

INVESTIGATION INTO EMPLOYEE MOTIVATION

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Abstract. The aim of the paper is to identify the motivation factors considered to be the most important for tourism enterprises by their employees. Research tasks: 1. To examine the factors influencing motivation; 2. To perform an analysis of the factors promoting and hindering the motivation of employees by employing the methods of survey and benchmarking. The research found that employees working for tourism enterprises were mostly motivated by a decent wage, an interesting job and career growth opportunities at the enterprises; the employees considered the feeling of job security and good work conditions to be also important. An employee of an enterprise engaged in the hotel industry of Latvia was mostly motivated by good work conditions, the feeling of job security and an opportunity to be involved and informed, while relations with the management and a decent wage were also considered to be important.

Key words: employee, employee motivation.

JEL code: M12,M54

Introduction

Author R. Oldcorn (*Oldcorn, 1989, 159*) has referred to motivation as "a very complicated problem, and there is no single magic formula that can be used to motivate every individual".

Employee motivation is one of the key factors in personnel management, and it is important to be aware of it at all levels of an organisation. Any manager has to be knowledgeable about the factors that motivate employees in order to increase labour productivity as well as the employees have to be clear about what they want from their employers. It is very important for any personnel management to comprehend the nature of motivation and introduce an effective monetary as well as non-monetary employee remuneration system at the enterprise.

Authors Latham and Ernst (*Latham, Ernst, 2006*) define motivation as a psychological process resulting from the reciprocal interaction between the individual and the environment that affects a person's choices, effort and persistence. However, M.Armstrong (*Armstrong, 2003*) stresses that a person is motivated to do anything only in case the clear goals set in advance are going to be achieved. R. Neimeyer and M.Zeifert define motivation as a complicated process that involves a driver, self-reliance, the psychological time perspective and emotional intelligence and the result, placing no focus on the effects of the surrounding environment.

The authors employed the benchmarking method for interpreting the research results and conducted a survey of employees at one of the leading hotels in Great Britain (hereinafter referred to as "London") and three leading hotels in Latvia: "Radisson Blu Latvija Conference & Spa Hotel", "Tallink Hotel Riga" and "Albert Hotel".

The research employed the following methods: monographic, graphic, a questionnaire survey, descriptive statistics, inductive statistics, a nonparametric Mann-Whitney test and a Spearman's rank correlation test.

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Research results and discussion

According to data of the Central Statistical Bureau, totally 563 accommodation establishments served tourists in Latvia in 2015. Hotels accounted for 43 % of the total accommodation establishments. Hotels, motels, resorts, resort rehabilitation centres, apartment hotels and guest houses are regarded as hotels and similar establishments.

The largest number of tourist accommodation establishments was reported in 2011 when 641 accommodation establishments operated in

Latvia, while in later years a sharp decrease in their number was observed; in 2013 compared with the previous year, their number declined by 14 %. At the end of 2014, according to Lursoft data, more than 1 300 enterprises were engaged in the tourism industry, of which 10 % operated for more than 20 years. Almost half of the enterprises (45.73 %) operated for more than 10 years (*Viesnicu nozare stradajoso ..., 2014*).

According to Lursoft data, half of the enterprises engaged in hotel business operated in nine cities of national significance; most of them – 37.4 % – were located in Riga, followed by Jurmala with 4.1 % and Liepaja with 3.3 %.

The total turnover of providers of accommodation services increased year by year, reaching EUR 190.8 million in 2015. In 2015 compared with 2010, the total turnover in the industry increased by 61.3 %, while the overall growth rate for the national economy was only 40.2 %. Enterprises engaged in the hotel industry had both a higher turnover per enterprise and a higher turnover growth rate than the averages for the national economy, which allowed concluding that the hotel industry was a fast growing one.

A survey was conducted within the research, which aimed to identify the factors that motivated employees. Questionnaires in English in paper form were distributed at "London". Questionnaires in Latvian in electronic form were filled in by employees of "Radisson Blu Latvija Conference & Spa Hotel", "Tallink Hotel Riga" and "Albert Hotel". The number of respondents at "London" reached 37 % of the hotel's employees; a similar percentage of employees were surveyed in Latvia as well. The respondents were requested to arrange ten motivation factors suggested by Kovach (*Kovach, 1987*) on a scale from 1 (the most important) to 10 (the least important):

- a feeling of job security;
- an interesting job;
- a decent wage;

- career growth opportunities;
- acknowledgement of work done from the management;
- relations with the management, trust;
- good work conditions;
- an opportunity to be involved and informed;
- tactful personnel management;
- assistance of the management to solve personal problems.

Each of the factors that had to be arranged by importance by the respondents were suggested by personnel motivation theories. According to Maslow's Theory of Needs, such a factor as an interesting job is at the top of Maslow's hierarchy of needs (self-actualisation needs); the feeling of security is characterised by the need for safety and security and relations with colleagues and relates to social needs (King, 2011).

By employing Adams' Equity Theory, one can analyse such factors as tactful management and acknowledgement of well-done work from the management. If it seems to employees that their colleagues are given more acknowledgement of well-done work or are higher paid, the employees, not receiving the same acknowledgement of well-done work, feel unfairly assessed and are not going to be motivated.

Vroom's theory of motivation may be employed to explain why an interesting job motivates employees. If an enterprise gives its employees an opportunity to develop themselves and acquire new skills through training that meet every individual's wishes and, in addition, the work environment and job tasks are adjusted too, the employees are certainly better motivated to work, as they clearly understand that their efforts yield results and they are given an opportunity to do a job that they like and are interested in (Vroom, 1964; Herzberg, 1987).

Applying the job characteristics model, designed by Hackman and Oldham, in analyses, one can examine such factors as control over job planning and the need of employees to be involved and informed. McClelland's Theory of

Needs focuses on the need for achievement and deals with such factors as open communication and relationships with colleagues, control over job planning and relations with the management (Latham, Ernst, 2006).

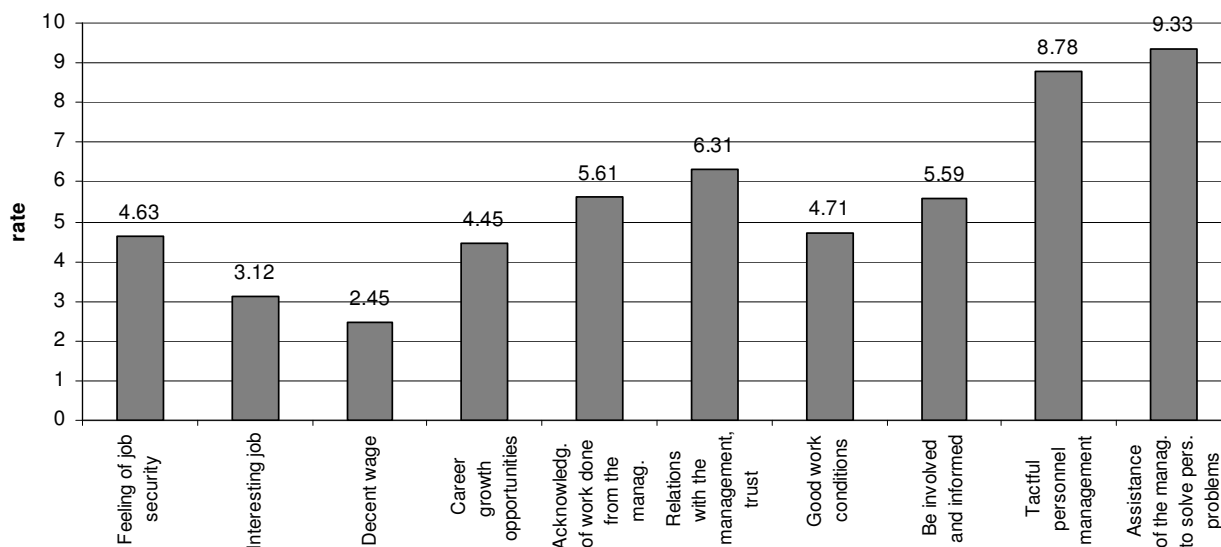
After examining the satisfaction of employees with their jobs, one can find that the number of employees being satisfied with their jobs at "London" was 11 % higher than that in Latvia, and more than half of the respondents – 58 % – admitted that they were satisfied with their jobs. The respondents who were not satisfied with their jobs at "London" were represented by both women and men aged 21-40, whereas in Latvia such respondents were mostly women aged 20 and under; besides, their length of service at their current jobs was less than three months.

Of the respondents from the hotels in Latvia who were partly satisfied with their jobs, 82 % were those who had worked at their current jobs for not more than three months; in addition,

most of them or 89 % were aged 30 and under. One can conclude that in Latvia mostly young individuals who were at the early stage of their careers and probably did their jobs in this industry only as temporary jobs or combined their jobs with studies were not satisfied with their jobs.

Performing an analysis of the questionnaire replies, first of all, the average rating of each factor was calculated, then the factors were arranged in their positions from 1 to 10. A factor with the lowest average score was the most important one, in the opinion of the respondents, and was placed in first position, while a factor with the highest average score was placed in tenth position, which was the least important one.

The average ratings of the ten motivation factors arranged by the "London" employees are presented in Figure 1.



Source: authors' construction based on the survey

Fig. 1. Average ratings of motivation factors at "London"

Table 1 shows the average ratings of the factors and their ranks broken down by gender. The authors performed a Mann-Whitney U-test (U=48.5, p=0.908, α=0.05) and put forward a null hypothesis (both groups are similar) and an alternative hypothesis (both groups are different). The U-value acquired was equal

to 48.5, the p-value was 0.650. The critical significance level was set at 0.05, which meant that p>α. One can conclude that the null hypothesis proved to be true – the gender differences among the "London" employees were statistically insignificant.

Average ratings and ranks of motivation factors by gender of employees at "London"

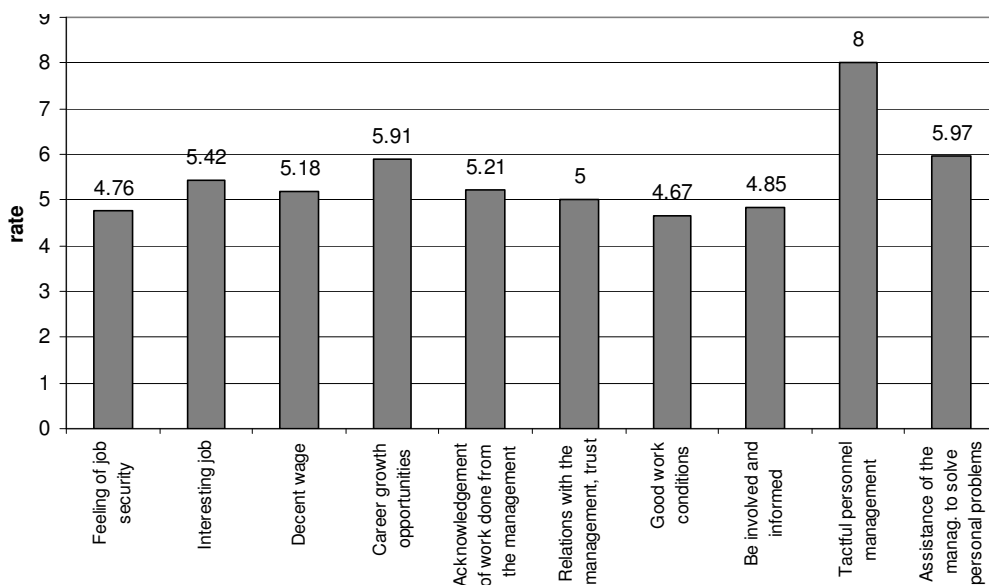
Factors	Women		Men	
	Average rating	Rank on a 10-point scale	Average rating	Rank on a 10-point scale
Feeling of job security	4.67	3	4.52	4
Interesting job	3.50	2	2.57	2
Decent wage	2.40	1	2.52	1
Career growth opportunities	4.73	4	4.10	3
Acknowledgement of work done from the management	5.40	6	5.90	7
Relations with the management, trust	5.93	8	6.86	8
Good work conditions	4.80	5	4.57	5
Be involved and informed	5.50	7	5.71	6
Tactful personnel management	8.80	9	8.76	9
Assistance of the management to solve personal problems	9.23	10	9.48	10

Source: authors' construction based on the survey

Performing a Spearman's rank correlation test the authors put forward a null hypothesis – a correlation between both groups is equal to 0 – and an alternative hypothesis – the correlation is not equal to 0. The correlation coefficient rho was 0.906, the p-value was equal to 0.000. The critical significance level was set at 0.01, which

meant that $p < \alpha$. One has to conclude that the null hypothesis has to be rejected and the alternative one has to be accepted – the correlation is strong and statistically significant.

The average ratings of the ten motivation factors arranged by the hotel employees surveyed in Latvia are presented in Figure 2.



Source: authors' construction based on the survey

Fig. 2. Average ratings of motivation factors in Latvia

The hotel employees surveyed in Latvia believed good work conditions were the most important factor. Even though only 9 % of them placed it in first position, overall it was

mentioned as the most important factor, as another 33 % of the respondents regarded it as the second or third most important factor.

The feeling of job security as the most important factor was mentioned by 21 % of the respondents, another 18 % placed it in second and third positions. The need to be involved and informed as one of the top three factors was mentioned by 45 %. The least important factor – tactful personnel management – was ranked in last position by 33 % and 12 %, respectively.

In Table 2, the authors presented the average ratings of the factors and their positions on a scale from 1 to 10 broken down by gender. Performing a Mann-Whitney U-test ($U=48.5$, $p=0.908$, $\alpha=0.05$), the authors put forward a null hypothesis (both groups are similar) and an alternative hypothesis (both groups are different). The U-value acquired was equal to 49, the p-value was 0.940. The critical significance level was set at 0.05, which meant that $p>\alpha$. One can conclude that the null hypothesis proved to be true – the gender differences among the hotel employees in Latvia were statistically insignificant.

Table 2

Average ratings and ranks of motivation factors by gender of hotel employees in Latvia

Factors	Women		Men	
	Average rating	Rank on a 10-point scale	Average rating	Rank on a 10-point scale
Feeling of job security	4.57	1	5.08	5
Interesting job	4.81	3	6.50	7
Decent wage	6.43	9	3.00	1
Career growth opportunities	5.48	7	6.67	8
Acknowledgement of work done from the management	5.05	4	5.50	6
Relations with the management, trust	5.76	8	3.67	2
Good work conditions	4.62	2	4.75	4
Be involved and informed	5.29	6	4.08	3
Tactful personnel management	7.81	10	8.33	10
Assistance of the management to solve personal problems	5.19	5	7.33	9

Source: authors' construction based on the survey

Women, compared with men, positioned higher such factors as the feeling of job security (first, while men placed it in eighth position), good work conditions and an interesting job. In contrast, men positioned higher a decent wage, relations with the management and the need to be involved and informed.

Analysing the average ratings and the positions broken down by the age of the respondents, one can find that the respondents in Latvia were not unanimous, as each age group positioned the factors differently. For the youth aged 20 and under, such factors as good work conditions, acknowledgement from the management and the feeling of job security were positioned the highest, whereas the respondents aged 31-40 considered the feeling of job security and relations with the management to be the most important ones.

Table 3.

Ranks of employee motivation factors on a 10-point scale at "London" and in Latvia

Factors	"London"	Latvia
Feeling of job security	4	2
Interesting job	2	7
Decent wage	1	5
Career growth opportunities	3	8
Acknowledgement of work done from the management	7	6
Relations with the management, trust	8	4
Good work conditions	5	1
Be involved and informed	6	3
Tactful personnel management	9	10
Assistance of the management to solve personal problems	10	9

Source: authors' calculations based on the survey

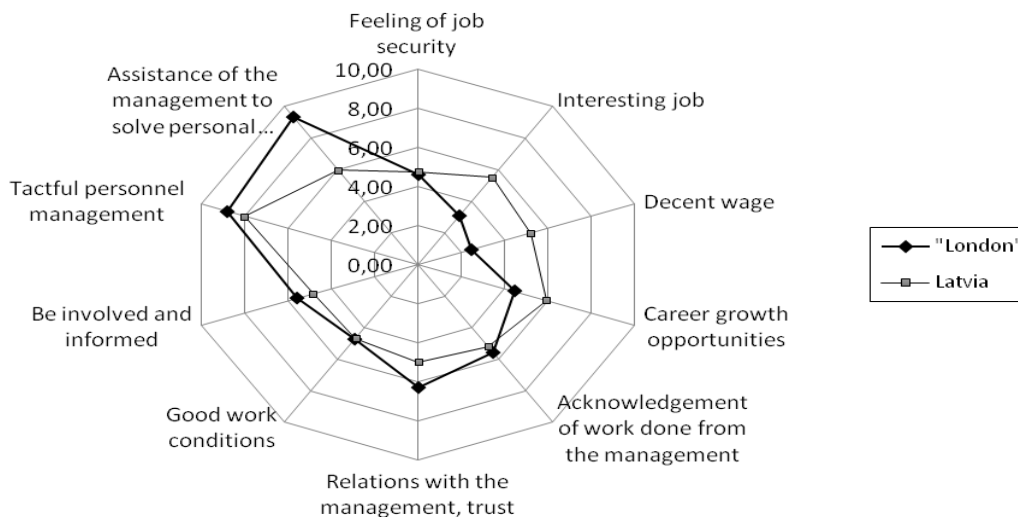
A comparison of the motivation factors arranged by the employees at "London" and at the hotels in Latvia on a scale from 1 to 10 allows concluding that there were significant differences between both countries. Both three most important factors and three least important ones were arranged differently. The differences may

be explained by different economic situations in the two countries as well as the multinational personnel of "London", as most of them were foreign employees.

The authors performed a Mann-Whitney U-test ($U=44.0$, $p=0.650$, $\alpha=0.05$) and put forward a null hypothesis (both groups are similar) and an alternative hypothesis (both groups are different). The U-value acquired was equal to 44.0, the p-value was 0.650. The critical significance level was set at 0.05, which meant that $p>\alpha$. One can conclude that the null hypothesis proved to be true – the differences

between the employees of "London" and those of the hotels in Latvia were statistically insignificant.

Figure 3 shows the ranks of the motivation factors based on their average ratings. The closer an average rating is located to the centre of the radar chart, the more important it was in the opinion of the respondents. The least important factors are located farthest from the centre. The authors conclude that even though there are considerable differences in the average rating among the factors, most of them were given similar scores.



Source: authors' construction based on the survey

Fig. 3. Ranks of employee motivation factors at "London" and in Latvia

According to Maslow's theory, remuneration is important to meet the lowest level needs (physiological) and the security and safety needs. For the respondents, remuneration was the most important motivation factor, as they were aware that it was an essential aspect for meeting their higher-level needs.

The survey results were consistent with McClelland's theory, which states that during the lifetime human needs change depending on the experience gained, i.e. the "London" employees aged 40 and above did not view their remuneration as the most important motivation factor.

Conclusions, proposals, recommendations

- 1) In Latvia, the employees of hotel industry enterprises were mainly motivated by good work conditions, the feeling of job security and an opportunity to be involved and informed, as well such factors as relations with the management and a decent wage. Assistance of the management to solve personal problems and tactful personnel management were regarded as the least important factors.
- 2) At the enterprise "London", 69 % of the employees were satisfied with their jobs, while in Latvia the number of satisfied employees reached only 58 %. In Latvia, the 9 % share of unsatisfied respondents was mainly

- comprised of women aged under 20; besides, their length of service at their current jobs was no longer than three months.
- 3) Of the hotel employees in Latvia who were unsatisfied or only partly satisfied with their jobs, 93 % mentioned that they were unsatisfied or only partly satisfied with their pay, while 63 % of the "London" employees who were unsatisfied or only partially satisfied with their jobs admitted that nevertheless they were satisfied with their pay, which clearly indicated that the level of remuneration was the key motivation factor in the opinion of the employees.
- 4) At "London", the employees were mainly motivated by their remuneration, interesting jobs and career growth opportunities, while admitting the feeling of job security and good work conditions to be important as well.
- Tactful personnel management and the assistance of the management to solve personal problems were considered to be the least important factors.
- 5) In Latvia, hotel industry enterprises should seek to meet the needs of as many employees as possible when designing and introducing an employee motivation system; besides, it has to be taken into consideration that the needs an employer focuses on involve various levels of the needs.
- 6) Since the employees regarded non-monetary motivation factors as the most important ones, a motivation system based only on monetary remuneration is not effective for hotel industry enterprises in Latvia. An optimum motivation level could be ensured by using both monetary and non-monetary factors.

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