

## MOTIVATION IN THE AGE OF CRISIS IN GREECE

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**Summary:** This paper outlines and discusses an approach to HR management in crises and especially to motivation in Greek Civil Engineer Consultant Companies during the economical crisis of 2010-12. A discussion of the definition, the nature, the anatomy of crisis, and an analysis of crisis behaviour are presented in the first part of it. Next part is consisted of a literature review of motivation and motivation theories. The paper is integrated with a case study, results and conclusions. The aim of this paper is to investigate the crisis, to explore the patterns of motivation, which emerge in response to crisis in Greek Engineer Consultant Companies, and thereby to identify the layout of the statement, helping the managers to cope with it more effectively. While this paper is presented within this restricted context, it will be interested to any manager who operates an organization in a crisis time.

**Keywords:** HR management, Civil Engineer, Greek crisis, motivation

### 1. INTRODUCTION

Now and perhaps more than ever, we have a need of good leadership and motivational methods. To get through the financial crisis we are experiencing at the moment, a strong focus on motivation has to be made. Today in Greece of 2012, we are having the highest unemployment rate of 20%. In the latest years we have experienced an increase in firings and it has become difficult to get a job. This is a problem both for the newly educated but also for the established career person who has been fired. Therefore especially in a situation of crisis, concepts such as leadership and motivation are important. Leadership and motivation are two of the most important concepts in a company for being successful.

In relation to the crisis, but also just in general to the changes in the society, there have come different aspects or worries up to the surface, for people. When time changes and the society is in a crisis, there might also be a need for change in the leadership and the way the leaders are motivating the employees. In organizations, the aspect of uncertainty has come up. This has to do with all the firings and closed down companies. Many employees do not feel that they are safe anymore in their job. According to Maslow's Hierarchy of Needs, security is one of the lower-level needs and for an employee to strive to the higher levels and perhaps in that way perform optimal, the lower levels have to be satisfied. If people do not feel secure and safe in their jobs, it will be a challenge to find a way to motivate and lead them.

### 2. DEFINITION OF CRISIS

A crisis is described as: 1) a major threat to system survival with, 2) little time to respond (Hermann, 1963), 3) involving an ill-structured situation (Turner, 1976), and 4) where resources are inadequate to cope with the situation (Starbuck & Hedberg, 1977; Webb, 1994).

A crisis (Booth, 1993) is "a situation faced by an individual, group or organization which they are unable to cope with by the use of normal routine procedures and in which stress is created by sudden change". More specifically, a crisis is an unexpected event in an organization's life, for which there are no contingency plans in place, which threatens high priority goals and

demands a time-pressured response (Brecher, 1977). Pauchant and Mitroff (1992) believe that a crisis is a "disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core".

Although a crisis calls into question the survival of a system, it can lead to either positive or negative organizational outcomes (Marcus & Goodman, 1991; Pauchant & Mitroff, 1992). Some scholars have even argued that the trauma inherent in crisis is developmental for a system, by providing individuals within the system opportunities for learning and change (Pauchant & Mitroff, 1992). However, that whether positive, negative, or developmental outcomes follow crisis depends on the nature of organizational behaviours during crisis. Moreover, because of the multitude of forces, which interact during a crisis, it provides an excellent context for the integration of the theory.

### **3. CRISIS BEHAVIOUR**

Behavioural sciences indicates that crisis behaviour can be explained by reference to the structure of people's communications during a crisis, to the way they cope with change and to the increased psychological pressures which characterize such periods.

While individuals react in different ways to a crisis, numerous standard models of crisis behaviour have been developed. Typical of these is a model proposed by Fink et al.(1971) which like others, shows a range of behaviours evolving in a predictable order. The 'shock phase' is the initial state of appraisal in which the threat is first perceived; the 'defensive retreat' phase represents the first attempt to cope with the threat by using familiar established approaches; the 'acknowledgement phase' involves a reappraisal period in which the threat is more recognized with all its implications and finally the 'adaption and change' phase involves a more realistic period of coping.

The research (Xanthakis, 2012) showed that the behavioural implications of stress are numerous. It was pointed to a loss of attention to problem solving, increased decision-making errors, and greater rigidity in exploring alternative courses of action and withdrawal behaviour. Individual reactions to stress include agitation, lowered span of attention, sickness, aggressive behaviour, impulsive behaviour, depression, lower tolerance of risk and lower tolerance of other's opinions. Crises are likely to be characterized by different phases of behaviour although this is not inevitability. Rather, it is dependent upon the attitudes and interests of those effected and upon the way a crisis is managed. Where crises are characterized by a number of behavioural phases, it is not possible to generalize about a specific and repeatable pattern occurring. The most disturbing fact to emerge is that crises appear to generate forces to reinforce negative phases of behaviour and weaken positive phases. Effective crisis management demands that managers develop a sense of collective responsibility, mutual sensitivity and responsiveness. The management of behavioural change and conflict are key aspects of the crisis process because crises have a destabilizing effect. Continuous attention to maintaining behavioural stability is required because once initiated, any instability accumulates a self-perpetuating momentum.

### **4. MOTIVATION**

Motivation represents one of the central problems of the organization because relationship between organization and work force is extremely important. It is guided by the motives, which are withheld by employees and by what is the force, which energize him toward professional work. In the present context, when economical societies are crossing an

economical crises keeping the best employees they have, without motivating them only financially, but also through another types of motivations.

Motivation has been important for many years both in the personal life but also in the work life. When looking at motivation from a psychological point of view, it is about achieving a goal, and leading towards goal-directed behaviour. In relation to the concept of motivation, there are two aspects present. The first aspect is the instinct, which is an innate biological mechanism that determines ones activity. The other aspect is the motive, which is an innate mechanism that is built and made personal by learning. Motives satisfy needs that are not directly based on the requirements of the body.

A definition of the word "motivation" in a business dictionary is the following: "Internal and external factors that stimulates desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal. Motivation is the energizer of behaviour and mother of all action. It depends on the interactions among conscious and unconscious factors such as the (1) intensity of desire or need, (2) incentive or reward value of the goal, and (3) expectations of the individual and of his or her significant others".

Motivation has many aspects. There is the internal and the external motivation. In relation to internal motivation, there are rational factors such as expectation, self-confidence and goal management. Furthermore, there are the irrational factors such as needs, qualities, and personality. Looking at the external motivation, there are the points of job design, which account for motivations factors and job characteristic. The other sub point, being economic and social factors, such as rewards, justice, and personally wages. The effect motivation creates a focus on specific assignments, creates energy, effort, and a determination, which creates more persistence. Lastly, it affects the job, in the sense that the employees will make plans for how their given job will succeed (Laegaard, 2008).

Throughout the years, there have been a lot of different theories about motivation. It all started with the traditional or the classical theories such as the Scientific Management, developed among others by Frederick Taylor (1856-1915). The assumption behind this theory is that people act rationally in an attempt to maximize the economic return to their labour. At that time, it was believed that working was not fun and something you would not chose if you had a choice. Furthermore, the reason behind people wanting to work was money. If people were paid enough, they would perform any job (Brooks, 2009).

This view on motivation is no longer valid or at least not the full view. It is outdated due to differences in the society but also more aspects have been found and motivation is no longer as simple as that. Different theories developed after the Scientific Management are presented and seen in relation to different aspects.

According to Iqbal and Mehri (2011) "The existing literature supports the view that the sensitivity of employee motivation and job security level magnifies during economic downturn". At his turn Gustin (2009) has following remark: "when employees are worried about benefits, their motivation can suffer, resulting in lower levels of performance and productivity" Also Creech (1995) observe that "responsibility denotes a feeling that a person has toward the job, through a commitment that stems from a possessory interest in some aspect of that job".

Above arguments describe the obvious fact that the efficiency of the organizations depends on how much effort is willing to give an employee for achieve the personal and organizational objectives. The competition is hard between the organizations who want to keep their best

employees. Keeping in attention the context of economical crises, knowledge of dynamics of motivation become an element of direct predictability of organizational success.

Many perspectives are in existing literature regarding the motives. Kline (2001) in his survey about managers describes ten factors in order of importance (with 1 being the most important and 10 the least important) based on what they thought their employees feel as important to them. The ten factors were a feeling of being in on things, job security, interesting work, personal loyalty to employees, tactful disciplining, good working conditions, promotions and growth in the company, good wages, help on personal problems and appreciation of work done. While Iqbal and Mehri (2011) notify that, "interesting work; good pay; full appreciation of work done and job security are outstanding drivers for employee motivation".

For Ramlall (2004) the list includes needs of the employee, work environment, responsibilities, supervision, fairness and equity, effort, employees development, feedback. D. Elizur (Corbett, 1994) realized a cross-cultural research in a number of countries. He put the subjects and tried to make a hierarchy with the factors who influence their work motivation (1 - the most important factor, 10- the least important factor). As it is shown from the results (Table 1) there is a significant different, which depends on the cultural environments.

*Table 1: Motives in some different societies, research of D. Elizur*

	USA	UK	Germany	Holland	Taiwan	Korea	Hungary	China
Interesting work	<b>1</b>	2	<b>1</b>	<b>1</b>	2	3	6	5
Accomplishments	2	6	7	2	<b>1</b>	<b>1</b>	2	<b>1</b>
Advancement in career	3	7	<b>10</b>	6	4	7	<b>10</b>	6
Personal recognition (self esteem)	4	5	9	9	3	9	7	3
Abilities used at work (properly)	5	4	6	5	8	4	5	2
Autonomy at work	6	9	5	4	7	<b>10</b>	9	4
Security of the job	7	8	4	8	5	2	8	<b>10</b>
Good manager (attentive and correct)	8	<b>10</b>	3	7	6	6	<b>1</b>	7
Good incomes	9	3	8	<b>10</b>	<b>10</b>	8	4	9
Good colleagues (agreeability)	<b>10</b>	<b>1</b>	2	3	9	5	3	8

Source: (Panisoara, 2006)

Kline (2001) remarks that "managers seem to place more importance on career issues (good wages, job security and promotions) as motivational factors, while employees place more importance on personal issues (appreciation, inclusion/shared information and help on personal problems) as motivational factors.

## 5. THE CRISIS OF THE GREEK ECONOMY

By the mid-1990ies, the Greek economy was in a period of gradual adjustment and change. Tourism, shipping, construction, banking and telecommunications were the major sectors that attracted investment. Agriculture and Manufacturing entered a period of relative decline until 2000 and absolute decline thereafter. When the economic crisis of 2008 started to

produce its worldwide impact, the Greek economy was already in a process of disintegration. In May 2010, the EU and the ECB secured the financing of the Greek economy for the next three years under the terms of a memorandum. Greece accepted a complex agreement, which ended the country's capacity to decide on its fiscal policy and provided for a large number of harsh measures in almost all areas of social and economic life. Pensions and salaries have been reduced in the public and in the private sector resulting in a drastic deterioration of the economic conditions for the majority of the population. In 2012 Greece accepted a second economical agreement, as the first characterised 'failed' and provided for a large number of more harsh measures in all areas of social and economic life.

## **6. STRUCTURE OF THE GREEK CONSULTANT ENGINEERING COMPANY**

The Greek Civil engineers mainly in large urban centres (and especially in Athens) who work in large companies are called cooperated engineers. The company provides them with everything it is required (equipment, software and hardware, peripherals). They work at the company on a daily schedule, specific hours. This category of Civil engineers is the studied population of this paper. The organizational structure of these companies could be classified as "simple", "horizontal" and "fluid". The size of these companies, comparing with them of other sectors could be described as small to medium. For example the average number of employees of a classified as 'medium size' consultant company are about ten. The number of companies of the sector is limited, and there are several collaborations between them mainly to undertake large public projects. The companies are placed mainly in Athens, while they made projects in whole Greece. The sector is consisted of a small number of companies and the total number of employees is also small.

## **7. CASE STUDIES -METHODOLOGY OF RESEARCH**

The main objectives of the research are identifying the motivation of the specific population of engineers and especially the hierarchy of main motives of it. We used the list of factors of D. Elizur, based on main motivational theories in the field (McClelland, Alderfer). There are motives of achievement, affiliation, power, and existence, growth (personal and professional growth).

In the case study, data, which formed the basis of research, were collected by interviews. However, the main purpose of the interviews was to gather qualitative data about people's motivation during the crisis. Each interview was semi-structured and guided to highlight each respondent's contribution to the topic. Interviews were conducted in two phases April 2005 (before crisis time) and January 2012 (during crisis). Each lasted approximately 30 minutes.

We focused on two companies operating in Athens (Greece) to examine their HRM responses to motivation during the Crisis time. The two companies, that were studied, were firms that focused on consulting services. Firm A associated with big projects of private sector, (especially Hotels, Luxurious Residents and malls) while firm B with Road and Bridge Project of Public Sector. They are consisted of Engineers especially Civil Engineers, a secretary and some drawing designers. A manager is responsible for Engineer Projects while the owners of the companies have the economic management. The firm A, before the crisis, occupied eight employees (7 Civil Engineers, 1 secretary) while firm B, nine employees (4 Civil Engineers, 1 secretary, 4 drawing designers)

The reduction in organizational headcount was the major concern during the crisis. Initial this was complemented by reductions especially in the payroll, with the freezing of increments, and then, with members of the organization taking pay cuts and a downsizing (about 50%).

Today in firm A are occupied five employees (4 Civil Engineers,1 secretary) and in firm B four employees (1 Civil Engineer ,1 secretary, 2 drawing designers).Across the crisis, it was observed that companies used multi-skilled employees (Civil Engineers or drawing designers) to cope with the Crisis. It is remarkable that the secretaries handle with the payrolls and the training budgets are cut.

## 8. ANALYSIS – RESULTS

The results of the research (2005) show that good manager, good incomes and interesting work, are the most significant motivation factors, in Greece. The population with "no work experience" place in the lower position "good manager" option, which shows that lack of experience did not give information about the importance of the manager in work place. "Job security" is in the last place for population who work in private sector, which is dynamic and in permanent restructuration.

At the age of crisis (2012), the hierarchy of the motives has completely changed. The most significant factor is the *Security of the job* and then, of course the *income*. No matter who is the manager, who are their colleagues, what is the job. The employee does just want a job and some money to survive (as they characteristically said, during the interviews).Table 2 presents the hierarchy of success in 'motivational drivers' before and during the crisis time.

*Table 2: Motives in Greek Civil Engineers before and during the crisis time*

	Greece 2005	Greece 2012
Interesting work	2	6
Accomplishments	5	7
Advancement in career	6	8
Personal recognition (self esteem)	7	9
Abilities used at work (properly)	8	10
Autonomy at work	9	5
Security of the job	10	1
Good manager (attentive and correct)	1	3
Good incomes	3	2
Good colleagues (agreeability)	4	4

Source: own research

## 9. CONCLUSION

The results of the research agree with Tobias (2006) which has the remark that "there can be no hierarchy of success in 'motivational drivers' (status, power, altruism, affinity, acquisition) as the individual's psychological pattern is complex and constantly evolving". We remarks that the hierarchy before and during the crisis has dramatically changed. The company's environment (managers, colleagues, interesting work) which before crisis was at the top the factors list, during the crisis are the variables with the less weight. The variable 'Security on the job' that is presented as a light variable became the most important motivation factor. Employees, first of all, want a permanent and secure job.

An interesting point of the research, during the period before crisis, is the role and place of "income" in this hierarchy. Gerhart (2005) get evidence studying the literature (before crises): when people are asked directly about the importance of pay, people tend to give it answers that place somewhere around fifth (range = second to eighth) in lists of potential

motivators. In contrast, meta-analytic studies of actual behaviours in response to motivational initiatives nearly always show pay to be the most effective motivator. At the crisis time the above factor is at the top of the list, as it can be seen in Table 2.

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