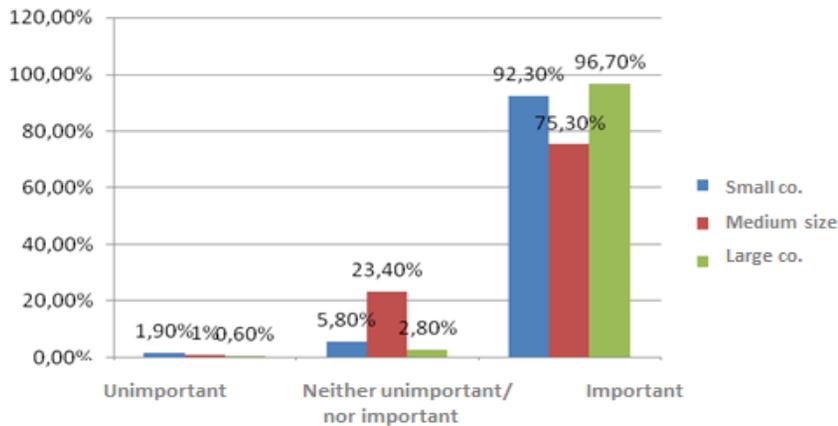


Source: Authors' calculations according to the survey

**Figure 1.** Factor "full respect for the work done" with regard to the size of a company

Testing "job security" as intangible motivation factor even 92.3% of the respondents from small companies evaluate as partially or very important factor. Similar opinion show respondents from large

companies (96.7%), while respondents from medium size companies are a little more restrained and 23.4% of them considered "job security" neither important nor unimportant.

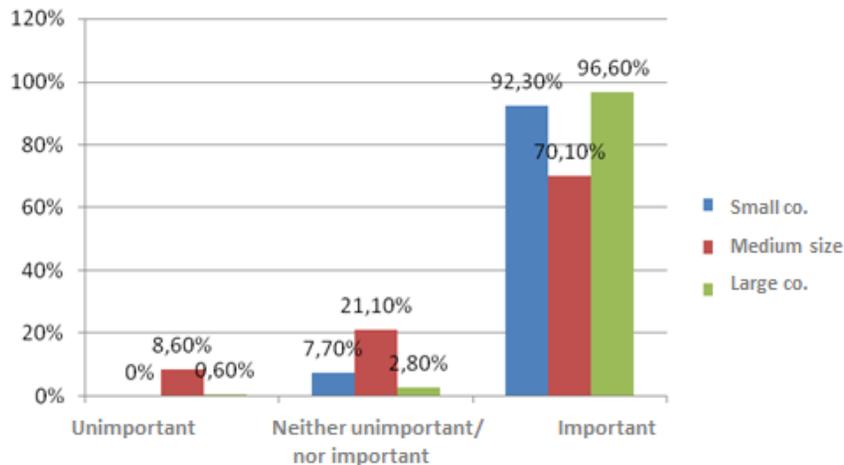


Source: Authors' calculations according to the survey

**Figure 2.** Factor "job security" with regard to the size of a company

Asked to evaluate "good working conditions" the respondents present that 92.3% of them from the small companies think it is partially or very important and 96.6% of respondents from large companies gave the same answer

while the respondents working in the medium size companies show 21.1% of them consider this factor of intangible motivation neither important nor unimportant.

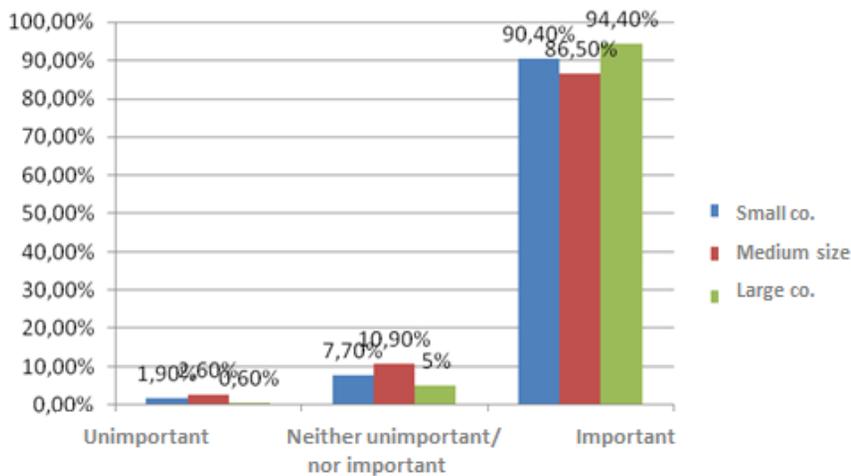


Source: Authors' calculations according to the survey

**Figure 3.** Factor "good working conditions" with regard to the size of a company

"Higher quality of product" as an intangible motivation strategy is evaluated as important one without regard of the size of the company. Only 0,6% of respondents from the large

companies found it not important and 5% of the same respondents could not decide whether this is an important or unimportant strategy.

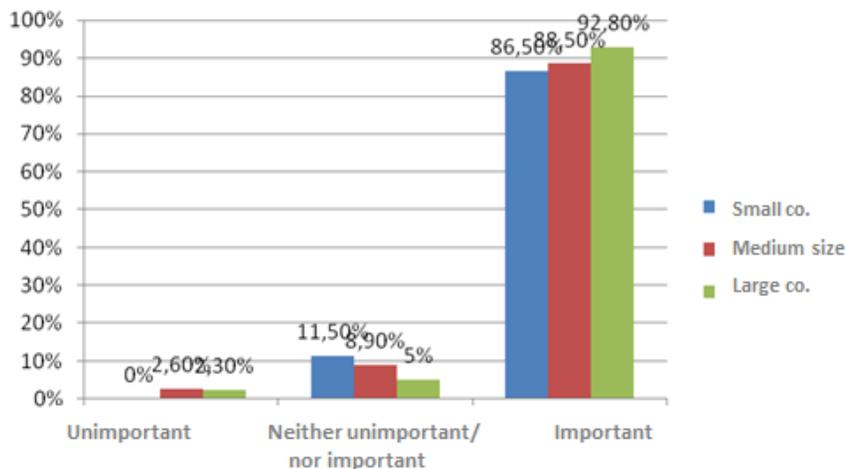


Source: Authors' calculations according to the survey

**Figure 4.** Strategy „higher quality of product“ considering the size of a company

The assessment of the strategy "more ideas and suggestions" shows that companies of all sizes consider this strategy of great importance. Respondents of small companies believe that strategy is very important in 86.5% of cases, but a slightly higher

percentage of the same answers gave the respondents from medium size companies (88.5%) while the respondents from large companies show 92.8% of agreement with the importance of the strategy.

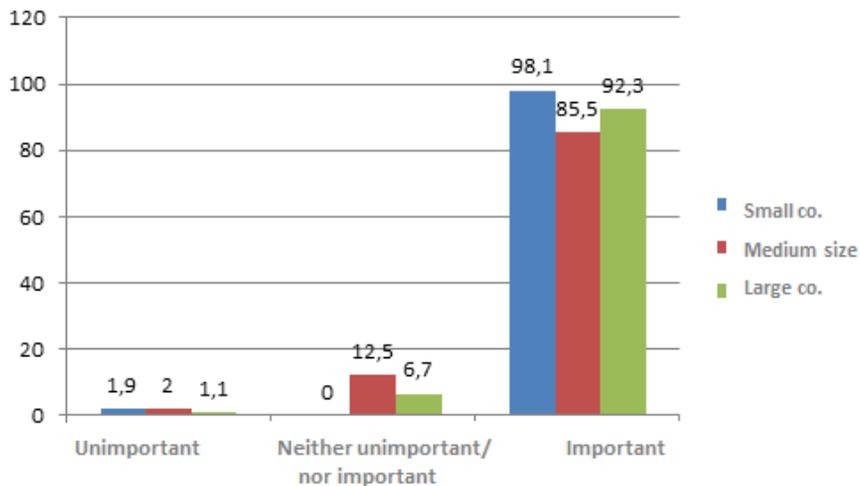


Source: Authors' calculations according to the survey

**Figure 5.** Strategy "more ideas and suggestions" considering the size of a company

High result of 98,1% of respondents from small companies estimated "job satisfaction" partially important or very important while the same importance showed 92,3% of

respondents from large companies. Respondents from medium size companies were restrained and estimated job satisfaction importance at 85.5%.



Source: Authors' calculations according to the survey

**Figure 6.** Strategy "job satisfaction" with regard to the size of a company

The results show that the respondents from large companies presented greater importance of the intangible factors and strategies of motivation compared to respondents from small companies which is contrary to the assumption stated in the hypothesis.

Respondents of small companies give more importance to the strategy of intangible motivation "job satisfaction". At those companies job satisfaction was shown at 64% so it can be concluded that employees in small businesses enjoy greater job satisfaction than employees in larger companies.

In this research and based on the results besides the positive, highly significant motivational factors and strategies, it is important to say that there are no major deviations where the respondents could classify a particular motivational factor or strategy as a completely irrelevant feature. Although small, medium and large companies differ greatly in terms of their structure, the way of performing and managing self-organization, management and interpersonal communication motivational factors and strategies are equally important, acceptable and achievable. As already mentioned, the survey included an equal number of small, medium and large companies with people working on a completely different jobs.

Regardless of the 18 different motivation factors as well as the 17 offered strategies, the results chose the total of 6. Full respect for the job done is first of all the intangible motivational factors that are significant for the respondents. More and more people accept a certain type of job with the hope and expectation that this job will be long term one, so the second factor is primarily related to the need for security. The third factor was good working conditions, which can be observed through various aspects. Significantly great number of respondents agreed with the statements and showed a high level of their importance. Motivating factors and strategies are in focus as organizations have become more complex, and employees have set greater demands and expectations towards the job they do. Which to choose depends primarily on the organization itself, but also on the way people on leading positions think, their knowledge of standards, leadership style and management.

## 5. Conclusions

It is undisputed that motivating employees makes an extremely important part of the work of a successful manager and is an indispensable part in all business segments.

Results of the presented study are another proof of the significance of intangible factors of motivation and it can be concluded that there are no statistical difference in the perception of the importance of factors and strategies regarding whether the respondents come from small, medium or large enterprises.

This means that the initial hypothesis was not confirmed which opens the door for further deeper research in this extremely important area. The study brings a new order of importance of factors of motivation, according to which the most important are: 'respect for the job', 'job security' and 'working conditions' and the most important strategies of motivation are: 'higher quality of product', 'more ideas and suggestions' and

'job satisfaction'.

Modern society find intangible mechanisms to be important part of the motivation process according to numerous studies and thus become a new task of a manager who needs to have the skills and knowledge necessary to understand the concept of a human, to identify characters of employees, their needs and desires, and who by using different strategies affects boost of motivation and ultimately the effectiveness of the achieving organizational goals. The primary task of a manager is to design and conceive such a system of motivation which will include a combination of more motivators that would affect all dimensions of work and make the employees successful and able to increase the efficiency of company operation.

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