

MOTIVATION THEORIES: VALIDITY IN A NEW CONTEXT. TRANSFER AND APPLICATION IN GREECE

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Summary: When times change and society is in crisis the Human Resources Management has a crash test. During the period of 2008-2015 the work environment changed in a great number of organizations, due to the devastating outcomes of the financial crisis in Greece. This sudden change of organization, in political and economical contexts generated new topics in the field of organizational research.

The present work is a theoretical research that aims at investigating potential barriers to apply motivation theories in Greece of economic crisis. Without claiming to be a full- detailed presentation of the most-known motivation theories, the aim of this work is to highlight the fact that the motivation theories have to be considered absolutely valid only in the environment where these were constructed. The transfer and the application of these theories to a different working framework, requires the testing of how they can be applied in the new context.

Keywords: Motivation, Economic crisis, Greece, HR management

1. Introduction

The motivation is a force which acts in each man making him acting in one way or another. Different assumptions have as result various motivation theories, although classic motivation theories in the management context are American (Maslow, McClelland, Herzberg etc.).

These theories (Table 1) reflect the culture in which they were developed. The American motivation theories reflect the cultural environment of the United States of its day. Most of the theorists were middle-class intellectuals, so their theories reflect the national intellectual middle-class culture background of 19th and 20th century. This period covers a period of rapid economic growth (1865-1928) , the Wall street crash(1929), the Great Depression period(1930-1940), the First World War (1940-1945).The second half of the twenty century was a time of high economic growth(1945-1964), sexual freedom and drugs, while the concept of 1980's based on huge consumption of money and goods. In general, it was a period of economic growth and recovery.

Culture reflects how a person realizes and reads a situation, and he is influenced on his behavior and motivation (Erez, 2008). The culture is a key factor in the process of motivation. Cultural environment influences behaviors, and define the reasons for which a person behave in one way or the other (Hofstede et al., 2010).

2. Motivation Theories

The first thoughts about how to motivate employees to develop their productivity started in the late 19th Century. Early 20th Century companies adopt the concept of Frederick Taylor's about the "piece rate" system. Industrial engineers used "scientific" studies to define the most efficient process for job. The managers of the Western Electric Company (1924) introduced

the Hawthorne Studies. Elton Mayo, the founder of Human Relations School, observed that the productivity grew no matter what changes were made to the working environment. The Maslow Hierarchy of Needs (written during the Great Depression) was based on his studies on the difficulties in the lives of the individuals. Maslow created his theory based on the five set of goals that people try to achieve in order to satisfy their needs. Above needs define (Latham, 2006) the behaviour and the sort of attitude that a man adopts in order to reach at the stage they are currently in. McGregor (1960) categorized the types of people into two groups that had two different approaches. McClelland (1961) concentrated on the motivation process of a range of distinct and clearly defined needs, such as: achievement, affiliation, power and autonomy. Herzberg (1966) focused on understanding how work activities and the nature of the job define motivation and performance. Hackman and Oldham (1976) worked out on Herzberg's theory regarding main characteristics of jobs, taking into account differences among individual's needs. Vroom's (1964) expectancy theory focused on that people choose to have an attitude based on their subjective probability. Adams (1963) mainly focused on the feelings of equity/inequity and the cognitive appraisal of one's outcomes (salary, bonus) compared to one's input (skills, education,) relative to others (co-workers).

Table 1: Timescale: Motivation theories/USA economy growth

| <i>THEORIES</i> | <i>DECADE</i> | <i>U.S.A ECONOMY</i> |
|---------------------------------------|----------------------|--|
| Taylor (1911) | 1910 | Rapid economic growth |
| Mayo(1924) | 1920 | Wealthiest country in the word |
| | 1930 | 1929 Wall street crash |
| | | 1933 Nadir |
| | | 1933-38 Recovery |
| Maslow (1943) | 1940 | 1940-45 FWW |
| | 1950 | 1945-65 High economic growth |
| McGregor(1960) | 1960 | |
| McClelland(1961) | | |
| Adams (1963) | | |
| Vroom(1964) | | |
| Herzberg (1966) | | |
| Locke(1968) | | Economy prosperous |
| Lawler (1970) Hackman/Oldham(1976) | 1970 | Economy faltered 1973 oil crisis |
| Bandura(1986) | 1980 | 1983 recovery 1983-1990 great consumption |

Source: own compilation

3. USA in 20th century

The history of United States consists of a period of high economic growth. The United States becomes the world's prevalent economic force. A huge wave of European immigration (U.S. Bureau, 1976) supplied the manpower for the development of industry while at the same time provided the population base for fast-growing urban America. By the late nineteenth century, the United States had developed in the main global industrial power, leading on new technologies, expanding its railroad network, and having a great number of natural recourses

(coal, timber, oil).

In 1920's, America was the wealthiest country. Almost everybody seemed to have a well paid job and cash to spend. In October 1929, the Wall Street Crash took place. The Wall Street Crash of 1929 and the Great Depression forced the government to rebuild the economy. The worst time of the Great Depression was 1933, while the recovery was fast until the recession of 1938. The period from 1945 to 1964 was a rapid economic growth time and development. It was also a period of confrontation as United States and its allies politically opposed the Soviet Union and other communist countries (start of the Cold War) On the domestic, after a short devolution, the economy developed fast, with great prosperity, high salaries, while the remaining farmers moved to the cities.(Alan, 2006).

America's economy was prosperous until the early 1970s, but at the next years started losing its strength under the foreign competition and the high oil prices. In 1973, USA faced an oil crisis when OPEC stopped shipping oil to nations supporting Israel. America recovered in 1983; unemployment fell and GDP got growth. Inflation was reduced, Housing started boomed and the automobile industry recovered its vitality (Chafe, 1990). The concept of 80s was associated with extravagance and transformation.

4. Dimensions of culture and national culture

Culture is defined as the collective mental programming of the people in an environment. It encloses a number of people who have the same education and life experiences. Culture is often difficult to change; if it changes at all, it does so slowly. Hofstede (2010) tried to determine empirically the main criteria by which their national cultures differed. The first dimension of national culture is called *Power Distance*. It indicates the extent to which a social environment adopts the fact that power in institutions and organizations is distributed unequally. The second dimension, *Uncertainty Avoidance*, indicates the extent to which a society seems to be threatened by fuzzy factors and tries to avoid these by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviors.

Table 2: Dimensions of culture

| | <i>USA</i> | <i>Greece</i> |
|------------------------------------|---------------|---------------|
| Uncertainty Avoidance | Weak | Strong |
| Power Distance | Small | Large |
| Individualism/ Collectivism | Individualism | Collectivism |
| Masculinity/ Femininity | Masculinity | Masculinity |

Source: Hofstede, 2010

Figures 1, 2, 3: Dimensions of the culture

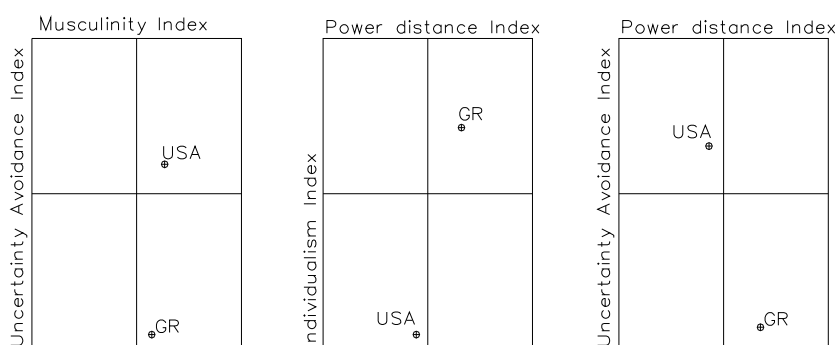


Figure 1

Figure 2

Figure 3

Source: Hofstede, 2010

The third dimension is *Individualism* and its opposite, *Collectivism*. Individualism entails a loose social environment in which people take care of themselves and of their immediate families only. At the other hand collectivism is characterized by a tight social environment in which people make out in-groups and out-groups. The fourth dimension is called *Masculinity* measuring the extent to which the prevalent values (assertiveness, the acquisition of money and things) in society are "masculine". According to Hofstede's research (Table 2) USA and Greece have totally different National Culture Dimensions Figures 1, 2 and 3 present the results in diagram.

5. The current Social face of Greece

Greece remains a relatively traditional society regarding the formation of the family and family structure. Couples getting married and having children within marriage. The model of the family where they work both parents is common, combining work and family responsibilities.

The traditional Greek family support their members replacing the welfare state. The majority of Greeks are homeowners. The usual form of employment is the permanent job. Greek employees are seeking safety in the workplace, while at the same time have the trend in the expansion of their business (work as freelancers). Most employees are appeared having now or in the past increased bank debt (loans, debts on credit cards, etc.) that makes them having a heavily indebted profile (financial obligations greater than income).

A great number of job positions are lost but at the same time the decrease of income for those who continue working are also important. The salaries have reduced by 25-30% (on the average) while the increase of tax burden made above losses sound dramatic.

6. Conclusion

The American motivation theories reflect the cultural environment of the United States of the late 19th and 20th century. They were developed based on American national culture and the fast growing economy. They placed in the highest level the Achievement (term that difficult translated in any other language) as the goal of the typical American worker. In a framework, that employees had met their physiological and safety needs these theories encourage them to cover their higher needs (social needs, esteem, self-actualisation) through their work.

The transfer and the application of these theories from the wealth environment of 19th and 20th century to today's working environment in Greece needs a validity test and an adaptation to current context. In these days, the main goal is the survival and not the achievement. The needs of employees' have changed dramatically, the safety in the workplace is lost, and these

motivation theories seem not to work efficient through the whole scale of the economic environment. Be motivation theories implied in the current Greek culture and working environment? This paper explores the theories and the current situation and based on this an empirical research is following.

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