



Employee Motivation - specific situations during pandemics

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Structure of the presentation

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- Importance of Motivation

2. Motivational Theories

- Maslow's Pyramid of Needs
- Herzberg Two Factor Theory

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- Identifying motivators among employees in B&H – before COVID-19
- Employee Motivation in B&H – specific situation during COVID-19

4. HRM activities & measures during pandemics

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What is Employee Motivation?

There are many ways to define the term Motivation:

- ✓ “the sum of the processes that influence the direction, and maintenance of behaviors relevant to work settings”
- ✓ Level of effort, commitment and energy of workers to achieve a goal or reward.
- Motivators are incentives or techniques used to motivate (bonus, promotion, recognition, respect etc.)
- The question is, are the motivators during the pandemic same compared to the period of normal times?
- Extrinsic & intrinsic motivation
(managers must be familiar with the process of intrinsic motivation, in order to better motivate their employees especially during times of crisis)

Characteristics and Importance of Motivation

| Characteristics of Motivation | Importance of Motivation |
|--|---|
| Motivation is a Psychological Phenomenon: Motivation is an internal feeling such as need, desire, aspirations etc. | Motivation helps change negative attitude to positive attitude: The motivated employees make best use of the resources. |
| Motivation Produces Goal Directed Behaviour: Motivation induces people to behave in such a manner so that they can achieve their goal. | Motivation improves the performance level of employees: Employees start performing the job to the best of their ability with minimum waste of time and resources. |
| Motivators can be Positive as well as Negative: A few examples of positive motivators are: promotion, bonus, respect, recognition, etc. The manager can use negative motivators such as warning, issue of memo, demotion, etc. | Helps in Achieving the Organisational Goal: Motivated employees always try to contribute their best efforts for the realisation of organisational goal. |
| Motivation is a Complex Process: In order to motivate people a manager must understand various types of human needs. | Motivation helps the managers to introduce changes: Motivated employees are always supportive and cooperative in accepting changes in the organisation. |
| Motivation is a Dynamic and Continuous Process: Human needs are unlimited and go on changing continuously. Satisfaction of one need gives rise to another | Reduction in Employees' Turnover: With motivation the turnovers are less because the satisfied employees never leave the job. |

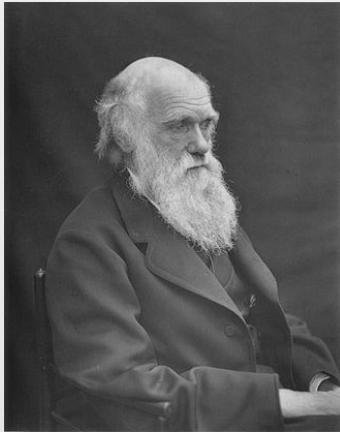
Factors Influencing Motivation

Motivation is influenced by numerous factors:

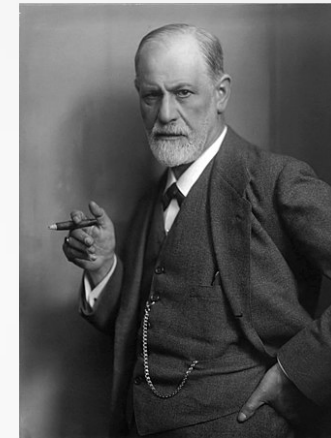
- Individual characteristics,
- Workplace characteristics,
- Company characteristics and
- External factors such as:
 - Living standards,
 - Socio-economic development, etc.

During pandemic the external factors have different impact on an individual's behavior than they would during times of prosperity.

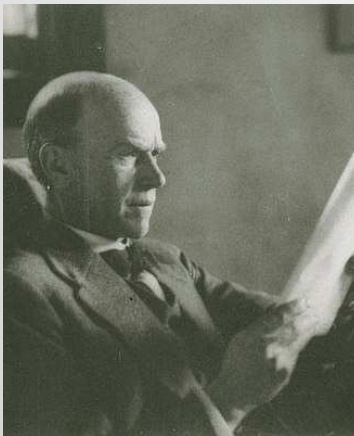
Motivational theories



Charles Robert Darwin
12 February 1809 – 19 April 1882
naturalist, geologist and biologist
England



Sigmund Schlomo Freud
6 May 1856 - 23 September 1939
Neurology, psychotherapy, psychoanalysis
Austria



Elton Mayo
26 December 1880 – 7 September 1949
Psychologist, industrial researcher, organizational theorist
Australia



Douglas Murray McGregor
1906 – 1 October 1964
Psychology, Management, Mechanic
USA

Theories of needs

- Intensive development of the Theories of needs (1950s)
- relationship and effect that a specific need has on human action and behavior

The most famous theories of needs include:

- Maslow's Hierarchy of Needs (Maslow, 1954)
- Herzberg's Two Factor Theory (Herzberg *et al*, 1959)
- Alderfer's ERG Theory (Alderfer, 1972)
- McClelland's Achievement of Motivation Theory (McClelland, 1961)

Abraham Harold Maslow



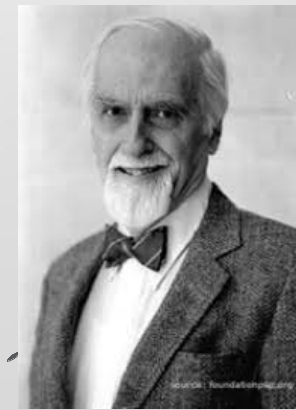
Frederick Herzberg



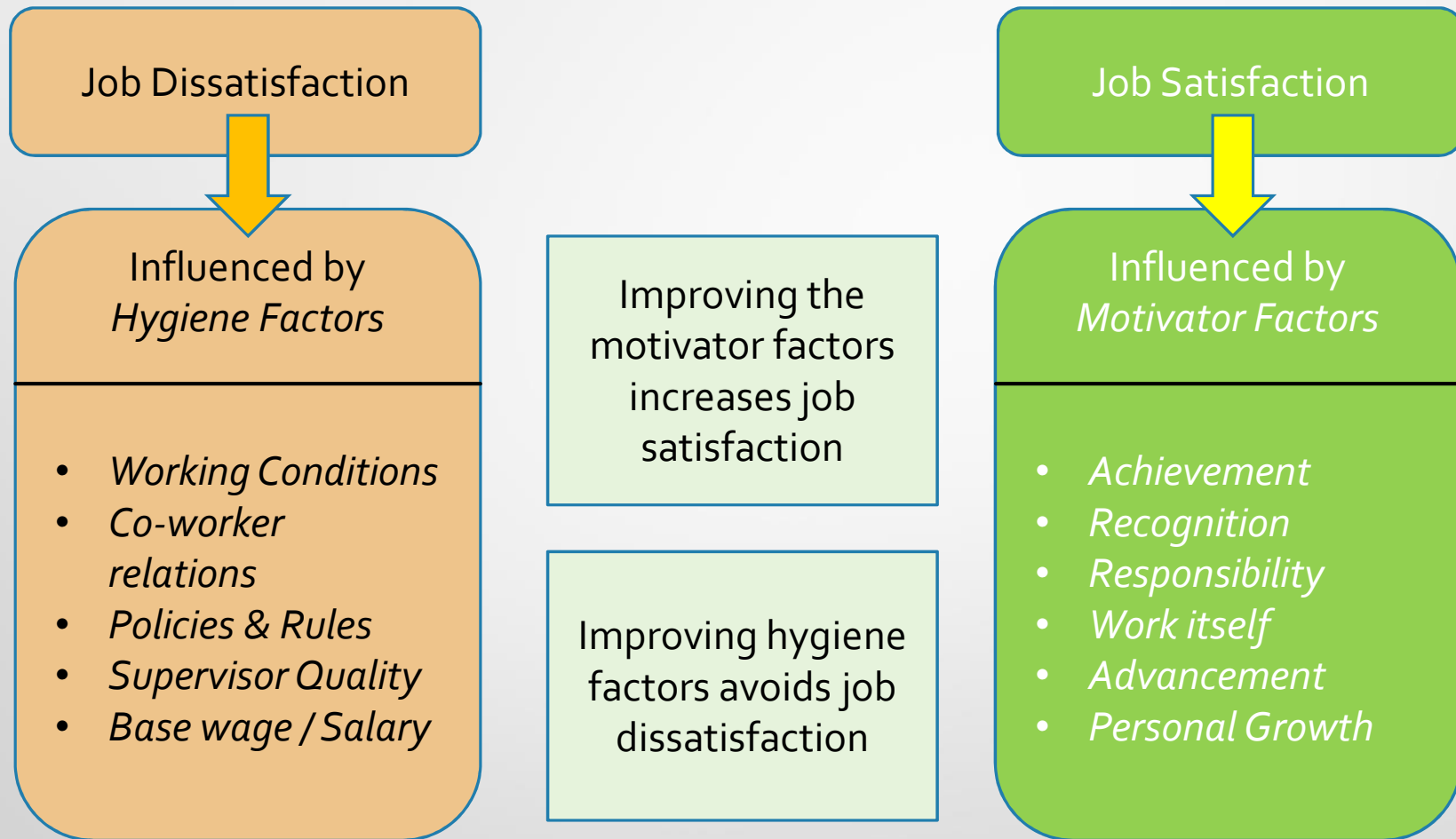
Clayton Paul Alderfer



David Clearance McClelland



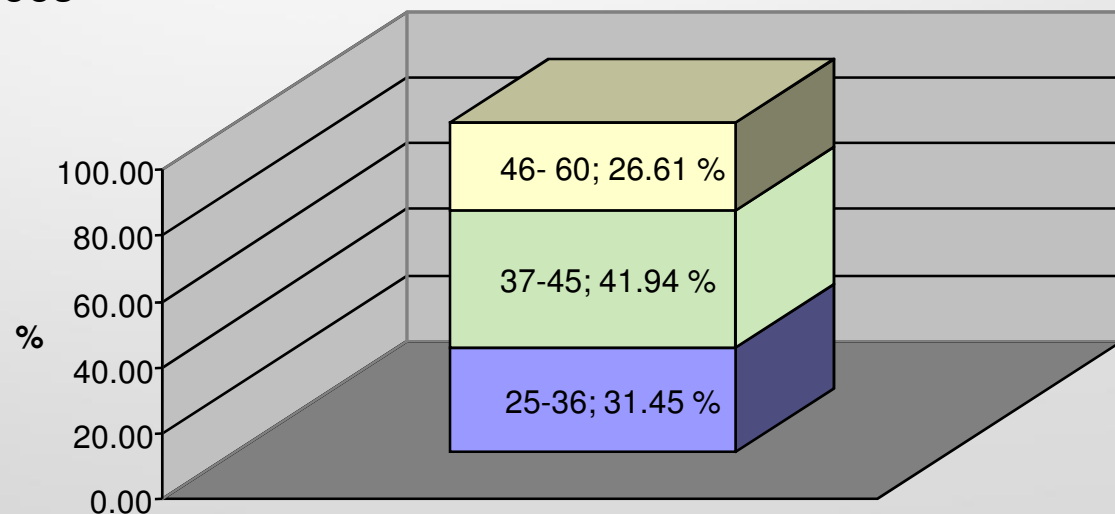
Herzberg's two-factor theory



Identifying Employees Motivators in B&H before COVID-19

- The aim of this research was to identify those factors that contribute to motivation and employee satisfaction in B&H companies
- Pinpoint differences between motivators in different companies
- Is there any difference in motivators when it comes to age, gender, education levels and years of experience
- The sample of 124 examinees

Examinees' age structure



| Ranks | Motivators (Motivator ranks, sample comparison according to organization type) | Full sample | | Non-profit orgs. | NGO Sector | Profit orgs. |
|-------|--|-------------|----------------|---------------------|---------------|-----------------|
| | | Av. grade | Stand. Dev. | Av. grade | Av. grade | Av. grade |
| 1. | Regular salary | 4,77 | 0,5821 | 4,86 | 4,60 | 4,69 |
| 2. | Relations with the subordinates | 4,14 | 0,8700 | 4,16 | 4,07 | 4,19 |
| 3. | The importance of business for the community | 3,92 | 0,9508 | 3,87 | 4,10 | 3,81 |
| 4. | Quality of work conditions | 3,90 | 1,0155 | 3,78 | 3,77 | 4,75 |
| 5. | Job stability and security | 3,81 | 1,1311 | 3,91 | 3,47 | 3,94 |
| 6. | Technical support | 3,78 | 1,0403 | 3,64 | 3,80 | 4,44 |
| 7. | Relations with senior management | 3,73 | 1,0920 | 3,73 | 3,70 | 3,75 |
| 8. | Salary rate | 3,63 | 0,9519 | 3,64 | 3,67 | 3,56 |
| 9. | Interpersonal relations within company | 3,58 | 1,1050 | 3,56 | 3,43 | 3,94 |
| 10. | Degree to which your salary covers your personal costs | 3,57 | 0,9809 | 3,55 | 3,50 | 3,81 |
| 11. | Social status gained through work | 3,53 | 0,9494 | 3,50 | 3,63 | 3,50 |
| 12. | Level of responsibility, freedom of decision-making, work autonomy | 3,48 | 1,0080 | 3,31 | 3,73 | 3,88 |
| 13. | Possibilities for creative work | 3,46 | 1,1645 | 3,22 | 3,6 | 4,38 |
| 14. | Possibilities for work accountability and performance results of all employees within the department | 3,46 | 1,0469 | 3,55 | 3,47 | 3,0 |
| 15. | Possibility for career development and specialization | 3,36 | 1,2187 | 3,28 | 3,03 | 4,38 |
| 16. | Regular feedback on individual performance and work quality | 3,17 | 1,1314 | 3,15 | 3,43 | 2,75 |
| 17. | Career advancement possibilities | 2,93 | 1,2505 | 2,71 | 3,07 | 3,75 |
| 18. | Free-time | 2,87 | 1,1331 | 2,82 | 3,07 | 2,75 |
| 19. | Possibility to save money or pay life insurance | 2,85 | 1,2881 | 2,73 | 2,83 | 3,44 |
| 20. | Possibility of flexible working hours | 2,59 | 1,3369 | 2,51 | 2,97 | 2,31 |

Unemployment rate and average net salaries in B&H

2018

Unemployment rate by ILO definition 18,4% (www.bhas.ba)

Average net salaries per capita 894 KM (447 EUR)

The consumer basket 1.850 KM (925 EUR)

2019

Unemployment rate by ILO definition 15,7% <http://bhas.gov.ba/>

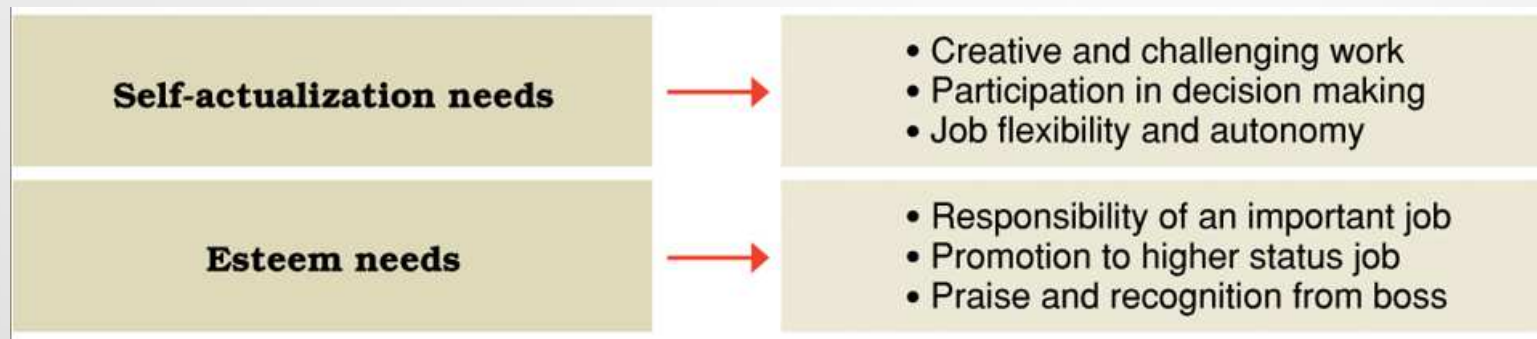
Average net salaries per capita 921 KM (460,50 EUR)

The consumer basket 2.074 KM (1.037 EUR)

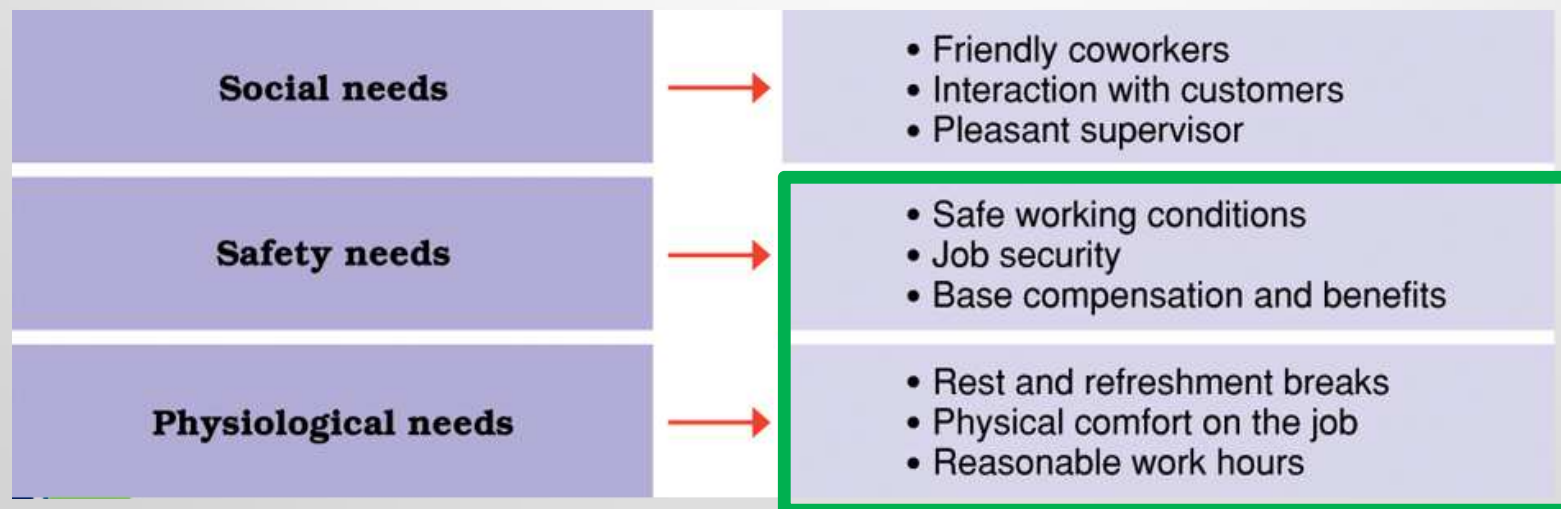
Opportunities for satisfaction

- Maslow's hierarchy of human needs during pandemics-

What satisfies higher-order needs?



What satisfies lower-order needs?



COVID-19 Pandemics and Employee Motivation

- Companies that continue to run their business should be equipped with a supply of masks and hand sanitizers
- Employees will be motivated to work and perform well in the company where they work if their safety is covered by the company.
- Home Office ('new normal', 'new reality', 'new work')
 - > feeling of safety
 - > generally better work-life balance
 - > decrease in interpersonal contact, feelings of isolation, and a high chance of misunderstanding
 - > closer/emotional communication, virtual team breakfasts/coffee and visual touch is significant
- Working in shifts
 - > several teams / shifts are defined
 - > work at a predefined period
 - > it is not recommended for companies to impose long shifts

Employee concerns & needs during pandemics – banking industry

- Research questions:
 - How did the pandemics impact the HR Activities
 - How to motivate employees in the banking sector? How to improve their engagement?
- Fear for their working place and great uncertainty
- Most important has been trust, secured working place and intensive communication
- Work and private life are no longer separable, with employees feeling overworked and restless
- Social exclusion, loneliness, depression, and a lack in motivation with negative impacts on the physical and mental well-being

HR measures in Bosnia & Herzegovina during pandemics – Banking Industry

HR departments started to offer trainings for mental health and wellbeing of employees, including online 'coffees' or yoga to boost morale:

"Some things we moved online (...) and we asked the employees what is important for them now (...). We also did yoga via Zoom and this was greatly appreciated (...) so we did this to help out a little bit."

(HR Director, C-Bank)

- In addition, several banks provided employees counselling with psychologists, infected employees were all the time called and asked about their health and help was offered

Overview of HR practices before and changes during the pandemic

| HR Practice | Before the pandemic/ Focus on | Changes during the pandemic/ Focus on |
|---|--|--|
| Recruitment, selection and succession planning | <ul style="list-style-type: none"> - Recruiting to achieve cultural fit - Talents as a challenge in general, due to emigration and the decreasing attractiveness of the banking sector | <ul style="list-style-type: none"> - Shift to online recruitment - Recruiting of more specialised employees with digitalisation skills - Video / Zoom interviews - Online testing, as well as mentorship |
| Performance management and rewards | <ul style="list-style-type: none"> - Variable part of wages as key component - Precise key performance indicators, assessed either quarterly or yearly | <ul style="list-style-type: none"> - Adapted or postponed measure of employee performance - Guaranteeing pre-pandemic wages but bonus cuts |
| HR development | <ul style="list-style-type: none"> - Continuous education and trainings - Team building and mentoring | <ul style="list-style-type: none"> - Shift to online trainings or postponement - New trainings for mental health and wellbeing |

HR measures in Bosnia & Herzegovina during pandemics – Banking Industry

The HR department tried to be in the front line to protect and serve employees:

“We decided that we should be there, because we have to be available to our employees. Even if it is just for a chat. We stand two meters apart and the people can say what is on their mind, if they want to talk (...) After all, our employees are our clients.”

(HR director and HR business partner, B-Bank)

HR measures in Bosnia & Herzegovina during pandemics – Banking Industry

All banks report that no bonus will be paid and the management board of A-Bank decided to reduce their wages until the end of 2020:

“We have cut wages in the management. They have decided this. This was a nice gesture, you know. When you have limited income, you cut the luxury.”

(HR Director, A-Bank)

HR measures in Bosnia & Herzegovina during pandemics – Banking Industry

In addition to inbound and exit interviews a more direct communication with employees was included:

“We decided to do a ‘stay interview’ because some other things failed or were moved because of Covid. (...) The goal is to get feedback primarily about satisfaction in the bank, the job he & she does, whether he & she likes it or not, whether he & she feels engaged, etc. In order to do this, HR must build its credibility with both top management and employees so that they have confidence (to share information).

(HR Director, C-Bank)

Risk and Opportunity coming from pandemics

There have been some doubts:

- Home Office and online meetings have limitations in maintaining team spirit
- Efficiency of the employee performance is being doubted, due to new working style

The pandemics is at the same time a crisis but also an opportunity

- Digitalization is key component in todays market
- Home Office is an integrated part in the daily working life
- Recruiting and selection process will be done online (except the final interview)
- Some calls proved to be more efficient than „offline” meetings
- Online education – time management & cost reduction
- Mentioned measures contribute to the efficiency and success of the organization

Conclusion

- Employee motivation is a deciding factor of survival and success in every organization
- Managers must invest a lot of effort in finding ways to motivate employees, especially in difficult times
- Significant support to the managers is provided by the HR department
- Some planned processes and changes have been accelerated

„(...) even before the pandemic, the bank was in transition and our strategy is to go more towards digitalisation and towards any agile transformations. That is in general our strategy, even before the pandemic. The pandemic has only accelerated some things.”

(HR Director, E-Bank)

- From this crises all of us learned something new, became more innovative, creative and we questioned our own values

**Obrigada!
Hvala!**



Thank you for your attention!

Any Questions?

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