

## The role of motivation in the organizational behavior - the experience of the companies in Bosnia and Herzegovina

### Abstract

*This paper analyzes the role and the importance of motivation in private companies and other business entities in Bosnia and Herzegovina. The paper is based on research conducted by questionnaire in companies in the largest cities of BiH. Analysis of the results collected by the questionnaires on a sample of 1,239 respondents, shows that employees are aware of the importance and role of the motivation, they realize that it affects the job satisfaction, that it builds good interpersonal relations, that encourages loyalty to companies and businesses and they expect from managers and leaders to continuously improve the forms and methods of the employee motivation.*

**Keywords:** *motivation, organizational behavior, loyalty to the company, interpersonal relations, de-motivation, incentives and types of motivation.*

### Introduction

Man's work, conduct and any other activities are significantly conditioned by the degree of his motivation, regardless of whether the origin of the motive is internal (impulse within man, the individual) or external (incentive by the external influences). Modern companies and other business entities pay great attention to improving the form, manner, technique and instruments of

the employee motivation. Science and experience have shown that employees who are well motivated show more wishes, desires, creativity, innovation, greater company loyalty and increased satisfaction in their work. Good employee motivation creates a good business climate, strengthen relationships and builds a good and sustainable organizational behavior. Numerous studies in developed countries and large companies show that motivation is a key component of the organizational behavior and the organizational behavior is the main pillar of business dynamism, good enterprise management and successful and rapid organizational changes and the adaptation to the new business conditions and market requirements.

The study of the role and the importance of employee motivation is particularly interesting and important in companies in the countries that are in a period of transition from one social system to another. Characteristic and a good example of such research are companies in Bosnia and Herzegovina. We will in this paper focus on private enterprises in BiH and analyze the situation and characteristics of motivation and its impact on organizational behavior of employees who are not in the position of manager or leader. We decided to look at the motivation exclusively in private companies because they are created in three specific ways: First, by the privatization of former socially-owned and state-owned enterprises; Second, the establishment of businesses by citizens of BiH as a green field investment, and third, the private companies that have been established by foreign entities or companies, by purchase of former state (social) enterprises and green field investments. Companies created through these three forms have their own peculiarities in terms of organization of work, mode of management, the status of employees, attitude towards the environment, vision, mission and ultimate intentions of their founders. Therefore, we believe that it is important to investigate the perception of the role and the importance of employee motivation in these companies on a specific group, such as employees who are not in managerial positions.

## **1. The Importance of Motivation**

Motivation is the driving force, internal energy and the engine of human needs. The needs are the basis, the foundation of the development of the man and society. They are the core strength of each generation, from their development depends directly the quality of society and the ability of the individual in society. Needs can be met, unrealized, suppressed or compensated by

another (usually enforced) necessity. Needs and motives are not synonymous, but two different mental, and physical activities of the each individual. They exhibit synchronously and mutually encourage, cause, stop, start, develop, stagnate and disappear. What will happen to the man's (individual, group and societal) needs, depends on the degree of motivation that drives helps and influences those needs to be accomplished. Without the good motivation, many needs will remain unfulfilled or will be only partially realized. It is always raised the question - "what motivates someone to work, learn, create, launches something, gives ideas or continuously achieve success"? That is why we talk about the great importance of motivation in a person's work, business, creation and success.

Motivation is "the amount of energy and strength" that a person has during his activities. This is a "concern for the achievement of the set goals" that affect the man's activity, attention and "the overall cognitive activity".<sup>1</sup> That motivation is the driver of wishes and needs to achieve something, confirms the view by Nazari and Guilan, who say that motivation is the "driving force with which people achieve their goals. In fact, it is a combination of effort plus the desire to achieve a goal that leads to a conscious decision to act "through continuous mental and / or physical effort," in order to achieve the pre-set objectives "<sup>2</sup> Motivation is "the force that directs behavior" and creates a tendency for an actor to "achieve something, to reach the goal that was previously set for himself."<sup>3</sup> Motivation is the internal driving force of physical and psychological resources of individuals who are focused on overcoming the shortcomings and the elimination of obstacles towards the realization of the set goal, the satisfaction of a need.

In these few preceding paragraphs and the definitions of motivation we see that dominates its psychological dimension. Here the motivation is seen as the driving force, receptor, guideline and the router of human behavior and performance. Sociological observation of motivation means that the motivation is viewed as a part of human interaction, man's relationship to other people, groups and communities. Here we observe the motivation of individuals and groups that their activities are directed towards mutual, joint, coordinated, but also competitive, achieving of a different goal and meeting

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<sup>1</sup> David Yun Dai; Robert J. Sternberg, *Motivation, Emotion, and Cognition: Integrative Perspectives on Intellectual Functioning and Development*, Mahwah, New York: Lawrence Erlbaum Associates, 2004. p.39.

<sup>2</sup> Atefeh Nazari and Abdollahi-Guilani, Mohammad, *Motivation and Attitude towards Learning English: A Case Study of Rasht Islamic Azad University*, Modern Journal of Language Teaching Methods. Volume: 5. Issue: 4 December 1, 2015.p.585.

<sup>3</sup> Manzoor, Quratul-Ain, *Impact of Employees Motivation on Organizational Effectiveness*, Business Management and Strategy, Vol. 3, No. 1, January, 2012.

the individual and collective needs. Motivation seen from the economic point of view means “skill that helps people to focus their thoughts and energy to work and to work so that they are as efficient as possible.”<sup>4</sup> Motivation is primarily cognitive, contemplative and emotional dimension of every person, and that is why it is a bit mystical, hidden, secretive, and variable component of human behavior and performance.

### *1.1. The forms and levels of motivation*

It should be noted that any discussion of the importance of motivation in the activities of individuals and groups implies the inclusion of the three main elements of this process: motive as a cognitive impulse; motivation as a process of converting motives in action and the motivator as an actor who runs, stimulates, provokes, and focuses the motivation as a process that takes place continuously, reaching goals, perform tasks and meets the needs.

According to the place of origin and / or initiator, motivation can be divided into internal (intrinsic) and external (extrinsic). Internal motivation means that the individual gets from the inside, from their cognitive and physical habit motive (impulse) to start up their strength, knowledge, abilities and skills to meet a perceived, conscious, clear and manifested need, to achieve some success, to reach the set target. Internal motivation can be characterized as a self-motivation, because it comes from a combination of desire and energy that one feels and that turns into striving to meet the needs, interest to be reached and to get to the set objective. Internal motivation is the behavior for which “there is no apparent reward except the activity itself”<sup>5</sup> and where there is no clear external factors that drive the activity.

Internal motivation has several levels of manifestation. The first is the level of the existential motivation, motivation of survival that drives the process of meeting the basic needs (food, clothing, housing, reproduction). The second level is the motivation of socialization, which includes ways and means of inclusion in the environment and the survival in the environment. The third level includes creative, innovative and development motivation, which is characterized by individual’s effort to be educated, to work, to create and improve themselves and their environment. The fourth level is the motivation of achievement, which includes success in career, influence and power, con-

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<sup>4</sup> Saul W. Gellerman, *Motivation in the Real World: The Art of Getting Extra Effort from Everyone-Including Yourself*, New York: Dutton, 1992. pp. 3-7

<sup>5</sup> Judy Cameron; W. David Pierce, *Rewards and Intrinsic Motivation: Resolving the Controversy*, Westport, CT: Bergin & Garvey, 2002.

stantly setting new goals, the detection and confirmation. The fifth level is the motivation of satisfaction, which includes enjoying in material and spiritual works, objects and activities. Gellerman points to two groups of important internal motives that drive human action, creation, labor and business, those are the motives of economic existence or survival (safety, security, dependency) and motives of comfort and compliance.<sup>6</sup> Internal motivation is a personal motive and creative power of the individual, or may represent a failure of that power, or its transformation into a destructive activity.

Extrinsic motivation occurs when an individual or group is encouraged by the external actors to work towards achieving a goal, the satisfaction of needs, realization of tasks, using their own resources, energy and capabilities. The external motivator can be an individual, group, system, or some other actor and the subject. Extrinsic motivation is the each motivational process that comes from outside the individual and where the individual is the subject of motivation. The individual is sometimes aware of the motives that an external player starts, but sometimes is not able to obtain the internal incentive for motivational activity.

Extrinsic motivation has different forms and levels of manifestation. Most often it is the working motivation that drives people to work more, to educate, to respect the rules, procedures, practices, laws and norms. Then there is the competitive motivation that is encouraged by the external actors (managers, coaches, teachers, leaders) in order for individuals and / or groups to achieve better results. We are also talking about motivation of proof or drawing attention with which the external actor motivates individuals to serve as an example to others, or landmark. The following forms of extrinsic motivation would be the motivation of loyalty, where the external actor requires, encourages or expects the loyalty from individuals to some group, collective, or leader, the manager. This motivation is a prerequisite for building a collective identity and sense of belonging to a group (business, labor, professional, political, religious).

In this paper, we will pay attention to motivation and motivators in business subjects and try to look at their performance, participation and importance in creating a favorable (sometimes awkward) organizational climate, organizational culture and organizational behavior.

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<sup>6</sup> Saul W. Gellerman, *above cited work*. Here we will not intentionally mention the famous Maslow's (Abraham Maslow) "theory of the hierarchy of motives" (needs), because we believe that it is limited, closed and dysfunctional and in particular, Maslow made no distinction between the motives and needs

## 2. Motivation and organizational behavior

Previously said about the importance and the role of motivation in the work and activities of individuals and groups shows that motivation is a significant factor in the overall behavior of people in a collective, space, environment, and that it is an indispensable instrument to build relationships, to achieve good results and efficient operations in modern conditions. Good motivation helps employees and managers to be constantly aware of the quality and relevance of their work, that they can use the necessary resources, that they are familiar with the effects of their work and that they expect recognition and benefits from their increased efforts and commitment to the job. There are a number of techniques, tactics and strategies of motivation that are used in modern companies and businesses in order for employees to be permanently motivated to work better and more efficiently. Most people expect to be motivated (self-motivated and / or motivated from the outside), in order to get satisfaction for their work and effort. In addition to the motivation being a driving force for greater effort and desire for achieving the goals, it is already, in itself, a kind of recognition of actors and individuals for their activity. Therefore, motivators, managers and leaders as motivators, are a very important element in every organization, and organizational structure. "The real motivation is the key to effective leadership, and leadership is the key to effective motivation."<sup>7</sup> All this together makes a good prerequisite for the development of desired organizational behavior as a key element of the effective work and business. So, motivation is one of the most important factors of organizational behavior, in addition to organizational design, organizational changes, conflict management, team management and stress management. Why? Because motivation participates in all of these areas of organizational behavior.

Organizational behavior will be briefly defined as a set of opinions, attitudes, values, procedures and activities of people (all employees) in an organization. Thus, organizational behavior are individuals (personality traits, perceptions, values, attitudes and organizational learning) groups (members, leadership, power, interaction, conflicts) and organizational structure of a business entity. Organizational behavior as an event, and the operation process can be viewed in two ways: first, as the behavior of people within the organization and, secondly, as the behavior of the organization in its imme-

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<sup>7</sup> Richard C. Maddock; Richard L. Fulton, *Motivation, Emotions, and Leadership: The Silent Side of Management*, Westport, CT: Quorum Books, 1998. p. 7.

diate environment.<sup>8</sup> Also, organizational behavior is the theoretical and empirical, academic discipline whose task is to study the forms and principles of conduct of employees in order to create conditions for the improvement of performance and efficiency of the organization.

Knowing the characteristics and principles of the organizational behavior “helps managers to identify the problems, to reveal their causes, to find ways of solving them,” and to understand the complexity of relationships, needs and values within the organization and in its environment. Organizational Behavior provides tools for managers, leaders and employees in firms and companies to find and interpret “why people behave in a certain way” or “why a group or individual is more valuable, more motivated and more efficient than the others”<sup>9</sup>, how and why some organizations are more flexible, more abundant and easier than others accept the changes.

### **3. Motivation in companies in Bosnia and Herzegovina**

In BiH there is not enough relevant research on the motivation of employees, as well as on the characteristics of organizational behavior, organizational culture and organizational changes. However, we can observe the three levels where there is interest in the topic of motivation in enterprises in BiH. The first level refers to studies that follow a different theme and then indirectly touch the topic of motivation. For instance, in an analysis of “the limitations of business in Bosnia and Herzegovina,” the author mentions that managers and owners are motivated to make changes in enterprises and prelocation of resources, better chances for success in the market, by rationalizing costs and inadequacy of existing capacity. The author notes that “the motivation is associated with the strengths, weaknesses, opportunities and fears of the company.”<sup>10</sup> Hasić further notes that the motivation of employees in companies in BiH is very low and that conditions and low productivity, which is then reflected in low wages compared to the “standards of Western countries.” Also, there are several master’s theses at business schools that have for the subject of research took the problem of strategies of motivation and motivation influence on productivity and employee satisfaction.

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<sup>8</sup> John B. Miner, *Organizational Behavior: Foundations, Theories, and Analyses*, Oxford: Oxford University Press, 2002. p. 7.

<sup>9</sup> Ronald R. Sims, *Managing Organizational Behavior*, Westport, CT: Quorum Books, 2002. pp. 3-7

<sup>10</sup> Duljko Hasić, *Analysis of the limitations of operations in Bosnia and Herzegovina Economic Review*, 52 (5-6) 667-691 2001.

The second level of interest in the problems of motivation in companies and employee motivation refers to the conferences, round tables discussing the possibilities of doing business, implementation of quality systems, spreading the entrepreneurial climate and the development of small and medium enterprises. As part of these discussions is mentioned the role and the importance of employee motivation, especially the role of managers and leaders as the motivators.

The third level of interest in the issues and problems related to motivation is linked to companies that implement some of the strategies of motivation and development of the organizational behavior with the aim of raising productivity and creating a sense of satisfaction among the workers. This applies particularly to banks, insurance companies and agencies, as well as some representatives of successful foreign companies. These businesses apply instruments of motivation, mostly intangible (awards, praise, travel, promotion and going to the further education), in order to develop a corporate identity of employees and job satisfaction and the business climate.

#### **4. Methodological approach to research**

##### *Scope and Purpose of the Research*

In this paper we set the subject of research in the form of a question: whether and to what extent is present the motivation of employees in private companies in Bosnia and Herzegovina? The issue can be further operationalized in the form of additional questions: whether the employed in enterprises are aware of the need of application of motivation as an instrument to create good interpersonal relations, increase job satisfaction and productivity? What forms of motivation respondents perceive as the most important? Are they aware of the role of a leader and manager as a motivator for creating a good business climate and business organization?

The aim of this study was to show whether there is an awareness among employees (not managers) about the need for development of motivation in private enterprises in BiH, that is, the goal is extended to the description of the state of motivation (as an important part of the organizational behavior) in private enterprises in BiH.



### *Hypotheses*

H1. We start from the basic assumption that employees in private enterprises in BiH are aware of the role and importance of motivation as a factor of development of organizational behavior and creating the good organizational culture and business climate.

H2. Employees prefer material forms of motivation.

H3. Good motivation affects the increased company loyalty and better interpersonal relationships.

H4. Employees in private companies in BiH expect that managers and leaders pay more attention to staff motivation.

### *Sample*

Our research relies on a questionnaire which was implemented in the cities of Bosnia and Herzegovina (Gradiška, Prijedor, Banja Luka, Dobož, Bijeljina, Trebinje, Tuzla, Zenica, Mostar and Sarajevo). The questionnaire consisted of employees in private companies that are not in the position of manager. On the pitch was sent 1500 questionnaires and after the test we received 1239 copies of valid questionnaires.

The questionnaire covered enterprises of different types, from small, through medium and to the large enterprises. Also, the survey covers enterprises in the manufacturing and services activity, whether their owners are BiH citizens or foreigners.

Processing of data obtained by questionnaire was carried out by the software statistical program SPSS.

### **Analysis of results**

With the research we wanted to find out if the motivation is an important part of the organizational culture and organizational behavior of employees in companies in Bosnia and Herzegovina. We were interested in how employees who are not managers, understand the motivation, if they understand it, what they think who needs to develop and maintain good employee motivation and whether the motivation is an important factor in interpersonal relationships, organizational climate and organizational behavior in private enterprises in BiH.

## 1. The importance of employee motivation

When asked the question “whether the employee motivation is important to business enterprises?”, the majority of respondents (54%) believe that it is “very important”, while 8% believe that motivation is “not at all important” for the company’s operations. Between these two borders are the views of other subjects (Table 1). Understanding of the motivation of the employees indicates the presence of their awareness of the driving force of motives for business, the quality of work, attitude towards work and work. This is especially important if one bears in mind that the survey covers private companies where managers and owners do not show, so often, a willingness to motivate workers to better and more productive work, but, primarily, use instruments as threats and punishments in terms of wage cuts or dismissal. Good motivation creates satisfaction among employees, and thus motivation should be an important part of modern ways of management and an important instrument of work by contemporary managers in BiH.

**Table 1.** *Importance of motivation for the enterprise business*

Is employee motivation important to business enterprises?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is very important	675	54.0	54.4	54.4
	It is important, but not decisive	327	26.2	26.4	80.8
	It is not always important	139	11.1	11.2	92.0
	Not at all important	98	7.9	8.0	100.0
	Total	1239	100,0	100.0	

If we observe the respondents’ perception of the importance of motivation by gender, we see that two-thirds of men think the motivation is “very important”, while it is prone to one-third of women (Table 1a). This is surprising to researchers, because the spontaneous expectation was that women are more sensible and pay more attention to motivation. Women see motivation as “an important, but not decisive,” as much as it “is not always important,” indicating their specific attitude towards work and employment, perhaps as only one segment of the life and work. The reasons for such an attitude among

employed women can be different: understanding job as a priori necessary and indispensable way to raise funds for existence; dedication to work regardless of the additional factors that make the job easier; the importance of employment as social promotion regardless of the quality of work and weight of work; tolerance of women as a fundamental characteristic and forms of cultural heritage in the studied area; collegiality and tolerance toward women as a general attitude of employees, which may represent a form of motivation and the like.

On the other hand, men motivation perceive as a decisive factor in business and labor, because it provides an additional incentive for working and professional confirmation. Motivation for men evokes competitive spirit, a willingness to further engagement, facilitation of the filing of major work efforts and the favorable expectations of future work.

**Table 1a.** *Gender of the respondents and motivation*

Is employee motivation important to business enterprises?	Gender of respondents		Total	
	female	male		
It is very important	36.5%	63.5%	100.0%	
It is important, but not decisive	57.6%	42.4%	100.0%	
It is not always important	57.1%	42.9%	100.0%	
Not at all important	80.0%	20.0%	100.0%	
Total	Count	516	723	1239
	%	42.4%	57.6%	100.0%

Looking at the motivation of employees in companies in BiH through the prism of age, we see that the youngest (under 25 years of age) and the oldest age (56-65 years of age) do not experience motivation as “very important” for the operations of companies (Table 1b). For the youngest, we can say that they are just beginning to understand the importance and seriousness of work and business, and that they are able to change jobs, and even place of work and housing, if they do not like it. We assume that the oldest group of respondents are considering how to finalize their work and professional career so that motivation does not take up much space in their overall perception of the job. Of course, a lot of work experience directed them to the routine conduct of business, so that additional motivation does not drive them to work more nor

to have higher expectation of work. That, in particular, suggests the fact that from all the respondents who supported the view that the motivation “is not at all important,” are 40% from this age group. On the other hand, members of the younger generation (26-35 years old) and middle generation of employees (36-45 years old) see motivation as “very important” or “important, but not decisive” in the percentage that is around 60% (the sum of both attitudes). For them, motivation represents a significant driving force for better engagement in business, for a greater commitment to work and a better opportunity for career advancement. Better motivation represents a style and the way of life of young people in the modern world, so we can conclude that this is also the case with young people in BiH.

**Table 1b. Motivation and age**

Is employee motivation important to business enterprises?	Age					Total	
	Younger than 25	26-35	36-45	46-55	56-65		
It is very important	10.3%	39.7%	23.5%	10.3%	16.2%	100.0%	
It is important, but not decisive	.0%	24.2%	36.4%	24.2%	15.2%	100.0%	
It is not always important	14.3%	28.6%	14.3%	42.9%	.0%	100.0%	
Not at all important	.0%	20.0%	20.0%	20.0%	40.0%	100.0%	
Total	Count	89	406	317	229	198	1239
	%	7.2%	32.8%	25.6%	18.4%	16.0%	100.0%

By crossing the respondents’ perceptions of the importance of motivation with their educational level, we see that respondents with a university, master, master’s and doctoral levels of education experience motivation as more significant for business, than the respondents with secondary or higher level of education (Table 1c). It is interesting that all respondents with a degree of Master (10 respondents) and all respondents with a PhD (10 respondents) supported only the view that the motivation is “very important” for the good company’s operations and employee satisfaction. We can assume that this group of respondents understands better than the most the importance of employee motivation as from the individual point of view, as well as from the standpoint of the company or business entity. The greatest dispersion of attitudes we see in respondents who have a four year college degree. Among other things, that group participates with 35.7% among those respondents who support the view that the motivation “is not always important” for the company’s operations (Table 1c). It is particularly significant that respondents

with secondary education do not perceive motivation as an important element of business and labor. Specifically, in the group that supports the view that the motivation is “not at all important” 70% are employees with secondary education. The reasons may be the fact that their jobs are of routine character, without creation and innovation that could be awarded with additional motivation, that they did not have the opportunity to experience the benefits of a motivational process by the manager or the owner of the company or that they are aware that their work can not be more interesting and substantial by using any kind of motivation.

**Table 1c. Motivation and education level**

Is employee motivation important to business enterprises?	Obrazovni nivo								Total
	High School	higher or vocational High Schools	Bachelor (three-year college)	graduate (Faculty of four years)	specialist	master	master	Pd.D	
It is very important	13.2%	22.1%	17.6%	27.9%	1.5%	14.7	1.5%	1.5%	100.0%
It is important, but not decisive	21.2%	24.2%	6.1%	27.3%	3.0%	18.2	.0%	.0%	100.0%
It is not always important	28.6%	28.6%	.0%	35.7%	7.1%	.0%	.0%	.0%	100.0%
Not at all important	70.0%	20.0%	.0%	10.0%	.0%	.0%	.0%	.0%	100.0%
Total	268	287	139	337	30	158	10	10	1239
	21.6%	23.2%	11.2%	27.2%	2.4%	12.8	.8%	.8%	100.0%

We were interested in how the work experience of the respondents influences their perception of the importance of motivation for the company's operations. We noted that employees with work experience from 6 to 10 years and employees with an experience from 11 to 20 years, most support the view that the motivation is “very important” and that it is “important but not decisive” (Table 1d). This can be explained by their experience and knowledge about what drives people to work better and what satisfaction can provide better motivation if it is used as an instrument for rewarding employees and management of the entity. Similar to the age of respondents, respondents that have close to or more than thirty years of experience, are less inclined to support the views about the importance of motivation for the company's operations. Among respondents who support the view that the motivation is “not at all important” for the company's operations, half of them belong to a group that has close to or more than 30 years of experience. Another moment deserves to be highlighted in this part, and that is the fact that the attitude that motivation is “not at all important” is not supported by respondents with working experience less than 5 years. This refers to the thinking that employees who are starting their careers expect that motivation will help their

hiring and working engagement that will compensate for their efforts and be an incentive for further work engagement.

**Table 1d.** *Motivation and experience*

Is employee motivation important to business enterprises?	Total work experience						Total	
	Up to 2 years	3-5 years	6-10 years	11-20 years	21-30 years	Over 30 years		
It is very important	4.4%	11.8%	32.4%	25.0%	17.6%	8.8%	100.0%	
It is important, but not decisive	.0%	.0%	24.2%	42.4%	24.2%	9.1%	100.0%	
It is not always important	7.1%	7.1%	28.6%	14.3%	42.9%	.0%	100.0%	
Not at all important	.0%	.0%	10.0%	40.0%	30.0%	20.0%	100.0%	
Total	Count	40	89	347	367	287	109	1239
	%	3.2%	7.2%	28.0%	29.6%	23.2%	8.8%	100.0%

We can conclude that employees in private enterprises in BiH perceive motivation as an important moment in the overall operations of the company. It is especially important to note that the subjects of the male gender, younger, with an average of ten years of work experience and higher levels of education perceive motivation as an important driver of labor, business and the business climate and culture in companies and other business entities.

## 2. Forms and means of motivation

The research was directed towards the finding out which forms of motivation are important for people and how to opt for them. We offered several common and characteristic forms of motivation, that, according to our assumption, may be present in enterprises in BiH (financial motivation, intangible motivation, recognition and praise and career advancement). A third of the respondents opted for financial stimulation as a form of motivation, and the third for intangible forms of motivation (Table 2). If we consider that the salaries of employees who are not managers in private companies are very modest, it is understandable that employees expect to be motivated by increasing salaries or any additional bonuses and fees. We assume that employees are aware of the possibility that their employers will not increase wages, regardless of their increased efforts and contributions of labor, and then the

respondents tend to choose intangible motivation as expected and assumed form of motivation in private enterprises in BiH. We note that one-fifth of respondents sees “recognition and praise” as a form of employee motivation. This tells us that employees expect recognition for their successful work by managers and owners, or possibly by a colleague. Recognition and praise is the most common and basic motivation and motivating factor for everyone.

Research shows that employees with more seniority, especially men, prefer financial motivation, and after that intangible forms of motivation.<sup>11</sup> On the other hand, male employees with work experience of up to five years are more opting for “accolades” and then for “career advancement”. Young female respondents expect the most the intangible motivation as a reward for good work and encouragement for the future engagement at work.

**Table 2.** *Types of motivation of importance for employees*

<b>What kind of motivation is most important for you?</b>					
	Frequency	Percent	Valid Percent	Cumulative Percent	
	Financial incentives	364	29.4	29.5	29.5
	Intangible motivation (days off, travel)	384	31.0	31.1	60.6
	Awards and commendations	266	21.5	21.7	82.3
	Career advancement	223	17.7	17.7	100.0
	Total	1237	99.8	100.0	
	Missing System	2	0.2		
	Total	1239	100.0		

The best indicator that employees in private companies in Bosnia and Herzegovina feel and understand the importance of motivation for good performance is the fact that more than half of our respondents believe that “always” should be “improved the forms and means to motivate employees” (Table 3). If we add that respondents with 34.1% support the view that “often” should be paid attention to perfecting forms and methods of motivation, then we can conclude that employees instinctively and intuitively feel the importance of motivation and the need for it to be present in the business and operation of their businesses.

<sup>11</sup> Due to the limited space and the purpose of the text, we are not able to show all the tables and all the crossing of variables, so we will express only some characteristic data.

**Table 3.** *Improvement of forms and methods of motivation*

<b>It should be improved the forms and methods of employee motivation</b>		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	649	52.4	52.8	52.8
	Often	422	34.1	34.2	87,2
	Sometimes	157	12.2	12.2	99,2
	Never	10	0,8	0,8	100,0
	Total	1238	99.2	100.0	
Missing System		1	0.5		
Total		126	100.0		

To further verify the perception of motivation among our respondents we included a question about what affects their poor motivation at work, and thereby the behavior and attitude towards work and the businesses in which they work. We have found that most respondents considered that “irregular wages” discourage them to work, and then comes the “job insecurity” (Table 4). These elements are typical for many private enterprises in BiH, as earnings are almost always late, and threat of layoffs to employees due to difficult business conditions or manipulation of results by business owners and employers. Female respondents, especially the age group between 36 and 45 years old, highlighted the “job insecurity” and “bad relationships” as the dominant factors that negatively affect their business motivation. We assume that we are talking about women who have already created a family and “immersed” in the labor and professional duties, and that each uncertainty about job is demotivating, and poor interpersonal relations can draw further active energy from them. Respondents younger than 25 years old highlight the poor conditions as the main motivating factor in business. This can be interpreted as their desire to find a better business conditions, while for everything else they have enough time and energy to repair and compensate.



**Table 4.** *Causes of poor employee motivation*

What influences your poor motivation at work?	Frequency	Percent	Valid Percent	Cumulative Percent
Irregularity of salary	510	41.2	41.6	41.6
Job insecurity	253	20.4	20.4	62.0
Poor working conditions	230	18.6	18.6	80.6
Poor interpersonal relations	100	8.1	8.2	88.8
Poor opportunities for advancement	78	6.3	6.3	95.1
Work overload	32	2.6	2.7	97.8
Too strict control	16	1.3	1.3	99.1
Routine work	12	0.9	0.9	100.0
Total	1231	99.4	100.0	
Missing System	8	0.6		
Total	1239	100.0		

From the preceding paragraphs of respondents we can see that they give almost equal importance to tangible and intangible motivation, while recognition and career advancement are significantly behind the two dominant motivating factors. On the other hand, the respondents indicated that they have a need and expectation to constantly improve forms of motivation in their companies. We have found that respondents are the most discouraged by the irregular salaries and the fear of losing employment.

### **3. The role of leaders and managers in motivating the employees**

We pointed out earlier that motivation is one of the most important factors of organizational behavior in the modern businesses, and that trust of the employees to each other and in relation to the leaders and managers is an important element of the overall degree of employee motivation. Our investigation confirms this initial assumption, since less than half of the respondents “strongly agree” with the statement that “the confidence of managers in staff is essentially important for their motivation” (Table 5). This view is particularly supported by respondents aged 26 to 45 years old, especially males. We believe that this is the generation that is reaching the peak of their career and feels the need to have the confidence of their superiors in their work, in order

for this to be an additional stimulus for further engagement, and to satisfy their need to prove themselves to others in their environment and gain better competitive performance.

By contrast, the generation older than 46 years old (especially older than 55 years old) slightly less (25,35) support the view that the trust of manager is “essentially important for their motivation.” It is important to note that one-fifth of respondents expressed reluctance when it comes to trust of managers in staff (Table 5), and among them are especially the women aged above 46 years.

**Table 5. Confidence and motivation**

<b>The trust of manager in the employees is essentially important for their motivation</b>		Frequency	Percent	Valid Percent	Cumulative Percent
	I totally agree	580	46.8	47.2	47.2
	I largely agree	393	31.7	32.0	79.2
	Neither I agree nor disagree	245	19.8	20.0	99.1
	I significantly disagree	10	0.8	0.8	100.0
	Total	1228	99.1	100.0	
	Missing System	11	0.9		
	Total	1239	100.0		

It is known that organizational behavior significantly depends on the behavior of leaders and managers in every business entity. Managers and leaders who are familiar with the principles of good organizational behavior and are able to apply them in their daily work with employees have opportunities to influence employee satisfaction and thus, indirectly, the overall organization of state enterprises, as well as the final results. Our respondents fully confirm these theoretical and empirical views. Specifically, 79.2% of them support the view that “leaders should motivate employees to perform better,” while 16% of respondents “largely agrees” with this statement (Table 6). The roots of these attitudes may be multiple: employees, particularly in private companies, are left to their leaders to create their job; employees are more likely to be “a man of reference”, than the initiator and creator; employees of private companies expect only to do what they are presented; employees expect from leaders to notice them and encourage to work harder; employees expect to be additionally motivated for their work, as this confirms that they are on the right track and eliminates the fear of uncertainty of employment. It is worth noting that the view that leaders should play a major role in motivating em-

ployees is less likely to be supported by the younger than 35 years old, almost equally by men and women with a diploma of four years of college.

**Table 6.** *Leaders and motivation*

Leaders should encourage employees to work better		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I totally agree	974	78.6	79.2	79.2
	I largely agree	197	15.9	16.0	95.2
	Neither I agree nor disagree	59	4.8	4.8	100.0
	Total	1230	99.3	100.0	
Missing System		9	0.7		
Total		1239	100.0		

The best way to check the quality of organizational behavior and the role of motivation in it is the knowledge of the degree of loyalty of employees undertaking the work. To verify these statements, we asked our respondents the question of whether they would show full loyalty to the company if it falls into crisis, provided they are well motivated for their job. Slightly less than half of the respondents showed willingness to “always” show loyalty to the company if it falls into crisis if they previously were “well motivated” (Table 7). Here we note that men show a much higher degree of loyalty than women, while the least loyalty show respondents younger than 25 years old.

One quarter of employees is ready to “often” show loyalty to the company in crisis, and among them the most loyal is the age group from 46 to 55 years old. It is interesting that educated with master’s and doctoral titles show full loyalty to the company, while employees with secondary education show little willingness to be loyal if a company runs into difficulties despite the high motivation that would be provided to them by managers and leaders of the company. We assume that this is a group whose jobs are routine in nature (services, transportation, sales, etc.), and that they are prone to frequent job changes. An important fact is that 11.3 percent of respondents is “never” ready to express loyalty to the company if it falls into a crisis, no matter if they were previously well motivated to work and meet business tasks. It can be concluded that employees of private companies in BiH have shown willingness to be loyal to companies with appropriate good motivation, which would be provided to them by managers, leaders and business owners, which can be an encouraging indicator for creating a good business climate and organizational behavior of these companies.

**Table 7.** *Motivation and loyalty of employees*

<b>If I am well motivated, I will have a full loyalty to the organization if it runs into difficulties</b>		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	600	48.4	48.8	48.8
	Often	322	26.0	26.1	74.9
	Sometimes	167	13.5	13.6	88.5
	Never	141	11.3	11.5	100.0
	Total	1230	99.2	100.0	
Missing System		9	0.8		
Total		1239	100.0		

In order to complete our knowledge about the degree of motivation of employees in our survey, we asked respondents to comment on whether and how much motivation is present in the contact and communication with colleagues at work. We were interested in whether the respondents are willing to “feel free to discuss with colleagues on issues of motivation.” We assumed that free discussion with colleagues on issues of motivation speaks about the quality of interpersonal relationships in the company, but also about the special forms of awareness and sensitivity to the needs of better business motivation of employees. One-third of employees (our participants) “fully agrees” with the attitude that they should feel free to discuss with colleagues in all matters of employee motivation (Table 8). This stance clearly support the men in the age group between 26 and 35 years of age, while the least prone to this paragraph are women in the age group above 55 years old. If we add to this the fact that more than fifty percent of respondents said they “largely agree” with the statement that “they want to feel free to discuss with colleagues on issues of motivation,” it is clear that the motivation is strongly present in the thoughts and desires of employees in private enterprises in BiH, and that a good motivation could be a significant factor in building good interpersonal relations and good organizational climate and organizational culture in enterprises. This expectation could be implemented in some companies owned by foreign private companies (banks, insurance companies, some representative offices of foreign companies in the field of services), while it is less likely that something like that will happen in private companies owned by the citizens of BiH, as traditional culture and the past behavior of the owners, managers and leaders of these private companies do not provide sufficient indications for such a conclusion.

**Table 8. Interpersonal Relations and Motivation**

<b>I want to feel free to discuss with colleagues on issues of motivation</b>		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I totally agree	412	33.3	33.6	33.6
	I largely agree	697	56.3	56.8	90.4
	Neither I agree nor disagree	117	9.5	9.6	99.1
	I significantly disagree	13	0.9	0.9	100.0
	Total	1239	99.2	100.0	
Total		1239	100.0		

In the end, we wanted to know whether the employees in private enterprises in BiH experience a good employee motivation as an important element of the organizational culture and organizational climate in their companies. It turned out that 55.6% percent of respondents perceived motivation of employees as “an important element of the organizational climate”, and the organizational culture of the company (Table 9). This perception we see especially in the age group from 36 to 45 years old, but also with respondents who have a master’s level education, Master and PhD. We can conclude that younger employees and those with high levels of education perceive motivation as an important part of the organizational culture and organizational behavior in enterprises in BiH.

**Table 9. Motivation and the organizational climate**

<b>Good motivation of employees I consider as an important element of the total organizational climate and behavior in the company</b>		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I totally agree	688	55.6	56.0	56.0
	I largely agree	285	23.0	23.0	79.0
	Neither I agree nor disagree	245	19.8	20.1	99.1
	I significantly disagree	10	0.8	0.8	100.0
	Total	1229	99.2	100.0	
Missing System		10	0.8		
Total		1239	100.0		

From the foregoing discussion we can see that employees in private enterprises in BiH understand the importance of the employee motivation for the overall business environment and business success. Also, respondents indicate that among employees who are not managers, is constantly present the desire to improve forms of motivation, and that it should have a significant participation of managers and leaders of these enterprises. Employees perceive motivation as an important factor in the overall organizational behavior and the assumption of the personal progress and good interpersonal relations.

#### **4. Discussion of research results**

Analysis of the survey results shows that employees in private companies in Bosnia and Herzegovina perceive motivation as an important factor of building a good business environment, business climate and interpersonal relationships. By studying the views expressed by respondents, we can see that motivation is not often present in their businesses as usual and continuous instrument of the encouragement of the employees to the better, more creative, meaningful and accountable operation. This can be interpreted as the result of the transformation of former socially-owned enterprises to private enterprises and sudden changes in working conditions, operations and overall business environment, and the relationship between owners and managers towards the employees. In fact, many private enterprises emerged through the purchase (privatization) of enterprises that had a social (collective) form of ownership and collective management. The new owners are attempting to completely break with the old form of labor, management and the old business culture in which employee motivation was present through additional financial compensation, the increased number of days of rest, praise, recognition and giving of gifts for special commitment and contribution to the labor productivity. The new owners, managers and leaders motivate employees with some kind of fear of reduction in wages, job loss, deterioration of business conditions, the difficult situation of the business entity in the market, debts environment, and even the constant threat to close down the company if the employees do not work better, staying at work longer than the official working hours and fit to other forms of modest conditions and savings. This kind of motivation we define as "motivation by fear" as opposed to the motivation by incentives, rewards and promotions, which is common in developed countries. In our study, it was observed that there are companies that develop

employee motivation through incentives through praise, awards, promotions, cash bonuses and the like. Mostly it comes to banks, insurance companies, some other service missions of foreign companies and various agencies.

The analysis of the questionnaires shows that employees in private enterprises in BiH are aware that motivation is very important for employees to help them work better and achieve good business results and that well motivated individuals will build an organizational culture that supports creative and innovative work that will make employees happy. This perception of respondents is confirming our basic hypothesis that employees perceive motivation as an important instrument of the business climate and organizational culture, and thus the effective performance of their businesses.

Research has shown that less than one third of employees perceive material motivation as the most important, while two-thirds of employees prefer the non-material forms of motivation (praise, rewards, career advancement, further leisure). This paragraph has not fully and clearly confirmed our second hypothesis that assumed dominance of the material forms of motivation of employees in private enterprises in BiH. Correction of this hypothesis would involve the attitude that employees are aware that the material motivation is limited or hardly expected, and therefore require compensation in intangible forms of motivation.

An essential element in building a good business climate and sustainable organizational behavior in any company or business entity is the degree of loyalty of employees. Theoretical and empirical research in all parts of the world have shown that good business motivation significantly affects the greater degree of loyalty of employees to their company, managers, and leaders throughout the organization. Respondents in our study also confirm (48% "always" and 26% "often") that a good motivation conditions loyalty to the company if it falls into crisis. This position confirmed our third hypothesis about the relationship of motivation and loyalty to the company.

Research shows that the perception of our respondents is referring to the attitude that employees in private enterprises in BiH expect that their managers and leaders motivate them, stimulate and encourage more creative, meaningful and better work, and thus to create favorable conditions for the development of good organizational climate, better relationships, and then the quality of organizational behavior, which will continue to affect the greater efficiency and good business results. With this perception of respondents, was confirmed our fourth hypothesis that went from saying that employees in the surveyed companies expect from managers and leaders to continuously motivate them to achieve better results, develop good interpersonal relations,

in order to express loyalty to the company and to become aware of the importance of motivation in the organizational behavior.

## **Conclusion**

A survey conducted in private companies in Bosnia and Herzegovina on a sample of 1,239 respondents, who are not employees in managerial positions, shows that the motivation is an important factor in a successful and creative work and that increases the satisfaction with them and affects their loyalty to the company. Employees are aware of the importance of motivation as an instrument for improving the work and business, a good business climate and good interpersonal relations. We have found that male respondents, from younger age groups (under 45 years old), with an average ten years of work experience and higher levels of education perceive motivation as an important driver of business in companies where they are employed.

When we review the preferences of forms and ways of motivation, we conclude that our respondents almost equally expect to be motivated by tangible and intangible assets, in particular better salary and extra days off, while their aspirations for recognition, praise and promotion in managerial positions are much less. This leads us to conclusion that employees in the surveyed companies do not have high expectations from their work in terms that will enable them the additional further career advancement.

The views of our respondents indicate that employees in private companies in Bosnia and Herzegovina feel a lack of motivation, especially the external, and they expect (aspire) from managers and leaders to better motivate them (to advance forms and content of motivation) in order for their work and commitment to fulfill the purpose and to allow the multiple personal and collective satisfaction in work. In this way, the motivation would benefit from the improvement of work efficiency, better interpersonal relationships, loyalty to the company, sustainable organizational behavior, and thereby increasing the overall performance of their businesses.



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