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“Employee Motivation in the Service Industry in a Down Economy”

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Abstract

During the last decades work motivation has attracted the attention and the interest of the vast majority of academics and practitioners since it is commonly accepted and proven that it can lead to positive organizational results. The vast expansion and growth of the service sector renders the subject of work motivation highly relevant nowadays as it is considered to be a labor-intense sector. However, the recent economic crisis of 2008 which still affects many countries especially in the southern Europe, brought in the light a gap in the existing literature regarding employee motivation under tough economic times. The limited academic research and the need for gaining a better understanding of what drives employee motivation under all circumstances, calls for further research and attention in the field of work motivation.

The aim of the current thesis is to shed light on what motivates employees under the influence of an economic crisis in the service sector in our ages. In other words, the purpose of the present study is to identify and analyze which motivational factors are ranked as highly important by employees in the service sector in a down economy. For the purposes of the study, the hotel industry in Greece was selected as it is believed that it has all the characteristics needed in order for valid results to come out. However, it is strongly supported that other companies in the service industry could find the thesis’s findings interesting and applicable in their business strategies and policies.

The present research constitutes a combination of primary and secondary data. Secondary data are mainly based on the existing literature on work motivation and form the theoretical framework of the thesis. Primary data are collected by the use of a questionnaire distributed to ten city hotels in the area of Thessaloniki in Greece. The hotel employees who participated in the survey were asked to evaluate 21 motivational factors on a 5-point scale based on the level of interest each of these factors has for them. The list of the 21 motivational factors derives from the theoretical framework the thesis was based upon.

Based on the research outcome, employees in the service industry value as important for them the following motivational factors: (1) Salary, (2) Personal Life, (3) Relationship with Peers, (4) Supervision and (5) Relationship with Supervisor. These findings suggest that service employees under the influence of an economic crisis are mainly motivated by extrinsic factors.

The current thesis and the research outcome enable practitioners and academicians to gain a deeper understanding of what drives employee motivation in tough economic times in the service industry. Under certain conditions, HR managers could take into consideration these findings in order to form better strategies and adopt a more focused approach when attempting to address the issue of employee motivation in unstable economies.
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Chapter 1: Introduction

1.1 Research Topic

Human motivation is an issue that attracted a lot of attention from the vast majority of the academic world over the years and will continue to gain people’s interest as long as the humans exist. Scientists have been trying for decades to identify what makes people to behave in certain ways under certain circumstances and how this behavior changed throughout the years. Various theories of motivation have been discussed, challenged, refuted and improved upon in an attempt to gain a deep understanding of human behavior (Bessel I. et al., 2002; Locke E. and Latham G., 1990). However, no theory has been proven to be better than the others and still the global literature on human motivation keeps expanding.

The first forms of motivation are identified back to ancient times when people’s main concern was to seek pleasure and avoid pain (Porter L. et al., 2009). Nowadays, the modern way of living has created all the fertile ground for more complex forms and theories of motivation to rise both in a societal and a working context. Over the last decades, extensive research has addressed specifically the issue of work motivation, since it is related to various positive organizational outcomes, such as increased productivity, lower absenteeism rates and decreased employee turnover. Thereby, the issue of work motivation fairly holds a top position in managers’ and researchers’ list of priorities.

In our ages, specifically, gaining a deeper understanding of work motivation is of utmost importance given the rapid development and vast expansion of the service sector worldwide. As stated by Gržinić J. (2007), the dominant role of services nowadays is all the more obvious if we take into consideration that more than “70% of the world GDP is realized in the service sector. The same sector sees the concentration of 70% of workforce” (Gržinić J., 2007). According to Gill A. and Gill S. (2012) “the service sector is going to play a significant role in shaping the future of economy and the economy of future”.

The service industry distinguishes from the industrial one due to the intangible and perishable nature of services provided. The service sector is also characterized as human resource intensive, since the delivery of high quality services requires a high level of interaction between the service provider and the service customer, a fact that indicates the significance of the employees’ role in the service industry and therefore how essential their motivation is.

1.2 Problem Area

Employees in the service sector constitute the most critical asset of a company and it is widely accepted that they have the power to determine, to a great extent, through their performance the success or the failure of a firm. The main purpose of a service company is the delivery of a high-value service to its customers and service quality is well-guaranteed when employees’ motivation and thus their performance is at the highest level, since they are the company’s face in customers’ eyes.

The need for employee motivation is all the more obvious especially in the tourism and hospitality industry. Tourism is one of the most, if not the most, important industry in the modern service economy, as it constitutes one of the largest job generators. As stated by Ladkin A. (2011), around three percent of employment worldwide is provided by the global tourism industry. The hospitality industry is one of tourism’s most important parts and includes various sectors such as the accommodation sector, restaurants and bars and travel agencies. Jobs in the hospitality industry are characterized as highly stressful and they are generally low paid, so employees often feel unmotivated and therefore they tend to regularly move from one service organization to another. High turnover rates lead to “high costs of
training and recruiting, lower productivity and emotional instability among employees” (Cho S. et al., 2006).

Moreover, one major problem in the hospitality industry that contributes to the high turnover rates, apart from the stressful nature of the jobs and the low wages offered to employees, is seasonality, which can be defined as “a peaking of demand at different times of the year” (Lundberg C. et al., 2009; Kennedy E., 1999). Besides, managers in the hospitality industry face great difficulty in recruiting and maintaining qualified employees. There are numerous employees who tend to avoid seeking for a job position in the hospitality industry as they are aware that it is an industry which on the one hand offers few chances for promotion and personal development and on the other it is “characterized by anti-social working conditions and casualized remuneration” (Lundberg C. et al., 2009; Baum T. et al., 1997).

In addition to the conditions of employment that characterize the hospitality industry in general, the consequences of the current economic crisis, which since 2008 has completely changed the global economic scene, make it all the more difficult and challenging for the companies operating in the hospitality sector to distinguish themselves in the market and survive in the long-term period.

Greece is one of the countries that were highly affected by the last global economic crisis. Both private and public organizations operating in the Greek economy have to deal with various problems and financial challenges since 2008. Moreover, the current level of unemployment rates which have reached unprecedented percentages along with the economic instability that characterizes the market have both led to the prevalence of low morale in the Greek society.

Taking into consideration the nature of service jobs and the fact that employees under the influence of an economic downturn have to work at the same rates or most of the times for more hours and receive less money compared to the past, it is all the more obvious that employee motivation under these conditions is more crucial than ever before.

As it is supported by a group of academicians and researchers, one of the most effective, if not the most effective, ways to motivate employees is by providing them with financial rewards, in other words by increasing their monthly income, for example with bonuses depending on their performance. Nevertheless, over the last decades an increasing number of psychologists and behaviorists supports that the financial rewards in a working environment are counterproductive (Baker G. et al., 2013). According to Deci E. (1972), money results in lower employee motivation as it reduces the intrinsic reward an employee can gain from the job. Additionally, Slater P. (1980) states that “using money as a motivator leads to a progressive degradation in the quality of everything produced” (Baker G. et al., 2013; Slater P., 1980).

Furthermore, Kohn A. (1988) maintains that there are three reasons which can explain why money is not an effective way of motivation. First of all, he argues that “rewards encourage people to focus narrowly on a task, to do it as quickly as possible and to take few risks” (Kohn A., 1988). Secondly, he claims that “extrinsic rewards can erode intrinsic interest”, meaning that when employees feel that they are working for money they tend to perceive their job as less interesting and derive less pleasure from it (Kohn A., 1988). Finally, Kohn A. (1988) states that employees tend to feel less autonomous when rewarded with money as they “come to see themselves as being controlled by a reward”, a fact that has a direct impact on their performance.

Under the influence of an economic crisis, in specific, managers cannot financially reward their employees for their task achievements given their increased cost awareness. In that case, it is highly recommended they rely on non-financial rewards to effectively motivate their staff. In order for managers to motivate their employees and achieve their goals it is imperative they first identify what motivates their employees and then create a context which will satisfy these motives. By altering the context, it is possible that managers “affect the degree of work motivation among employees” (Lundberg C. et al., 2009). The various motivational theories available in the global literature nowadays can act as the basis
on which managers will understand and explain human needs and how these needs affect human behavior, so as to form the right strategies for their company.

Given the importance of employee motivation under the current financial crisis in all business sectors, the present thesis focuses in particular on the service sector and attempts to identify which motivational factors affect Greek hotel employees to achieve higher levels of performance.

1.3 The Main Research Question of the Thesis

The research question that best reflects the issues presented above and sets the direction of the current dissertation is:

"Which motivational factors are ranked as most important by Greek hotel employees under the influence of an economic crisis?"

1.4 Purpose and Need of the Study

Given that Greece is a well-known touristic destination worldwide it is imperative we understand what motivates Greek hotel employees to perform well so as to use that knowledge in order to improve service quality provided to each and every hotel of the country. The hotel industry is labor-intensive in nature, so focusing on customer service will enable hotel managers attract new customers and retain repeating guests. By better understanding what motivates their employees under certain circumstances, hotel managers are able to satisfy their needs, thus reducing the high costs associated with employee turnover and increasing customer satisfaction in the long term period.

To the best of my knowledge there is only one study available in the literature addressing the problem of work motivation in the Greek hotel industry. In 1990, Chitiris L. performed a study on 130 senior hotel managers in all functional areas in 14 de lux class hotels in two areas of Greece (Athens and Corfu). Chitiris L. (1990) examined hotel managers’ work motivation from a demographic variables perspective and he found that the motivation of the 130 managers interviewed was affected by age, educational level and length of time with the hotel, but not by other demographic variables such as gender, marital status and years in their position (Charles K. and Marshall L., 1992; Chitiris L., 1990). However, Chitiris’s study addresses the issue of work motivation in the hotel industry only from a manager’s perspective. Moreover, as far as I am concerned no published research has addressed the issue of employee motivation in the hotel industry under the influence of an economic downturn neither in Greece or globally.

Thus, the purpose of the present study is two-fold. On the one hand, the main objective is to answer the research question stated above by identifying, analyzing and discussing which motivational factors are ranked as most important by Greek hotel employees working in all departments and positions of a hotel under the influence of an economic crisis. On the other hand, the second objective of the thesis is to produce new knowledge by providing an in-depth view of employees’ motivational preferences in the hospitality industry during tough economic times.

Since a gap is identified in the existing literature regarding hospitality employees’ motivation under the influence of an economic recession the current topic is considered relevant to investigate. Moreover, it is supported that the findings of the present study could have some practical implications not only to the companies that will participate in the survey, but also to other hotels operating in Greece and maybe under certain circumstances in other countries. Finally, it is believed that this dissertation will not only
provide an answer to the research question set, but it will also reveal more issues for further research and will constitute a valuable contribution in the literature related to human resource management in the service sector.

1.5 Structure of the Thesis

In this section it is presented a graphical illustration of the overall structure of the thesis followed by a more detailed description of the contents of each chapter (see Figure 1 below).

### Figure 1: Structure of the Thesis

Chapter 1 is an introduction to the topic and the importance of employee motivation. In this part the focus of the thesis is illustrated through different sections dealing with the presentation of the main topic, the problem area, the research question of the thesis, the purpose and need of the study and the limitations of the thesis.

Chapter 2 is a presentation of the literature related to the topics of the economic crisis and work motivation. In this part on the one hand it is made an attempt of gaining a better understanding regarding the economic crisis and its consequences mainly in Greece and on the other hand the importance of employee motivation is highlighted. Furthermore, the developments in the field of motivation are stated
and the theoretical framework of the thesis is presented along with an argumentation regarding the decisions made.

Chapter 3 is an illustration of the methodological decisions made in this thesis and a presentation of the overall approach followed in the thesis based on scientific terms. In other words, in this chapter it is made an elaborate discussion regarding the research design, the research philosophy, the research approach and the research strategy adopted in the present study. Besides, the methods of data collection employed in the thesis are presented and critically assessed in the end of the chapter.

Chapter 4 constitutes an overall presentation of the primary data collected. The main goal of this chapter is to provide the reader with information regarding the demographical profile of the research’s respondents and briefly introduce him to the research findings, so as to set the basis for the elaborate analysis followed in the next chapter. In chapter 5, therefore, the findings of the survey are presented in details and a thorough analysis of them takes place.

Finally, chapter 6 attempts to relate the research findings with the literature presented in the first chapter. Moreover, in the final part of the chapter the thesis’s final conclusion is stated and recommendations for future research are made.

1.6 Limitations of the Thesis

There are several limitations inherent to the current study and they are all discussed in the following paragraphs.

To start with, based on the revision 3 of the International Standard Industrial Classification (ISIC) the service sector is divided into four main sub-sectors: 1) wholesale, retail trade, restaurants and hotels, 2) transport, storage and communication, 3) finance, insurance, real estate and business services and 4) community, social and personal services (European Central Bank, 2006). However, because of formal constrains, the present thesis focuses only on one sub-sector of the service industry, i.e the hotel industry. Although choosing to collect data from a single sub-sector enables the conduction of an elaborate research and the production of a high quality outcome, it is worth mentioning that the generalizability of the results to other service sectors may be limited.

Moreover, the research is conducted only in one area of Greece (Thessaloniki), thus there might be limitations for the generalizability of the outcome beyond the research population. However, it is a conscious decision to rely on one Greek area for the collection of data, since any other decision would have led to time and various practical restrictions. Nevertheless, it is believed that the study’s findings should at least be applicable to the hotels in the area of Thessaloniki that did not participate in the research, since their employees will share common stimuli with the respondents of the survey.

In addition to the above, it should be taken into consideration that the primary data collected do not include responses of all the employees working in the hotels that participate in the research. This absenteeism might exist due to employees’ unwillingness to complete the online questionnaire or because of their limited access to electronic means or simply because of their limited knowledge regarding the use of a computer.

Finally, with regards to the thesis’s theoretical framework it should be noted that it is only used a part of the Job Characteristics Model (core job attributes), given that it is the only part judged as suitable for meeting the study’s objectives.
Chapter 2: Literature Review

This chapter presents the theoretical background of the current thesis and it is subdivided into three main sections. The first part focuses on providing a better understanding of the current economic crisis and its detrimental consequences mainly in Greece. In addition, in this part the importance of employee motivation during strain times is also highlighted. The second part focuses on clarifying the concept of work motivation and its importance in the working environment. Moreover, in this section it is made a brief presentation of the developments in the field of work motivation with emphasis on those theories that are relevant to the present thesis. The theories which are considered to have limited applicability to this dissertation are lightly touched upon. Finally, in the third part it is presented and assessed the theoretical framework on which the current study is based.

2.1 The Current Economic Crisis and the Importance of Employee Motivation

2.1.1 Introduction

In 2007, the U.S banking sector was highly affected by the collapse of the U.S sub-prime mortgage market, resulting in instability in the international financial system. In the same year, many European countries saw the first signs of the economic crisis threatening them. The collapse of the Lehman Brothers Holding Inc. in 2008 actually rendered official the crisis in the U.S financial sector. The bankruptcy of Lehman Brothers Holding Inc., which was one of the oldest and largest investment banks, resulted in the destabilization of the world’s stock markets, causing a global uncertainty in the banking sector. The economies of many countries worldwide were severely affected with different consequences in different countries.

For Europe, in particular, dealing with the financial crisis was a major challenge, since the financial integration which had taken place the previous years rendered the economy of most of the European countries highly sensitive. However, the European Union designed and implemented a fiscal strategy in order to rescue the European banks and ensure that the Euro currency would not collapse. Regardless of the various measures taken by the majority of European countries since 2008, the Euro area economy has not yet escaped the danger. There are a lot of researchers and experts who fervently question European Union’s ability to overcome the financial crisis and the media constantly state their fear and concerns regarding a possible collapse of the Euro currency. Greece is one of the European countries which stand out in the various scenarios of the Euro currency collapse on a constant basis over the last years.

2.1.2 The Economic Crisis in Greece

After World War II the dream of many European politicians for a united Europe came true with the Maastricht treaty in 1992. In 1999 it was founded the Central European Bank and the Euro currency was established. In 2001, Greece joined the Euro union and the drachma, its old currency, was replaced by the Euro. The new currency enabled Greece to borrow at very low interest rates, a fact that according to Nelson M. et al. (2010) is responsible for the country’s high debt nowadays.

A noteworthy fact is that although the economy of Greece showed noticeable growth from 1995 until 2008, the public sector’s debt was increased considerably and by 2009 it was characterized as unsustainable. Besides, the global economic crisis of 2008 also affected Greece. In 2008, as stated by Paris A. et al. (2011), investments in Greece decreased by 11.5% and in 2009 by 5.6%. In addition,
Panageotou S. (2011) maintains that Greece’s entry into the Eurozone resulted in reduced competitiveness for the country’s products on the one hand and on the other in the country’s continuous borrowing from abroad, which according to him and many other economists is the cause behind the crisis.

In 2009, Greece was downgraded by three of the most well-respected rating agencies in the world: Moody’s, Fitch and Standard and Poor’s (Moody’s, 2009). Simultaneously, the European Union requested from many of its members and from Greece as well to reduce their budget deficits (Timeline, 2012). In Greece, consequence of the financial crisis was the instability caused in the country’s political scene and the fall of the government. The new government that was formed after elections asked for aid from the European Community and the International Monetary Fund in 2010. In May 2010 Greece signed an economic adjustment program for 2012-2013.

Until 2012, the economic adjustment program did not bring the desirable outcomes in Greece, as despite the austere measures taken by the government the economy was still under threat. In March 2012 Greece signed a new national reform program which covers the period 2012-2014. According to the European Commission (2012) the measures implemented in Greece the last years “substantially reduced the general government deficit between 2009-2011”. The objective of the second program implemented in Greece was “to durably restore Greece’s credibility for private investors by ensuring fiscal sustainability, safeguarding the stability of the financial system, and boosting growth and competitiveness” (European Commission, 2012).

However, it was essential for the Greek government to take additional measures in order to successfully meet this objective. Thus, in 2012 it formed and implemented a new strategy regarding the country’s fiscal policy aiming at further reducing government expenditures. Among others, a reduction in public employment took place. Greek government, in an attempt to further reduce labor costs, on the one hand imposed a reduction in the salaries and benefits of the employees in the public sector and on the other it readjusted the legislation so as to enable businesses operating in the private sector to further decrease the minimum wages. In the meantime, tax policy reforms and reforms in the health system are still taking place in the country, making it all the more difficult for the Greek people, as the majority of them cannot cover their expenses anymore.

Greek economy has dropped dramatically: “GDP has shrunk by 25% since 2010. Nearly 26% of the workforce are unemployed (most of whom do not receive benefits); wages are down 38%, pensions by 45%. Some 18% of the population cannot meet their food needs and 32% live below the poverty line” (The Guardian, September 2015). During the last years the bailout funds that Greece received from its lenders were used to pay off the country’s loans, so almost no investments were made for economic recovery. And apart from all the measures taken so far and people’s sacrifices the Greek debt is now around 180% GDP - in other words it “is now almost twice the country’s annual economic output” (The Guardian, September 2015).

On the 29th of December 2014, after failing to elect a presidential candidate in the third round of voting with the required 180 votes, ex Prime Minister Antonis Samaras asked incumbent president Karolos Papoulias to dissolve the parliament. The constant political and fiscal changes that took place in Greece since the dawn of the economic crisis and the proven incapability of the previous parties that were in power to bring the desirable stability and lead the country out of the crisis, along with resulted in a new round of elections in January 2015, where the leftist party Syriza and its leader Alexis Tsipras won by gaining civilians’ trust that he would manage to keep the country in Eurozone but with undoing austerity. The historic victory of a leftwing party resulted in further friction between Greece and the rest of Eurozone, since the new government’s aim was to openly oppose any bailout conditions set by the European Union and the International Monetary Fund (The Guardian, January 2015).

After few months of strong negotiations with the lenders, the new government did not succeed in achieving its initial goal and meeting voters’ expectations, so on the 27th of June 2015 the Prime Minister Alexis Tsipras announced a referendum, the first one in the modern Greek history not to concern the form
of government after the republic referendum of 1974. After the announcement of the referendum the banks in Greece closed and a new reality was imposed in the country which further led to economic insecurity and the threat of a possible Grexit was more serious than ever before.

The point of the referendum, which took place on the 5\textsuperscript{th} of July 2015, was for Greece to decide whether to accept the bailout conditions regarding the country’s government-debt crisis proposed by the European Commission, the International Monetary Fund and the European Central Bank on the 25\textsuperscript{th} of June 2015 or not. Greek citizens with a percentage of 61\% rejected the bailout conditions on the elections day. However, regardless the referendum result, seven days after the elections Alexis Tsipras signed the measures he had fought against and he agreed to a new €86bn three-year Eurozone program on terms not so different from those he had persuaded the Greek people to reject: “Corporate tax and VAT will rise, privatisations will be pursued, public sector pay lowered and early retirement phased out” (BBC, July 2015).

The new measures signed by Alexis Tsipras after the referendum, led to a split in his party. The Greek Prime Minister resigned on the 20\textsuperscript{th} of August 2015 and asked the President for the earliest possible election. On the 20\textsuperscript{th} of September 2015 new elections took place in Greece, where voters again showed their trust to Syriza and Alexis Tsipras was elected for a second time as Greek Prime Minister, with the hope to bring the first signs of growth in the country during the year 2016. Nevertheless, the capital controls imposed in June 2015 still remain in force and the economy has fallen again back into recession up to this moment.

The measures taken by the Greek government during the last years along with the economic uncertainty, the constant changes in the state’s political scene and the profit losses in most of the organizations, crippled whole business sectors. Additionally, since 2008 unemployment has reached record levels and the Greek society is characterized by a climate of insecurity and low morale. This situation renders the need for motivation in the working environment more crucial than ever before. Employees in times of economic downturns, apart from the personal problems they have to deal with on a daily basis, need also to work at the same rates as before the crisis and sometimes even more, for more hours and less money.

The detrimental consequences of an economic turmoil make it all the more difficult for organizations in our globalized economy to survive and remain competitive at the same time. As many studies indicate, employee motivation can lead to higher performance and increased profitability for an organization. However, during tough times the vast majority of organizations cut salaries and jobs in an attempt to reduce their expenses, a fact that has a direct impact on employees. Investing in effective human resource strategies under the influence of an economic crisis is considered to be a luxury for many managers, but they tend to neglect the fact that when financial resources are scarce the best way to increase a company’s profitability is by increasing employee engagement and commitment.

\subsection*{2.1.3 The Impact of the Economic Crisis on Employee Motivation in Greece}

Since 2008 the economic crisis has severely affected both the public and the private sector in Greece. The measures taken by the Greek government in order to obey to the economic adjustment program led to high unemployment rates and low compensation levels. In August 2012 the unemployment rate in Greece was 24.4\% and it was one of the highest in the European Union. Similarly, in August 2013 the Greek unemployment rate was 27.9\% (2.8\% higher than the one a year ago) and it was the highest in the European Union. In February 2014 the country’s unemployment rate was still the highest in the European Union, but slightly lower (27.5\%) than the one in August 2013 (27.9\%). However, in March 2014 it was noticed a decrease in Greece’s unemployment rate to 26.7\% and in May 2014 again a slight increase to 26.8\%. In November 2014 the unemployment rate in Greece was 25.7\%, while in December 2014 slightly increased to 25.8\%. In 2015 again Greece holds the first position in unemployment rates throughout the
whole year, with February 2015 to be the month with the highest percentage which is equal to 26.0%. Moreover, based on Eurostat’s data, the unemployment rate in Greece during the first quarter of 2015 was a bit decreased compared to the one in the first quarter of 2014. The same tendency appears during the third quarter of 2015 compared to the third quarter of 2014 (for the above see figures 15-32 in Appendix I).

As already stated above, under the influence of an economic crisis organizations seek ways to reduce their expenses, so as to ensure that they will not face further financial losses. In most cases, the first action they result to is downsizing. Downsizing, however, has a direct effect on the employees who remain in the organization as they do not only receive lower salaries and benefits and have to work longer, but they also live with the constant threat of losing their job in the future. In addition to the downsizing and the reduction of salaries, an economic downturn also affects the training programs in a company, as managers choose not to invest extra money on them.

When it comes to Greece, the measures taken by organizations in both the public and the private sector negatively influenced employee motivation. Although wages have been significantly reduced, managers demand from their employees to increase their performance, as the downsizing that took place in the majority of Greek organizations resulted in an increased workload for the remaining employees in any company. As Maki N. et al. (2005) state, it is natural that under these conditions employees’ loyalty to the organization and their job satisfaction are severely affected. Finally, the new working status in most of the organizations leads employees to feel insecure about their jobs and consequently they gradually lose their trust to the organization, a fact that according to Murray T. (1991) forces them to place their own interests and needs first and then they try to satisfy those of the organization.

2.1.4 Effects of the Economic Crisis

Regardless of the measures taken over the last years, the financial status of Greece will not change overnight. According to the European Commission’s assessment (2012), although Greece did not manage to successfully meet the goals stated in the reform program for 2012 it was expected that in 2014 the country could show a positive economic growth. The facts of the 2014 and 2015 confirm this prediction, but it seems that there is a long and painful road in front until Greece succumbs from the crisis. After seven years of difficulties and constraints, the effects the recession has on people and the economy of Greece cannot disappear easily.

The financial crisis severely affected Greek people and consequently the country’s workforce, a fact that had a direct impact on any organization. Given that organizations highly depend on humans, whether they are employees, consumers or stakeholders, any negative influence on their psychological state and their well-being affects accordingly the performance and the market position of the organization.

2.1.4.a Effects on Employees

**Social Changes:** The fiscal policy implemented in Greece during the last years in order to meet the goals set by the reform program and enable the country to escape from the consequences of the financial crisis, had a severe impact on the lives of Greek people. Every aspect of their life has been negatively influenced by the recession, being it professional, personal, health, behavior or habits. Most of the people, for instance, had to deal with a considerable increase in their annual taxation, a fact that led to a decrease in their consumer spending. For other people the crisis brought more substantial changes in their life as they lost their jobs and consequently they lost their ability to support their families and cover their financial obligations.
The salaries in Greece were decreased dramatically over the last years and although the unemployment rate has risen to an unprecedented level “the cost of living in relation to incomes remains quite high in Greece according to figures of the European Statistical Service” (Living and Working Conditions, 2012). Another factor that clearly highlights the consequences of unemployment is the increased percentage of those people who live in households in which nobody else works. Based on the Hellenic Statistics Authority (2012) the above percentage for people in the age of 18 to 60 was 7.5% in 2008 and for the first quarter of 2012 rose to 16.9%.

Finally, another factor one could focus on in order to realize the social impact of the economic crisis in Greece between 2008 and 2014 is the increased number of people who cover their basic needs, such as food, clothing or drugs, from various social support networks.

**Work stress:** One of the most important effects an economic crisis has on employees is the increased levels of stress. According to Barling J. et al. (2005) any kind of events, conditions or circumstances that result in stress are called stressors. An economic downturn is an event that causes high level of stress which most of the times negatively affects employees’ psychological state, health and work performance.

Researchers have made various classifications of stressors. During a financial crisis, in specific, the stressors which prevail are the economic ones. As noted by Berling J. et al. (2005), “Voydanoff P.(1990) states that economic stress refers to aspects of economic life that are potential stressors for employees and their families and consists of both objective and subjective components reflecting the employment and income dimensions of the worker-earner role” (Berling J. et al., 2005).

Table 1 below presents the components of economic stress as they are presented by Voydanoff P. (Barling J. et al., 2005). According to the Table, Voydanoff P. distinguishes between objective and subjective stressors. Objective stressors include economic instability and economic deprivation, while subjective stressors include employment uncertainty and economic strain.

![](image)

**Table 1:** Components of economic stress described by Voydanoff (Barling J. et al., 2005)

**Employee Psychological Health:** According to the World Health Organization (WHO, 1948), health is defined as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”. This definition highlights the importance of mental well-being as one of the components that contribute to a person’s health. Ensuring a person’s mental well-being is crucial for his life, given that
people’s psychological state highly determines their ability to deal with the stress and their social obligations and at the same time be productive employees.

Taking into consideration the effects of the current financial crisis at all levels of an individual’s life, unemployment seems to be the most important factor that directly affects people’s mental health. Bouras G. and Lykouras L. (2011) state that “most researchers agree that loss of unemployment increases the risk of mental disorders and their adverse effects on physical health”. Since it is widely accepted nowadays that work is one of the most important parts in people’s lives, as it gives them a purpose and enables them to reach higher levels of self-esteem and self-actualization, it is a logical assumption that employment and job security have a positive impact on an individual’s mental health, while unemployment and job insecurity a negative one. Based on a study presented by Bouras G. and Lykouras L. (2011), the percentage of people who suffer from psychological problems is almost double to the group of unemployed (34%) compared to those employed (16%).

Finally, it is proven that there is a positive correlation between unemployment and depression. Barnes M. et al. (2009) based on a research outcome in Britain state that those people who lose their jobs are two times more susceptible in experiencing short-term depression compared to those who work. Specifically in Greece, during the period of the financial crisis the number of calls to phone lines for psychological support has considerably increased. Bouras G. and Lykouras L. (2005) maintain that most of the callers request help in order to deal with the problems caused by the recession both in their personal and work life and most of them claim that they have suicidal thoughts.

**Employee Physical Health:** Decreased levels of mental health due to the financial crisis and its detrimental consequences to people’s lives, most of the times result in counterproductive behaviors such as alcohol consumption and poor diet or increased number of accidents and suicides. Increased levels of alcohol and drug consumption affect all parts of an individual’s life from his personal and social life to his job performance and overall health state. It is not unusual that these abuses can lead to increased numbers of accidents and increased deaths caused by deteriorating health and suicides.

In 2009, Stuckler D. et al. presented their study conducted in European countries, according to which every one percent increase in unemployment is associated with a 0.80% rise in suicides at ages younger than 65 years. Greece, in specific, used to have one of the lowest suicide rates in Europe before the current financial crisis and nowadays the percentage has increased significantly. According to the Economist (2013), in 2011 alone 393 Greek men and 84 Greek women committed a suicide, a number that was up from 336 men and 41 women in 2010. The existing literature indicates that the financial crisis is also responsible for increased death rates due to an increase in heart diseases. Finally, stress leads also to higher blood pressure mainly in men. In Greece over the last years the number of admissions in public hospitals has raised significantly.

**Employee Morale:** Morale, along with mental and physical health, contributes to the productivity levels of employees and the quality of their work. In an organizational context high employee morale is correlated to high employee performance. Bowles D. and Cooper C. (2009) define morale as “(1) a state of individual psychological well-being based upon a sense of confidence and usefulness and purpose. (2) the spirit of a group that makes the members want the group to succeed”. The definition given by Bowles D. and Cooper C. highlights the importance of morale in a working environment as it describes morale as a driving force behind people’s actions for achieving greater results and higher job performance.

Morale is highly affected by an economic crisis as every other aspect of people’s psychological state. In general, a study presented by Hays in 2012 (Government, 2012) indicates that under the influence of an economic recession the majority of employees consider the public sector as the worse place to work. Additionally, according to the same research 45% of the employees working in the public sector and 46% of those working in the private sector characterize morale as pressured (Government, 2012).
The social impact of the current recession has severely affected morale in Greece. In specific, the austere measures taken by the government in order to obey to the requirements of the reform programs signed during the last years led to a strenuous situation for the life of all people in Greece. The high taxation, the increased budget cuts in all domains of the public spending, the reduction of salaries both in the public and the private sector and the tough measures implemented since 2009 did not bring the expected outcomes, a fact that highly discouraged Greek people who have to deal with a miserable and pessimistic reality.

An indication of the people’s low morale in Greece is the increased number of strikes since 2008. There is a growing number of people who choose to publicly express their discontent with the current conditions through strikes and demonstrations protesting against new tough measures. In that way Greek people show on the one hand their belief that the Greek government chose the wrong direction for leading the country out of the recession and on the other their unhappiness with the quality of their lives nowadays.

Furthermore, since 2008 Greece was seen from many other European countries as the focal point of the economic crisis in Europe. There are many countries that still are afraid of a “domino effect” in the European Union. All the European countries which presented similar debt as Greece, were given a degrading term by the international and European media: PIIGS (Portugal, Ireland, Italy, Greece, Spain), a fact that led to the demoralization of their citizens. Besides, the international media over the last years target Greece on a constant basis, trying to form the impression that Greek people are lazy, they all evade their taxes, they retire too early and they take too many holidays (Malkoutzis N., 2011). However, based on the Eurostat figures for 2011, as stated by Malkoutzis N. (2011), Greek employees show the highest average working hours in the European Union, they retire at the same ages as citizens in other countries do and at least two-third of them pay their taxes unfailingly.

These publications and open attacks to Greece have led to a damaged morale of Greek people, the consequences of which are obvious in every aspect of everyday life. In an organizational context, specifically, employees who feel insecure and they do not receive any kind of recognition for their contribution they gradually lose their confidence and sense of purpose decreasing their level of job performance.

2.1.4.b Effects on Organizations

**The Human Factor:** The human factor is critical for the society and the organizations, considering that people are the customers, the buyers and the clients in society at large. Therefore, under the influence of an economic crisis where individuals’ financial state is negatively affected, a company’s profits are also affected in a direct way. In Greece, according to European Commission (2012), low private consumption and the further contraction in investment have both contributed to the destabilization of the economy.

In global literature employees are referred to as “human assets”, who according to Mathis L. and Jackson H. (2011) guide the use of financial and physical assets to achieve organizational results. People contribute to the organization they are working for by bringing their expertise, their skills and knowledge to it. This contribution is defined as “human capital” (Mathis L. and Jackson H., 2011). Each and every factor that affects an employee’s health, morale and behavior directly affects his job performance and thus has also a direct impact on the overall organizational performance. At this point it should not be neglected the fact that people constitute also the organization’s owners and stakeholders, so any factor that affects their personal life subsequently affects their management skills and their ability to make the right choices for their organizations.

**Financial Challenges:** The impact of an economic downturn on an organization is first obvious on its profitability and sustainability. Roche W. et al. (2011) propose a list of commercial pressures which all
businesses have to deal with under the influence of a recession. This list among others includes: downturns in sales, the cost and availability of credit, falling share prices, changes in product ranges, higher price sensitivity on the part of the consumers, and closures by major customers. These pressures result in lower productivity levels, pressure on costs and the need for additional competitiveness. The impact of the financial crisis is all the more obvious on the small and medium-sized enterprises that face great difficulty in surviving in a turbulent market.

As stated before, during difficult economic times, companies tend to cut their expenses and operational costs and employees are usually first affected. Downsizing and cuts in salaries and benefits are used as a means for organizations to reduce their fixed expenses. The employees who continue to work for an organization have to exert greater effort in order to keep their places and most of the times they take over additional duties without getting more money. Consequently, overstretched organizations remain with stressed employees who strive to meet organizational needs under the new conditions imposed by the recession.

**Organizational Performance Challenges:** According to the existing literature, employees’ stress results in three general categories of possible outcomes: psychological, physical and behavioral (Berling J. et al., 2005). The psychological effects of the economic crisis, such as the anxiety and the depression, can result in great losses for a company. In an organizational context, psychological effects usually lead to job dissatisfaction, low commitment and low job engagement.

In addition to the above, when employees’ personal and professional life is not balanced there is a negative impact on their work performance. In 2012, “The Crisis” published a survey conducted in 80 countries where more than 16,000 employees stated that their job satisfaction and their productivity increase when they feel that there is a balance between the personal and professional life (Naftemporiki, May 2012). It is expected that under a financial crisis this is not easy to be achieved. As employees tend to work more hours in strain times, they spend few hours with their families resulting in an imbalance between their personal and professional life. Giotakos O. et al. (2011) maintain that this imbalance is also supported by the increased number of divorces during the impact of an economic downturn.

Finally, the physical effects of employees’ stress in an organizational context are mainly indicated by the rate of absenteeism from work in companies. Various studies highlight that since 2008 the rate of absenteeism in organizations has considerably increased because of increased employee stress, depression and anxiety.

**2.1.5 Concluding Remarks Regarding Economic Crisis in Greece**

Considering the above mentioned it is all the more obvious that the current financial crisis has affected employees’ lives at all levels, thus affecting their contribution to the organization they work for and their success in general. This effect creates all the fertile ground for the consequences of the economic recession to further exist and develop further promoting hardship for employees since organizations cannot thrive. The result is the creation of a vicious cycle which has already put most of the organizations worldwide in a very difficult and uncomfortable situation as their growth and survival are under threat. In specific, those companies operating in Greece find themselves in extremely strenuous situations given that the political and economic scene is more uncertain than ever before.

Under such difficult conditions, it is of utmost importance that managers in any organization find new ways to promote an organization’s goals by using the existing resources. According to existing literature and the experience so far, the most effective way to enhance an organization’s productivity during tough times and allow it to gain a competitive advantage is to focus attention on the human capital. Motivating employees in strain times is a key strategy in gaining such an advantage and given that there is an
extensive available literature on motivation nowadays managers are able to form the most appropriate strategy for their company.

2.2 Clarifying the Concept of Motivation in the Working Environment

2.2.1 Defining Motivation

The term *motivation* has its origins in the Latin word *movere*, which means *to move* (Porter L. et al., 2009; Steers R. et al., 2004). In general, motivation can be characterized as a drive inside an individual which constantly stimulates that individual to specific actions and behaviors. Thus, motivation is interwoven with constant movement. In that sense, employees constantly seek to achieve greater results, to become better professionals, to become faster etc. Motivation is described as having no final goal a fact that enables productivity at the workplace to constantly increase and at the same time renders managers’ job all the more difficult as they have to constantly adapt to their employees’ new demands and needs.

Despite the long history and the elaborate research in the field of motivation over the last decades, there is no definition of the term commonly accepted by the vast majority of experts nowadays. A closer examination of the existing literature indicates that various attempts have been made so far from a number of experts to define motivation and that their different points of view resulted in a tuple of definitions, all of which share a common point: people’s own needs. According to Oxford English dictionary, “motivation is the conscious or unconscious stimulus for action towards a desired goal as resulting from psychological or social factors, which give purpose or direction to human or animal behavior”. Panwar S. and Gupta N. (2012) state that “motivation may be understood as the set of forces that cause people to behave in certain ways”. According to Bartol K. and Martin D. (1998), motivation is “the force that energizes behavior, gives direction to behavior and underlies the tendency to persist” (Di Cesare J. and Sadri G., 2003; Bartol K. and Martin D., 1998).

When it comes to work motivation in specific, Pinder C. (1998) states that motivation is “a set of energetic forces that originate both within as well as beyond an individual’s being, to initiate work-related behavior and to determine its form, direction, intensity and duration” (Lundberg C. et al., 2009; Pinder C., 1998; Pinder C., 1984).

2.2.2 Complexity of Motivation

Given the variety of the existing motivational theories and the various possible approaches on the issue, motivation is rightly considered as complex. Pinder C. (1998) maintains that researchers face great difficulty in properly defining motivation as there are “many philosophical orientations toward the nature of human beings and about what can be known about people” (Meyer J. et al., 2004; Pinder C., 1998). Mullins L. (2005) highlights that there is not a clearly stated and fix solution that managers can use in order to motivate their employees and no one can give only one answer on what motivates different people to perform well and achieve a desirable outcome. A closer examination of the available motivational theories up to date indicates that people’s behavior and performance is influenced by many different factors/ motives. The complexity of this fact could be better understood if we consider that employees are different people, with different personalities and different needs, which basically result from different demographic factors (for instance, age, gender, cultural background etc).

Apart from the unique characteristics of each employee’s personality, which render his motivation difficult, some researchers focus their attention on the manager’s personality as well. A group of experts supports that a manager cannot be taught through scholars how to motivate his staff and the only thing he needs to successfully reach his goals is talent. On the other hand, there are those people who are staunch
supporters of the idea that the art of motivation can be taught through observation and if based on a theoretical framework can lead managers to effectively engage their employees in the work processes.

All the above make it all the more obvious that motivation constitutes an issue of controversy among the business and the academic world.

2.2.3 The Importance of Motivation

The large number of publications regarding motivation which is available in the global literature nowadays, indicates that the area of human resource management and the topic of motivation in specific has been widely researched (Yair R., 2010).

In the beginning, work motivation in specific began as a concept with roots in psychology and its main focus was to improve the conditions in the work environment. Erez M. et al. (2001) claim that work motivation “has always been driven by the positive approach of humanizing the workplace and finding ways to help working people satisfy their needs for self-worth and well-being”. Ideally, employee motivation should result in the alignment of employees’ and organization’s needs (Bolman L. and Deal T., 1997). In that way both employees and organizations are satisfied for employees their work becomes “meaningful and satisfying” and the organizations “get the talent and energy they need to succeed” (Bolman L. and Deal T., 1997).

Based on the existing literature, employee motivation is highly linked to performance. Various studies (Manolopoulos D., 2008; Steers R. and Porter L., 1983; Lawler E., 1973) support that there is an equation which depicts the relationship between motivation and performance: \( \text{Performance} = \text{Motivation} \times \text{Ability} \). According to this equation, if an employee is not motivated (motivation equal to zero), he will not perform well, regardless of his ability. On the contrary, if an employee lacks appropriate knowledge and skills, he will perform well in the long-term provided he is highly motivated. In other words, motivation can help an individual overcome the difficulties set by his lack of ability in a working context. For example, this is the case of a new hired employee in a company with no previous experience.

In addition to the relationship between motivation and performance, other researchers have concluded that motivation also affects other factors in an organization, determining in this way its overall success. For instance, Lin H. (2007) suggests that motivation is highly correlated to an employee’s willingness for sharing his knowledge in a working context. Besides, Jurkiewicz C. et al. (1998) maintain that the higher the motivation level is for employees in an organization, the less the rate of absenteeism and turnover is and higher customer satisfaction and organizational commitment are noticed. Moreover, Robison J. (2010) claims that motivation results in more engaged employees and employee engagement in return results in less stressed individuals. Employees feeling less stressed tend to enjoy more their jobs and is proven to be more mentally healthy. Finally, Panwar S. and Gupta N. (2012) state that motivation is essential for any organization because motivated employees (1) always seek to find better ways to do their job, (2) they are generally more quality oriented, (3) they are more productive compared to unmotivated or apathetic employees and (4) they tend to remain in an organization.

In difficult times, where the global economy suffers from the negative effects of an economic crisis both the employees and the organizations are affected in many ways. Economic downturns result in higher stress levels which in turn result in the deterioration of individuals’ mental and physical health. In a working environment, these outcomes result in higher levels of employee turnover and absenteeism and reduced job performance. Motivation is powerful enough to mitigate the negative effects of an economic recession and help organizations and individuals prosper regardless of the discouraging conditions. For that reason, during tough times, employee motivation should be the first priority of managers in any organization more urgently than ever.
2.2.4 Understanding Motivation

In an attempt to better understand motivation and its psychological roots, we should first explain what needs and rewards are and understand how important these two factors are for humans. According to Latham G. and Ernst C. (2006), needs can be divided into physiological and psychological. Both kinds of needs affect a person’s life, his choices and his perception of well-being. The driving force behind motivation is a person’s goal to satisfy his needs in each and every stage of his life. As Kanfer R. (1991) maintains, needs can be seen “as internal tensions that influence the mediating cognitive processes that result in behavioral variability” (Latham G. and Pinder C., 2005; Kanfer R., 1991).

On the other hand, a reward is what a person receives once his need is satisfied. In a working environment, Porter L. et al. (2009) claim that a reward is “part of an exchange relationship between employers and employees”. Managers usually provide their stuff with rewards as a way of recognizing their good performance. Daft R. (2004) supports that there are two types of rewards: extrinsic and intrinsic. An intrinsic reward is the satisfaction one feels after having successfully completed a particular project/ action, while an extrinsic reward is something given to a person by someone else as a recognition for his good performance on a given occasion. Porter L. et al. (2009) state that employee motivation may be highly influenced by the type of rewards managers give to their employees and by the way they provide these rewards to them, as well.

In accordance with the above, Jones P. et al. (2005), in an attempt to identify what motivates employees to perform well, distinguish between external and internal factors of motivation (Kingir S. and Mesci M., 2010; Jones P. et al., 2005). As external factors Dündar S. et al. (2007) consider means such as the salary, the working conditions, the promotion opportunities, the company’s image, the job security, the social environment and the status (Kingir S. and Mesci M., 2010; Dündar S. et al., 2007). In contrast, Kingir S. and Mesci M. (2010) define as internal all those factors that provide employees “satisfaction over business responsibility”. Various research outcomes so far, indicate that although employees give great value to extrinsic rewards, it is also essential managers motivate them with intrinsic rewards, as most of the times they seem to be more effective.

Finally, Katz D. (1964) proposes another important distinction of organizational rewards: systemwide rewards and individual rewards. As systemwide we can define all those rewards that an organization provides to a broad category of employees (Porter L. et al., 2009; Katz D., 1964). For example, a gym membership card provided to all managers in a company. On the contrary, as individual rewards we can consider all those rewards given to certain individuals of a particular employees’ category (Porter L. et al., 2009; Katz D., 1964). For instance, individual rewards include different types of bonuses.

However, as stated by Kohn A. (1993), “rewards typically undermine the very processes they are intended to enhance”. Kohn A. (1993) continues by underlying that reward systems many times fail because they are not successful in the long-term period. Based on previous research, he maintains that rewards are only successful in ensuring temporary compliance and not in changing behaviors and attitudes. Similarly, various research outcomes indicate that those people who are promised to receive a reward after the successful completion of a task show lower levels of performance compared to those people who are not promised a reward for the same task (Kohn A., 1993).

2.2.5 The Four Drives of Motivation

In their book “Driven: How human nature shapes our choices” Lawrence R. and Nohria N. (2002) claim that there are four basic drives which guide human behavior: the drive to acquire, which refers to people’s need for acquiring physical goods and social status as well’ the drive to bond, which refers to people’s need for creating social connections with other people and groups’ the drive to comprehend,
which refers to people’s need to understand the word around us, to satisfy their curiosity and contribute to the society and lastly the *drive to defend*, which is inherent in people and it can be expressed either in aggressive or in defensive behavior.

These drives are independent and they cannot substitute one another. When it comes to the working environment, Nohria N. et al. (2008) maintain that “a company can best improve overall motivational scores by satisfying all four drives in concert”. To what extend each drive will be fulfilled depends on the organization and the special conditions it faces at a given time period. In the table below, Nohria N. et al. (2008) propose the different actions an organization can take in order to fulfill each of the four drives mentioned above.

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<th>DRIVE</th>
<th>PRIMARY LEVER</th>
<th>ACTIONS</th>
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<tbody>
<tr>
<td>1</td>
<td>Acquire</td>
<td>Reward System</td>
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<tr>
<td></td>
<td></td>
<td>• Sharply differentiate good performers from average and poor performers</td>
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<td></td>
<td></td>
<td>• Tie rewards clearly to performance</td>
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<td></td>
<td></td>
<td>• Pay as well as your competitors</td>
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<tr>
<td>2</td>
<td>Bond</td>
<td>Culture</td>
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<tr>
<td></td>
<td></td>
<td>• Foster mutual reliance and friendship among coworkers</td>
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<td></td>
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<td></td>
<td></td>
<td>• Encourage sharing of best practices</td>
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<td>3</td>
<td>Comprehend</td>
<td>Job Design</td>
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<td></td>
<td></td>
<td>• Design jobs that have distinct and important roles in the organization</td>
</tr>
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<td>• Design jobs that are meaningful and foster a sense of contribution to the organization</td>
</tr>
<tr>
<td>4</td>
<td>Defend</td>
<td>Performance-Management and Resource-Allocation Processes</td>
</tr>
<tr>
<td></td>
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<td>• Increase the transparency of all processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Emphasize their fairness</td>
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<tr>
<td></td>
<td></td>
<td>• Build trust by being just and transparent in granting rewards, assignments, and other forms of recognition</td>
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</table>

Table 2: How to Fulfill the Drives that Motivate Employees (Nohria et al., 2008)

To better explain the table above, Nohria N. et al. (2008) support that in a working context the drive to acquire is satisfied by the reward system adopted by an organization. In specific, managers can successfully fulfill employees’ drive to acquire if they adopt a pay- for- performance reward system which will give to the best employees in the company the opportunity to excel. Furthermore, the drive to bond is fulfilled by creating a strong culture in the organization which promotes teamwork and collaboration between employees. Besides, the drive to comprehend is fulfilled by designing jobs which are meaningful and challenging. Finally, the drive to defend is fulfilled when an organization promotes fairness and is transparent when it comes to resource allocation and financial performance. It is commonly accepted that employees do not always agree with the decisions made by the management team within an organization, but when the processes are transparent and the managers trustworthy employees better accept their decisions.

Nohria N. et al. (2008) highlight that according to various researches in different companies when all four drives are fulfilled there is a considerable improvement in employees’ motivation. In that way organizations are able to gain a competitive advantage in the market, mainly in times of recession, when employee satisfaction, engagement and commitment are highly affected by the uncertain economic conditions.
The concept of human motivation dates back to ancient Greece when Greek philosophers first introduced and analyzed the concept of hedonism (Porter L. et al., 2009). However, given that the current thesis seeks to examine what motivates Greek hotel employees to achieve high performance nowadays, it is more relevant to focus on work motivation in specific and not on human motivation in general.

Work motivation is considered to be a relatively recent field of research. The existing literature indicates that during the first half of the 20th century no significant theory was developed regarding work motivation. During the first and second decade of that century it seems that managers were highly influenced by Taylorism or otherwise the scientific management movement. Based on what Latham G. and Ernst C. (2006) highlight, until the late ‘20s any type of motivation policy was mainly developed by engineers who used to believe that the only way to motivate employees to achieve a desirable outcome was by providing them with financial incentives, i.e money (Latham G and Ernst C, 2006; Taylor F., 1911). The scientific management movement does not recognize any human factors in motivating employees (Taylor F., 1911), since it sees employees as “machines” that are only capable of performing specific tasks. The current thesis, however, focuses on the service industry which is characterized as highly labor intensive. So, given that Taylorism disregards any type of intrinsic rewards or human factors when it comes to work motivation it is judged as incompatible with the research design of the present dissertation.

During the third decade of the 20th century, a group of psychologists presented the outcomes of their attitude surveys and claimed that money is not the most important motivator for employees, as they also seek to satisfy other needs, such as job security, recognition and status (Latham G. and Ernst C., 2006). These psychologists ended up maintaining that the level of an employee’s job satisfaction predicts the level of his job performance, a conclusion characterized as very simple by many other researchers. The findings of the above studies along with the failure of scientific management approach to treat employees as human beings with their own unique personalities and their own needs, gave all the fertile ground for the human relation movement to rise. In that time, human relations became an integral part of work motivation theories and managers started to recognize that monetary rewards alone were not enough to motivate their employees to achieve high levels of performance. Still, the human relation movement is not an appropriate approach to be used as the theoretical basis in identifying what motivates Greek hotel employees in our ages. Nevertheless, it cannot be neglected the fact that to a broader sense it is a relevant theory to the current thesis, since it highlights the importance of human contact in the working environment, a fact all the more obvious in the service industry.

It was only after the fourth decade of the 20th century that more concrete and accurate work motivational theories emerged. The theories which developed that time focused mainly on identifying different factors that can affect motivation (Steers R. et al., 2004). The first group of such theories is known as content theories or need theories. The core premise of content theories of motivation is that there are some intrinsic characteristics within each individual which “energize, direct and sustain behavior” (Porter L. et al., 2009). The content theories of motivation first attempt to identify these crucial internal characteristics and then to explain how they can “be prioritized within the individual” (Porter L. et al., 2009). Similarly, Daft R. (2004) states that “content theories emphasize the needs that motivate people”. To further explain his point of view, Daft R. (2004) supports that the needs act as an “internal drive” which stimulates people to act in a certain way in order to attempt to satisfy their needs.

Content theories constitute an interesting theoretical basis for the current thesis, since they are mainly concerned with identifying which factors drive employee motivation and the aim of the present dissertation is to understand what motivates hotel employees in Greece nowadays. The most well-known content theories are: Maslow’s hierarchy of needs and Herzberg’s two-factor theory.
As stated by Porter L. et al. (2009), Maslow’s theory “attempts to show how the healthy personality grows and develops over time and how that personality comes to manifest itself in motivated behavior”. Maslow A. (1954) argues that people’s behavior is driven by their unsatisfied needs. Besides, he adds that people tend to satisfy their needs in an ascending order, from the basic ones (e.g. food) to the most-advanced (e.g. self-fulfillment). According to Maslow A., behavior can only be influenced by those needs which are not yet satisfied. Based on Maslow’s theory we can organize human needs in five categories: *physiological needs* (food, water, sex, shelter), *safety needs* (protection), *social needs* (belonging, acceptance), *ego needs* (achievement, status, appreciation) and *self-actualization needs* (need to realize one’s potential). At this point it is worth mentioning that these needs are the same among people of different cultures, according to Maslow’s statements. Besides, Maslow A. claims that self-actualization needs can never be fully satisfied (Tesone D., 2005).

Maslow’s theory of motivation has received a lot of criticism mainly in regards to the strict hierarchy of needs it proposes. Another point of the theory that received negative comments by various researchers was people’s need for self-actualization. Ewen R. (1980) states that Maslow’s “study of self-actualizers has been criticized on methodological grounds and his theoretical constructs have been characterized as overly vague, equivocal and untestable”. Moreover, Ewen R. (1980) argues that Maslow’s self-actualizer is a person closely related to the American culture and that in many other societies, such as Japan for example, he would not be seen as a healthy personality. Finally, Heylighen F. (1992) claims that “Maslow’s ideas have been criticized for their lack of an integrated conceptual structure”.

Maslow’s theory could be used as a theoretical basis in the current thesis as it could help in the identification of types of needs which drive Greek hotel employees’ motivation. However, its applicability is limited since it does not focus on any specific motivational factors.

The second most popular content theory is the two-factor theory developed in 1959 by Herzberg F. and his colleagues. Herzberg F. et al. (1993) support that employee’s job motivation is influenced by two different set of factors: *motivators* (intrinsic) and *hygiene* (extrinsic) factors. Motivators are responsible for satisfaction, while hygiene factors are usually responsible for job dissatisfaction. Considering that Herzberg’s two-factor theory provides a set of predetermined motivational factors that can be used in order to identify what motivates Greek hotel employees nowadays it is considered to be highly relevant to the purpose of the current thesis and therefore it will be further analyzed in a different section below.

Apart from content theories, however, the issue of work motivation can be approached by employing another group of theories named *process theories* as a theoretical basis. Process theories of motivation focus on “how behavior is energized, directed and sustained” (Porter L. et al., 2009). Stated in different words, Daft R. (2004) claims that “process theories explain how workers select behavioral actions to meet their needs and determine whether their choices were successful”. In specific, process theories attempt to analyze how people make their decisions, so as to help researchers deeper understand and explain their behavior at any given point of time. Chiang C-F and Jang S. (2008) argue that “process theories are working models of the decision-making processes that individuals perform in order to determine whether they will be motivated to pursue a certain activity and sustain a certain level of productivity”. Process theories of motivation among others include: Vroom’s expectancy theory and Adams’s equity theory.

According to Chiang C-F and Jang S. (2008), Vroom’s expectancy theory “is a theory explaining the process individuals use to make decisions on various behavioral alternatives”. Vroom V. (1964) assumes that individuals are rational decision makers when it comes to their work behavior, compared to other researchers before him who argue that individuals are “inherently motivated or unmotivated” (Porter L. et al., 2009). Based on Vroom’s V. proposition, an employee will rationally evaluate on which work behavior he will invest on, in order to gain the most valuable for him reward. Stated differently, an employee “will decide to apply effort to those tasks that he finds attractive and that he believes he can perform” (Porter L. et al., 2009). Vroom V. claimed that job performance is a function of an individual’s ability and motivation (Steers R. and Porter L., 1983). Therefore, managers who wish to enhance
employee performance in their company should first identify employees’ personal needs and then provide them with the appropriate rewards (intrinsic or extrinsic) so as to satisfy those needs (Zavlanos M., 2002). Especially during times of economic downturns this need is all the more pressing as employees are more sensitive towards the turbulent economic conditions and managers have to be alert so as to meet employees’ adjusted needs.

However, the present thesis seeks to identify which factors motivate hotel employees to achieve high performance and not the process of how this motivation is stimulated. Thus, the group of process theories available in the global literature of motivation will not be further assessed in this dissertation.

To conclude, more recent motivation theories focus mainly on the use of goals in the working environment. The most well-known of these theories is the goal setting theory which is mainly based on the work published by Locke E. (1996). The goal setting theory supports that goals increase work motivation, thus in turn increasing job performance. According to the main premise of the theory, by setting specific and challenging goals and by providing appropriate feedback at the same time managers can enhance their employees’ performance. However, this theory is beyond the scope of the present thesis, considering that it does not provide any concrete set of motivational factors, therefore it will not be further analyzed.

2.3 The Theoretical Framework of the Thesis

Two theories of work motivation will offer theoretical support to the current thesis: Herzberg’s two-factor theory (Herzberg F. et al., 1959; 1993) and the Job Characteristics Model (Hackman J. and Oldman G., 1976). These theories are considered as relevant to the dissertation since they provide a theoretical framework based on which the identification of the non-financial factors that affect Greek hotel employees’ motivation will be made.

2.3.1 Herzberg’s Two-Factor Theory

Taking into consideration that Herzberg’s two-factor theory provides a set of 16 factors which affect employee motivation and satisfaction it is supported that it will enable us gain valuable information regarding Greek hotel employees’ motivation under the influence of an economic crisis.

Herzberg’s theory of motivation is considered to be “the most controversial theory of work motivation” (Porter L. et al., 2009). The main focus of the specific theory is the individual and its own needs for gaining job satisfaction. The objective of the two-factor theory is to identify what employees value as most important motivational factor in a job context, in order to allow managers use that information so as to increase productivity and decrease employee turnover and absenteeism (Latham G., 2012). Herzberg F. and his colleagues conducted their study with a two-fold scope in mind. On the one hand their aim was to find out which factors directly affect employee motivation and job satisfaction and on the other to examine what attitudes the different motivational factors provoke and what effects these factors have on work motivation and job satisfaction.

As Herzberg F. supports in his theory, people are characterized by two distinct sets of needs and depending on the work conditions each time these needs are satisfied or dissatisfied (Wright P., 1989). Herzberg F. suggests that the first set of needs refers to the basic survival needs each person has and he calls them hygiene needs. Furnham A. et al. (1999) write that “hygiene needs are influenced by the physical and psychological conditions in which people work”. In order for the hygiene needs to be satisfied what is necessary is the provision of the so called hygiene factors or dissatisfiers. The hygiene factors “are not directly related to the job itself” (Lundberg C. et al., 2009), but they are mainly related to
the conditions which surround doing that specific job. Herzberg F. claims that a person feels dissatisfied when the hygiene factors are not satisfied. On the contrary, the satisfaction of the hygiene factors does not necessarily result in the satisfaction or the motivation of an individual it only prevents his dissatisfaction (Lundberg C. et al., 2009; Herzberg F. et al., 2005; Herzberg F., 1971).

On the other hand, the second set of needs, which Herzberg F. calls motivators or growth needs, refers to all those factors that are task-related. According to Herzberg F., motivator needs are similar to “the higher-order needs in Maslow’s hierarchy theory” (Furnham A. et al., 1999). In order for growth needs to be satisfied managers have to provide their employees with the so called motivators or satisfiers. Motivators are powerful enough to influence one’s perception regarding job satisfaction. Herzberg F. believes that the most effective way to increase satisfaction and thus enhance work motivation is by altering appropriately the content of work (Lundberg C. et al., 2009; Wright P., 1989). However, when motivators “are missing this does not cause dissatisfaction, simply an absence of satisfaction” (Lundberg C. et al., 2009; Herzberg F. et al., 2005; Herzberg F., 1971).

<table>
<thead>
<tr>
<th>Herzberg’s list of hygiene factors</th>
<th>Herzberg’s list of motivators</th>
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<tbody>
<tr>
<td>1. Salary</td>
<td>1. Recognition</td>
</tr>
<tr>
<td>2. Interpersonal relations- supervisor</td>
<td>2. Achievement</td>
</tr>
<tr>
<td>3. Interpersonal relations- subordinates</td>
<td>3. Possibility of growth</td>
</tr>
<tr>
<td>4. Interpersonal relations- peers</td>
<td>4. Advancement</td>
</tr>
<tr>
<td>5. Supervision- technical</td>
<td>5. Responsibility</td>
</tr>
<tr>
<td>7. Working conditions</td>
<td></td>
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<tr>
<td>8. Factors in personal life</td>
<td></td>
</tr>
<tr>
<td>9. Status</td>
<td></td>
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<tr>
<td>10. Job security</td>
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</table>

Table 3: Herzberg’s list of hygiene factors and motivators (Tietjen M. and Myers R., 1998)

Taking into consideration the above mentioned, providing hygiene factors to employees will lead to the prevention of dissatisfaction, but will not motivate them to reach a high level of achievement. In contrast, providing employees with motivators will result in higher job satisfaction and better performance. A manager’s duty is to sufficiently provide hygiene factors in order to enable employees meet their basic needs and then use motivators as a way of meeting workers’ higher level needs and motivate them to achieve greater results. Between the hygiene factors and the motivators there is an area of neutrality, where individuals do not feel motivated or demotivated. Motivation results only after motivators have been used by managers in order to delight employees.

However, in times of economic crisis, where the resources that can be used by managers are limited, it could be said that the application of Herzberg’s two-factor theory is essential, since it highlights that employees above all are not motivated by extrinsic factors such as salary, but mainly through intrinsic factors. Thus, job enrichment can result in higher employee motivation.

2.3.1.a Critiques of Herzberg’s Two-Factor Theory

As already mentioned, Herzberg’s two-factor theory of motivation has been an issue of controversy among experts over the last decades. According to Pinder C. (1984), the main reason behind this controversy is the inconsistency of the results that were gained by testing the two-factor theory on a number of different occasions, thus raising questions about its validity. In addition to this, another point of controversy among scientists is that Herzberg’s theory was and still is mainly supported by practitioners while the rest of the academic society had a hard time accepting it (Porter L. et al., 2009).
Taking the above into consideration, it is not wired that there are various samples of criticism in the existing literature regarding the specific theory. The main criticism regarding Herzberg’s two factor theory is that it is a too simplistic theory, since it does not take into consideration all the aspects that render human motivation such a complex issue. Moreover, the theory is also characterized as too general, since it does not pay attention to any individual differences or situational factors, thus not allowing for generalizations regarding employee motivation.

Furthermore, the methodology used by Herzberg F. and his colleagues is often criticized, thus creating all the fertile ground for doubts about the validity of the findings to rise. Dunnete M. et al. (1967) state that the most important critiques refer to the flaws associated with the use of the storytelling method on the one hand and on the other to the over-simplified methods employed for data analysis and the interpretation of the results. Besides, there is a group of experts who raise concerns regarding the objectivity of the answers given by survey respondents. According to Dunnete M. et al. (1967) it is quite natural for an employee to attempt to defend himself by associating positive job results to his own effort and skills and negative job results to external factors.

In addition to the above, Herzberg’s two-factor theory is being also criticized regarding its methodological grounds. King N. (1970) maintains that Herzberg’s theory is not precisely defined, thus allowing for numerous personal interpretations. In his article King N. (1970) highlights at least five different interpretations of Herzberg’s theory and supports that Herzberg F. and his colleagues did not empirically tested any of these interpretations. King N. (1970), therefore, claims that Herzberg’s theory can be supported only by studies that use the same methods as the ones used by Herzberg F. and his peers in their original study.

However, it should not be neglected the fact that in addition to the various critiques the global literature offers many examples of scientists who recognize the contribution of Herzberg’s two-factor theory in the field of work motivation. The theory was judged as pioneer when first published and set the basis for examining the issue of work motivation and job satisfaction from a new perspective (Dunnete M. et al., 1967).

2.3.1.b Assessment of Herzberg’s Two-Factor Theory Related to the Current Research

Although they have already been highlighted above the benefits from employing Herzberg’s two-factor theory as a theoretical framework for the current thesis it is always essential to also critically assess the theory and its possible implications for the present study.

First of all, it should be taken into consideration that the two-factor theory was first published in 1959, so it is rational to wonder if it is still applicable nowadays or it is considered outdated. During the last fifty years, the world has undergone substantial changes. The great technological achievements, the economic and educational progress and the consequences of the globalization have totally altered the way of living both in the West and in the developing countries as well. The work force, in specific, in our ages is totally different than five decades ago, since now people have to face greater challenges such as increased competitiveness, increased diversity and higher mobility. Nowadays, it is normal for an individual to relocate in an attempt to find better job opportunities, while fifty years ago it was not a common phenomenon. Besides, in 1950’s and 1960’s people were mainly employed in manufacturing companies. On the contrary, these days we are living in a service society where the vast majority of the workforce is employed in service organizations. Given the above, the applicability of the two-factor theory in our ages could be questioned. It is natural to assume that some of the motivational factors supported by Herzberg’s theory have changed over time or some new factors emerged keeping pace with the societal changes worldwide. Especially, since 2008 it is argued that the global economic crisis has affected to a great extent these factors. Thus, in order to overcome the drawbacks set by this limitation,
the factors suggested by Herzberg F. and his peers are supplemented by additional factors to more accurately address the needs of employees nowadays.

Furthermore, another point that should be examined regarding the use of the specific theory is its applicability to the service sector, given that Herzberg F. and his colleagues conducted their study in the manufacturing industry. These days, it is widely accepted that these two industries differ substantially in terms of work nature and working conditions. For that reason, it is argued that the two-factor theory supports some motivational factors which are not relevant to the service industry. In order to overcome this obstacle, however, additional factors that are more typical to the service sector are employed in this thesis and they are further described in the next chapter.

Finally, the last point that could be criticized regarding the use of Herzberg’s two-factor theory in the present study is related to population or in general demographic differences between Herzberg’s original study and the current one. Nevertheless, it is believed that these differences, which is logical to exist, will not significantly impact this dissertation’s result, since Herzberg’s theory is merely used as a theoretical framework here for the identification of what factors drive Greek hotel employees’ motivation these days and no attempt is made to replicate the outcome or the data from the original study.

2.3.2 The Job Characteristics Model (JCM)

The JCM is considered to be appropriate for the current study for various reasons. To start with, it is a theory of work motivation and provides a set of factors which highly influence motivation in the working environment. Furthermore, it is argued that the JCM is compatible with Herzberg’s two-factor theory, given that both of them focus on the factors that affect work motivation, so they supplement each other. The JCM in specific focuses on some motivational factors which are not present in Herzberg’s theory, thus it is believed that the use of it will enhance the theoretical framework of the present thesis and therefore the quality of the outcome.

The job characteristics model (JCM) was developed in 1976 by Hackman J. and Oldman G. and differs from the conventional motivational approaches which prevailed that time and wanted an individual to fit to a specific job by using certain employee selection and training strategies. According to the approach proposed by Hackman J. and Oldman G. (1976) the job is designed to fit a specific employee and different work attributes should be incorporated into the job, so as to enhance employee motivation, employee satisfaction and thus performance.

The main objective of Hackman’s J. and Oldman’s G. study was to examine how jobs should be designed in order not only to enhance employee performance, but also employee satisfaction and provide the chance to employees to have other personal gains. The data of the study were collected from a total of 658 employees, holding 62 various work positions in 7 different organizations (Hackman J. and Oldman G., 1980). The study included blue collar, white collar and professional employees. At this point it is worth mentioning that both production and service organizations were included in the study. Based on the outcome of their study, Hackman J. and Oldman G. proposed the model below:
The main idea behind the JCM is that the more enriched and complex a job is, the higher an employee’s motivation, satisfaction and performance levels are (Fried Y. and Ferris G., 1987). The model looks at the relationship between three variables: core job characteristics, critical psychological states and personal and work outcomes (Ramlall S., 2004; Lee-Ross D., 1998; Hackman J. and Oldman G., 1976). As stated by Hackman J. and Oldman G. (1980) it is a three-stage model, according to which the existence of certain job characteristics leads employees to certain psychological states, which in turn result in certain positive work and personal outcomes. Specifically, the existence of the core job characteristics below: skill variety, task identity, task significance, autonomy and feedback at work, leads employees to the following critical psychological states: experienced meaningfulness of the work, experienced responsibility for outcomes of the work and knowledge of the actual results of the work activities. These psychological states result in the following personal and work outcomes: high internal motivation, high quality work performance, high satisfaction with work and low absence/employee turnover.

Hackman J. and Oldman G. (1980) support that the three psychological states just mentioned constitute the core of their model, since their existence is essential for employees to feel internally motivated in the long-term. The absence or removal of any of these three critical psychological states will decrease employees’ internal motivation. Additionally, Hackman J. and Oldman G. (1980) maintain that the JCM does not only present a group of job characteristics which affect employee motivation, but also takes into consideration the fact that different employees have different needs. In other words, their theory takes into account that a group of employees might respond positively to jobs characterized by high motivating potential while others might react less positively towards these jobs (Hackman J. and Oldman G., 1980). Based on the JCM there are three motivators which determine an individual’s response towards high motivating potential jobs: knowledge, skills and growth need strength and satisfaction with the work context.

2.3.2.a Critiques of the Job Characteristics Model

The JCM has received a lot of criticism by various experts throughout the years. However, Roberts K. and Glick W. (1981) in their work provide the most concrete review of the research done regarding job characteristics model available in the existing literature nowadays. First of all, Roberts K. and Glick W. (1981) note that the JCM lacks a clear distinction between the types of relations, i.e. within person, person situation and situational relations, a fact that leads to confusion. As stated in their article...
“person-situation relations between task characteristics and job responses were discussed as if they were interchangeable with within-person relations” (Roberts K. and Glick W., 1981).

Moreover, Roberts K. and Glick W. (1981) highlight that the JCM has been often criticized for its limited scope. The authors maintain that the model is not beneficial for individuals with low growth need strengths since it was mainly designed for people with high growth need strengths. For that reason, its practicality is limited and generalizations cannot be safely made (Roberts K. and Glick W., 1981). Finally, the JCM has received criticism regarding its methodological strategy. The most common of these critiques refers to the use of a single method instead of a multi-method approach.

2.3.2.b Assessment of the Job Characteristics Model Related to the Current Research

The first point that could be criticized regarding the use of the JCM in this study is common to the one stated above for Herzberg’s theory, i.e its applicability nowadays. Although that the JCM is more recent than the two-factor theory, some limitations may rise given that the working conditions have changed since 1976. To overcome these limitations new motivational factors that result from the current research are incorporated in the JCM, so as to make sure that none of the motivational factors relevant to the thesis will be excluded.

In addition to the above, another point to be assessed is the possible conflict between the purpose of the JCM and the purpose of the present dissertation. The main purpose of the JCM is to enable the redesign in the working environment by incorporating those factors that are proven to affect employees’ work motivation. On the other hand, the purpose of the current study is to identify what motivates Greek hotel employees in our ages to perform well. It could be argued that this divergence in the purposes of the two studies will set some limitations to the comparison of the results. However, it is supported that these limitations are not significant, since both the JCM and the thesis attempt to find out which factors drive employee motivation. So, the use of the JCM as a theoretical framework for the study will not impact the assessment of the data collected and in turn the final outcome.

To conclude, one more point to be taken into consideration regarding the use of the JCM in the current study is the type of motivation used to it. The JCM mainly focuses on the factors that affect employees’ internal motivation, while the present thesis seeks to identify which factors affect work motivation in the service industry both internally and externally. Thus, in order to avoid presenting an incomplete picture of what motivates Greek hotel employees nowadays by only focusing on internal factors, the theoretical framework of the thesis will be based both on the JCM and the two-factor theory.

2.4 Summary of Literature Review

Summarizing what mentioned in chapter 2, one could assume that motivation in the working environment is a dynamic subject that is highly affected by changes in the political, social and economic scene of a country. In the context of the current thesis, work motivation will be tested and looked upon in the light of an economic crisis in Greece which started in 2008 and still influences the everyday life of people. In order to better evaluate and assess the primary data collected during the research process, two out of the large variety of the motivational theories existing were selected to form the theoretical background of the thesis: Herzberg’s two factor theory and the Job Characteristics Model (Hackman J. and Oldman G., 1976).

Taken into consideration both the theories of work motivation and the impact the economic downturn has on Greek employees’ psychological and economical state, it is believed that the assessment of the
empirical data collected will highlight differences between employees’ preferences regarding motivational factors nowadays in Greece and those identified in the past by Herzberg F. and Hackman J. and Oldman G. Given the economic situation in Greece, it is assumed that employees will turn their attention towards financial and extrinsic rewards, as these will cover their need for social affection and economic stability.

Chapter 3: Methodology

In this chapter, the research design on which the present thesis is based is presented. The aim of the following sections is to highlight and justify the choices made regarding the methodology followed in the current study in order to answer the main research question presented above. For that reason, in the next pages it is made an elaborate presentation of the methodological steps followed for the acquisition, the analysis and the critical assessment of the data collected is provided. The chapter consists of the sections below: research design, research philosophy, research approach, research strategy, time-horizons and data collection, following the reasoning presented by Saunders M. et. al. in 2009 in their book “Research Methods for Business Students”.

3.1 Research Design

Blaikie N. (2010) states that “a research design is a technical document that is developed by one or more researchers and is used by them as a guide or plan for carrying out a research project. Decisions that need to be made at the beginning or soon after some exploratory work has been completed, are stated, justified, related and evaluated”. Given that definition, it is understood that a series of methodological decisions should be made before one embark on a new research which will be later characterized as valid and acceptable from a scientific point of view.

Saunders M. et. al. (2009) propose a framework which depicts the research process selected by a researcher or a team of researchers, enabling them to present in an organized way the methodological steps followed in their work. The “onion” framework, as named by Saunders M. et al. (2009), is a brief presentation of the decisions, the choices and the actions involved in a research and it is presented by the authors in their book in its generic version. However, in the current study it is adopted a specific version of the framework, so as to better serve the purposes of the research and more accurately depict the research process followed in the present thesis (see Figure 3 below).
3.2 Research Philosophy

The first step a researcher has to make before embarking on a new study is to define the research philosophy behind that study. According to Saunders M. et al. (2009) the research philosophy refers “to the development of knowledge and the nature of that knowledge”. Given that the research philosophy adopted by a researcher reveals his perception of the world, its selection and definition in the beginning of a study is of utmost importance. The direction towards which the research process will be guided is determined by the research philosophy adopted.

As highlighted by Saunders M. et al. (2009), there are “two major ways of thinking research philosophy: ontology and epistemology”. Bhattacherjee A. (2012) notes that “ontology refers to our assumptions about how we see the world”, while “epistemology refers to our assumptions about the best way to study the world”. Grix J. (2002) argues that “ontology is the starting point of all research, after which one’s epistemological and methodological positions logically follow”.

When it comes to the current thesis, specifically, the reality is approached from a certain point of view and therefore data are collected based on that view, a fact that enables the analysis of employee motivation in the hotel industry under the influence of an economic recession only from a single perspective. Stated differently, the selection of another research philosophy would probably lead to different results. For that reason, it is believed that the outcome of the current thesis cannot be seen as the ultimate truth about hotel employees’ motivation during tough economic times, but rather as a part of it.

With regards to the production and interpretation of knowledge the two most well-known and broadly used philosophical positions are those of *positivism* and *interpretivism*. These positions are highly contrasting given that they approach reality from two opposite starting points. In specific, as supported by Bryman A. (2001), positivism “is an epistemological position that advocates the application of the natural sciences to the study of social reality and beyond” (Grix J., 2002; Bryman A., 2001), while interpretivism is described as an epistemological position which “is predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action” (Grix J., 2002; Bryman A., 2001). Saunders M. et al. (2009) highlight that a researcher following the philosophy of positivism relies only on the observable phenomena in order to produce credible data. For that reason, most of the times positivists
use theories that already exist in order to form hypotheses which later will be tested, so as to be confirmed or rejected. In that way existing theories are further developed and tested again by new studies.

On the other hand, the opponents of positivism argue that the human society is much more complicated compared to the natural world, so producing definite laws is not as effective in explaining and understanding social phenomena and behavior as it is in physical sciences. These researchers, called interpretivists, see social reality through the eyes of its inhabitants. For them social reality “is a world that is interpreted by the meanings participants produce and reproduce as a necessary part of their everyday activities together” (Blaikie N., 2010), so in order to produce knowledge they first study the individuals and then they form theories based on the data collected.

For the present thesis, however, it is believed that positivism is the most appropriate philosophical position for the production and interpretation of knowledge. The basic aim of the study is to identify the motivational factors that are ranked as most important by hotel employees in Greece under certain economic conditions. In order for this goal to be achieved, a set of 21 motivational factors is chosen based on the existing literature regarding employee motivation. The participants of the study are asked to rank these factors based on their preferences and quantitative data are collected which in the next phase enable the production of knowledge that is believed to be generalizable to a certain extent beyond the research population.

3.3 Research Approach

Based on the literature regarding social research, a researcher may adopt an inductive or a deductive approach in order to serve the purposes of his study. The inductive approach enables social researchers to produce generalizations regarding social phenomena and social behavior whose applicability is most of the times limited. As stated by Babbie E. (2010) “induction moves from the particular to the general, from a set of specific observations to the discovery of a pattern that represents some degree of order among all the given events”. It is worth mentioning at this point that by following an inductive approach a researcher usually cannot explain why a phenomenon or a pattern exists, although he is able to prove the existence of it.

On the contrary, the deductive approach aims at explaining why certain social behaviors or social phenomena exist based on a theory already available in the global literature or on a newly theory developed by the researcher. In both cases the relevance of the theory employed is being tested. Babbie E. (2010) supports that the “deductive reasoning moves from the general to the specific. It moves from (1) a pattern that might be logically or theoretically expected to (2) observations that test whether the expected pattern actually occurs”.

For the purposes of the current thesis it is employed the deductive approach. In the second part of chapter 2 different theories of motivation are revised with the aim to identify all those factors that are supposed to influence employee motivation in the working environment. The next step is to develop a list of these motivational factors and later on the participants of the survey are asked to rank them in terms of importance.

The main advantage of employing the deductive approach in the current study is that it enables the establishment of a clear framework containing the core concepts and factors which affect employee motivation. Furthermore, given that employee motivation is an issue extensively studied during the last decades there is a great variety of theories that can act as a theoretical framework for the present thesis, a fact which renders the use of deduction here more suitable compared to induction that would have been more appropriate for a research in a new area where available data are scarce. Moreover, it should be taken into consideration that due to the time limits inherent in a master’s thesis, a deductive research is seen as more appropriate compared to an inductive one given that the literature needed is already
available. This is true for the current thesis, in specific, since the available literature provides us with a lot of information regarding employee motivation. Finally, in regards to the risks inherent to the deductive approach, it should be stated that the most important risk in the present research may be that some questionnaires will not be completed, but still is considered to be a low risk compared to an inductive research that may lead to no results, due to lack of useful or sufficient data.

However, the mere use of the deductive reasoning might lead to the exclusion of some other factors that are considered to be important for Greek hotel employees’ motivation in our times, a fact that could negatively impact the validity of the final research outcome. For that reason, there is an open question in the survey’s questionnaire where participants can indicate if there are any other factors important for their work motivation. Nevertheless, there is always the risk that some participants may avoid answering an open question, so in order to avoid this possible limitation it would also be suitable to conduct interviews with a group of employees so as to verify if the list of the motivational factors responds to the reality. This inductive reasoning is more exploratory and its use might have better ensured the validity of the survey’s final data, however it is argued that it would be more applicable if another research strategy had been employed instead of a survey.

A closer examination of the existing literature enhances the above claim by revealing that many scientists of our century are very skeptical about the use of the deductive approach in social research. According to their beliefs it is highly risky to attempt to explain why humans act in certain ways without having first acquired a deep understanding of how they actually perceive social reality (Saunders M. et al., 2009). For that reason, as already mentioned, one could advocate that in the present thesis the participants of the survey should have been asked how they interpret their experience in the working environment instead of answering questionnaires in a mechanistic probably way. As a last point, it is mentioned that the use of deduction in social research is also highly criticized because it does not allow for different explanations to emerge regarding the understanding of certain social phenomena and behaviors (Saunders M. et al., 2009). Stated differently, when social researchers decide to follow a deductive approach they should be very careful when choosing which theory will support their data analysis in order to result in an outcome that will best depict the social reality.

### 3.4 Research Strategy

As supported by Saunders M. et al. (2003) a “research strategy is a plan of how you will go about answering the research question(s) you have set”. There are many different research strategies from which a researcher is able to choose the one that best meets the objectives of his study. Some of the strategies that are extensively used in social research are: experiments, surveys, case studies, field work, action research, evaluation research and secondary analysis.

For the purposes of the current study it is argued that the most suitable research strategy is the social survey. A survey is “a research method involving the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts and behaviors in a systematic manner” (Bhattacherjee A., 2012). A survey is usually employed to “answer who, what, where, how much and how many questions” (Saunders M. et al., 2009). According to the existing literature, most of the times surveys are adopted as a research strategy when the researcher follows a deductive approach, although it is too simplistic to associate a particular strategy to a particular approach.

There are various reasons behind the selection of this research strategy in the present thesis. First of all, the aim of the study is to identify the most important motivational factors for Greek hotel employees nowadays and the use of a survey enables the collection of a large amount of data from a large and representative sample of employees in different areas of Greece. Moreover, a survey is highly suitable for a low-budget research, since it does not require great expenses to be made in order to acquire the
desirable data and at the same time the researcher does not have to invest a lot of time and effort compared to a case study or an experimental research. Furthermore, given that the current survey will be based on a questionnaire as explained below, it is argued that the data collected will be highly standardized, a fact that enables their comparison. Besides, taken into consideration that the data collected from a survey are quantitative in nature it is maintained that it will be easier for the researcher to explain the findings and analyze the relationship between different variables regarding employee motivation in our days. Finally, given that there is a great variety of theories regarding employee motivation, it is supported that the use of a survey enables the use of more than one theories and thus the analysis of the problem from various perspectives.

However, as any other research strategy, the survey research has received a lot of criticism mainly because of the systematic biases inherent in it. According to Bhattacherjee A. (2012) there are five such biases which may render invalid some of the results that derive from a survey. These biases are (Bhattacherjee A., 2012): (1) non-response bias: usually in surveys the participation rate is low, (2) sampling bias: telephone, online or questionnaire surveys run the risk of excluding possible participants if their contact details are not available to the researcher, (3) social desirability bias: many survey participants tend to give socially desirable answers in order to protect their social image by avoiding expressing their negative thoughts on some issues, (4) recall bias: responses to surveys are highly dependent on the participant’s ability and willingness to recall recent or older incidents and behaviors, (5) common method bias: it “refers to the amount of spurious covariance shared between independent and dependent variables that are measured at the same point in time, such as in a cross-sectional survey, using the same instrument, such as a questionnaire” (Bhattacherjee A., 2012). In the context of the present study, the above biases will be taken into consideration during the analysis of the empirical data collected, but given the nature of the survey conducted no specific strategies or coping mechanisms have been used to limit their possible influence on the final outcome. Nevertheless, if time was not one of the main limitations during the study period, interviews with a representative sample of employees could contribute to the limitation of the biases mentioned above.

The collection of data in a survey may rely on different methods such as questionnaires, interviews and observations. The present study employs an online questionnaire as its main research tool.

3.5 Time Horizons

An important question every researcher has to answer while planning his research refers to the time horizon of his study. The answer again depends on the research question set in the beginning of the research. There are two different types of studies in terms of the time needed for the data to be collected: cross-sectional studies and longitudinal studies. A cross-sectional study is “the study of a particular phenomenon (or phenomena) at a particular time” (Saunders M. et al., 2009), while a longitudinal study refers to “a representation of events over a given period” (Saunders M. et al., 2009).

The current thesis addresses the issue of employee motivation only at a specific period of time and no other studies are conducted in another point of time, thus it is characterized as a cross-sectional study. There are two main reasons behind the selection of this particular type of research. First of all, the main objective of the study is merely to identify which motivational factors are ranked as most important by hotel employees in Greece nowadays where the impact of the economic crisis is all the more obvious in every aspect of their daily life. It is beyond the scope of the current thesis to identify and explain any possible changes of employees’ preferences regarding motivational factors over the past years. Finally, given the time constraints inherent to the present thesis it is argued that the most suitable type of research is the cross-sectional study.
The most important advantage of employing a cross-sectional study is that it enables the efficient identification of the important motivational factors according to employees’ ranking. Moreover, it should be noted again that for the current thesis which is characterized as a minimal research in terms of time and cost a cross-sectional study seems to be the optimal solution.

However, given that a study of this type depicts the reality only for a particular time period, it is argued that the final outcome will only provide us with extra knowledge regarding employee motivation under tough economic times, where social, economic and psychological equilibrium is disturbed. Therefore, the generalization of the results may be questioned. Finally, since in a cross-sectional study the data collected reflect the truth of a specific moment, it should be taken into consideration that the employees’ responses may be affected by various external factors (apart from the general socio-economic conditions) the moment they complete the questionnaire. Stated differently, an employee who has just received credit for his good performance may give more positive answers compared to an employee who has just experienced a wage cut. This risk would have been possibly minimized if interviews before an employee’s shift have been scheduled, but this method of data collection is beyond the design of the current research.

### 3.6 Data Collection Methods

There are three main types of data that can be used in a social research: *primary, secondary* and *tertiary* data. Primary or empirical data are the new data collected by a researcher in a context of a new study with the aim to answer the research question set at the beginning of the research. Secondary data “are raw data that have already been collected by someone else, either for some general information purpose or for a specific research project” (Blaikie N., 2010). Tertiary data “have been analyzed either by the researcher(s) who generated them or by a user of secondary data” (Blaikie N., 2010). In that case, most commonly a researcher does not have access to the raw data collected by the first researcher, but only to the final outcome of his initial analysis. Below they are presented and discussed the different methods of data collection used in the present thesis.

#### 3.6.1 Primary Data Collection

In social research primary data collection is based on the use of either *quantitative* or *qualitative data collection methods*. The most well-known methods which are used for the collection of quantitative data are the self-administered questionnaire and the structured interview, while qualitative methods of data collection among others include focused interviews, in-depth interviews, focus groups or group interviews and participant observation (Blaikie N., 2010). In some cases, researchers choose to use a mixed method of data collection in order to ensure data triangulation, which is supposed to improve both the validity and the reliability of a research or the evaluation of the findings (Mathison S., 1988).

In the context of the current study, it is employed the quantitative data collection method in order to obtain the primary data needed for the final analysis. The choice is based on two main reasons. First of all, it is believed that the use of quantitative methods ensures that the analysis of data will be highly objective since it is not required by the researcher to personally or emotionally approach the employees studied. On the contrary, the use of a qualitative method would have resulted in a period of intense involvement between the researcher and the study participants. The second reason behind the use of a quantitative method refers to its “highly structured nature” (Blaikie N., 2010). Again the aim here is to obtain data that will set a basis for an objective analysis and later on give the opportunity for replicability under certain conditions. It is argued that this goal can be achieved when dealing with quantitative data given that a quantitative method enables the researcher to maintain the control over the data collection on the one hand and on the other to achieve certain degree of “uniformity in the application of techniques”
In contrast, a qualitative method is usually more suitable for those researchers who are more tolerant towards uncertainty and ambiguity and do not wish to control every single detail of the research process, given that this method is usually characterized as more flexible and open compared to its alternative.

The method that is used in this thesis for the collection of the quantitative data needed is a survey in the form of an online questionnaire.

### 3.6.1.a Survey

The basic aim of the survey in the present thesis is the identification of the most important motivation factors for hotel employees in Greece nowadays based on their ranking. Besides, the survey attempts to connect these preferences with the detrimental consequences of the economic crisis in Greece. The survey takes place in the form of an online questionnaire which is designed based on a list of 21 motivational factors selected from the two motivation theories presented in the section 2.3 above. The data collection is based on a questionnaire because it is argued that this method enables large amount of data to be gathered efficiently. Furthermore, since standardized questions and predetermined choices of answers are an integral part of any questionnaire it is believed that the comparison and analysis of the data will be quick and easy. An online questionnaire, in specific, is judged to be more advantageous compared to the conventional printed questionnaires given that it is a low-cost tool and the researcher is able to make any modifications at any time. Moreover, all the responses are saved in an online database, a fact that enables the quick and precise data processing.

However, as highlighted by De Vaus D. (2002), questionnaires do not allow for extra data to be collected after their completion by the respondents. For that reason, it is essential any researcher carefully prepare and design the questionnaire to be used before its distribution to the study’s participants. In that way the validity and reliability of the primary data is better ensured. When it comes to the online questionnaire, the main risk embedded in this process is that only employees who have internet access will be able to participate in the survey, a fact that will lead to sampling bias. In other words, it is probable that low-paid or older employees or employees who belong to other minority groups will be excluded from the survey process, thus resulting in a sample of younger, more literate and better paid hotel employees.

### 3.6.1.b Structure of the Questionnaire

“A questionnaire is a research instrument consisting of a set of questions intended to capture responses from respondents in a standardized manner” (Bhattacherjee A., 2012). The questionnaire employed in the current study is based on 17 closed and open-ended questions (see Appendix 2). The first two questions seek to examine to what extent respondents have been affected by the economic recession since 2008. Later on a categorization of the respondents will be made based on their answers. These data will enable the development of a matrix where preferences regarding motivational factors will be assessed in terms of the impact economic crisis had on each group of the respondents.

Questions 3, 4 and 5 refer to employee motivation. In specific, question 3 is a matrix of 21 motivational factors. Survey participants are asked to rank their preferences regarding the importance each of these factors has for them based on a 5-point Likert scale. Each respondent has to choose the answer that best describes his interests. The data obtained from this question enable the identification of the most important motivational factors for Greek hotel employees during tough times. Furthermore, question 4, which is an open-ended question, seeks to identify additional factors of motivation which are important for hotel employees and they are not included in the set of the 21 motivational factors that resulted from the theoretical framework adopted in the thesis.
Question 5 aims at providing a better understanding of employees’ preferences regarding the provision of monetary and non-monetary incentives. In other words, respondents are given six sentences concerning the provision of monetary and non-monetary incentives during both an economic crisis and an economic recovery and they are asked to state their opinion on each of them by choosing one of the five available answers.

Finally, questions 6 to 17 aim at gaining information regarding employees’ demographical characteristics. This data on the one hand allow the clarification of the research population’s profile and on the other enable any comparisons between different groups of employees based on their gender, age, monthly income, job position, contract type, level of education or years of employment.

The online questionnaire is tested through a pilot survey before sent to the potential survey participants, in order to identify possible pitfalls that might negatively affect its overall quality. For that reason, the link to the online questionnaire is sent via e-mail to six persons (friends and family members) where they asked first to complete it and then to evaluate it in terms of its structure, the language used, the questions used, its layout etc. After feedback is received, the necessary corrections are made and then the questionnaire is distributed to the potential respondents.

3.6.1.c Participants of the Survey

The participants of the survey are hotel employees in the area of Thessaloniki, Greece. The link to the online website of the survey is sent to ten city hotels located in the district of Thessaloniki. The list of the ten city hotels that participate in the present study includes 2-stars, 3-stars, 4-stars and 5-stars city hotels. City hotels were chosen given that they operate 12 months and normally they do not hire seasonal employees, thus their employees are better connected with the company and have greater expectations of their managers in terms of working conditions and motivation. However, the selection of the city hotels in the present study is not based on specific features such as their size and the number of employees they employ. This choice is made because the study seeks to obtain a holistic view of employees’ preferences regarding motivation in the working environment, without examining the specific conditions under which they are working.

3.6.1.d Process

The current survey is conducted in three different stages. First of all, after the questionnaire is ready, the selection of the hotels that will form the research sample is made and a pre-survey contact is arranged with the managers investigating their willingness to participate. In the next step and only after the approval is gained, an e-mail is sent to the HR manager of each hotel with the kind request to forward the link for the survey to all the employees employed in his hotel. Finally, the data are collected and saved at an online database.

3.6.1.e Analysis of Primary Data

In order for a researcher to select the most relevant statistical tools for the analysis of the primary data collected after a survey is completed it is important to first determine the level of the measurement of the variables being used. According to De Vaus (2002), there are three levels of measurement: *interval*, *ordinal* or *nominal*. The questionnaire of the current study includes all three levels of measurement.

The analysis of the empirical data is done by using descriptive statistics. This statistical method is chosen because it provides a simple and summarized table of data regarding the attitudes and the characteristics of the research group in terms of work motivation and its factors. As technical support for
the survey, Microsoft Office Excel software program is used for data analysis. Since this study is mainly relying on descriptive statistics as a technique of survey data analysis, the Excel software is sufficient for this purpose.

3.6.2 Secondary Data Collection

According to Saunders M. et al. (2009), secondary data can be divided in three main groups: documentary data, survey-based data and the data compiled by multiple sources. **Documentary data** include both written materials, such as books and non-written materials, such as DVD’s. **Survey-based data** “refers to data collected using a survey strategy, usually by questionnaires that have already been analyzed for their original purpose” (Saunders M. et al., 2009). Finally, **multiple-source data** are based only on documentary data or on survey-based data or most commonly constitute a combination of these two types of secondary data.

The use of secondary data in a research project is advantageous in many ways. First of all, in most cases it enables the conduction of a low-cost research, since the researcher does not have to collect the data needed on his own. Moreover, studies based solely or to a great extent on secondary data are often less time-consuming and most of the times provide the researcher with data of high quality, since they are already assessed and analyzed. Finally, the use of secondary data in a survey context allows the researcher to build a theoretical framework which will later act as a comparison basis for the primary data he will collect, a fact that enables the triangulation of the findings.

Nevertheless, the use of secondary data may entail a number of pitfalls sometimes. To start with, in some cases the secondary data available regarding a specific topic may not exactly match the needs and the objectives a researcher seeks to meet, since they have been collected and analyzed for answering a different research question set in the past. In that case, collecting primary data might be the best solution for the researcher who seeks to examine a new area of research. Besides, sometimes researchers face great difficulty in gaining access to specific secondary data, especially if they concern commercial or governmental issues and if access is gained it might be highly costly for them to obtain and process the data. As a last point it should be mentioned that the researcher who uses secondary data cannot always be sure that the data selected are of high quality, so it is essential he carefully evaluate the sources of data before integrate them in his study. This may not be true, however, in cases where data had been first used for governmental or corporate purposes.

With regards to the present thesis, specifically, apart from the empirical data collected it is also made an extensive use of documentary secondary data. In other words, various books, academic journals, research publications and scientific articles form the theoretical basis on which the study is built. In specific, the secondary data employed here can be divided into three groups: the first group deals with the economic crisis in Greece and its detrimental consequences in every aspect of citizens’ daily life. The second group is related to the topic of motivation in the working environment and the last one refers to the principles of social research and the methodological steps followed in a social study.

The use of secondary data in the present thesis is of utmost importance for various reasons. First of all, it offers the chance of gaining a deeper understanding regarding the issue of employee motivation and its importance both in a corporate level and in a social context, especially during tough economic times. Moreover, a closer examination of the existing literature enables the identification of gaps in the field of work motivation that create all the fertile ground for new research to take place. Finally, an in-depth view of the different theories of motivation available nowadays allows for comparisons to be made, which in the end result in the establishment of the theoretical framework of this thesis.
3.6.3 Assessment of the Data Collection Methods

The critical assessment of the data collection methods used in the present thesis for the gathering of the primary data is based on three parameters as proposed by Saunders M. et al. (2009): reliability, validity and generalizability.

**Reliability:** As stated by De Vaus D. (2002) “a reliable measurement is one where we obtain the same result on repeated occasions”. De Vaus D. (2002) continues by supporting that empirical research indicates that in some occasions when the same people are asked the same question in different days they tend to give different answers. This fact could be real also for the current study, since employees are human beings and if they were asked to complete the same questionnaire again at another point of time their responses might be slightly different. Moreover, it should be kept in mind that this is a cross-sectional study, meaning that it depicts employees’ opinions at a specific time, where both economic and social instability affect their daily life and unconsciously their choices and preferences.

**Validity:** “A valid measure is one which measures what is intended to measure” (De Vaus D., 2002). The aim of the thesis is to assess the importance different motivational factors have for Greek hotel employees nowadays where Greek economy is unstable. The motivational factors under examination resulted after careful consideration of various theories of motivation. Besides, the consequences of the economic crisis in every aspect of the daily life are also taken into consideration both from a social and an individual point of view. It is believed therefore that the validity of the final outcome is guaranteed, since the process followed before the beginning of the questionnaire survey ensures that the correct measurements of employee motivation have been used.

**Generalizability or external validity:** External validity attempts to examine whether the final outcome of a research is applicable to another research dealing with the same issue (Saunders M. et al., 2009). When it comes to the specific thesis it is questionable whether the research findings can be applied to employees in different hotels, to other sectors within the service industry or to other industries and even to other countries. First of all, given that the present study takes place in Greece in a turbulent period both in economic and social terms, it is argued that the research outcome may not be applicable to employees in a country characterized by a stable economy. Additionally, in any case cultural differences between employees in different countries should be taken into consideration. On the other hand, the findings of this thesis may not even be applicable to hotel employees in other places in Greece, given that the survey takes place in a big city (the second biggest city in the country), where the consequences of the economic recession are more serious and more obvious compared to other provincial areas. Nevertheless, it is supported that to some extent hotel managers both in the area of Thessaloniki and the rest of Greece can benefit from the research outcome. Finally, it could be argued that other companies operating in the service industry, such as restaurants for example, could readjust their HR policies following the thesis’s results, so as to improve their overall performance, but it should be noted that even in the same sector or in the same industry companies differ, thus employees’ needs might differ.

Chapter 4: Empirical Data Analysis

The basic aim of Chapter 4 is to conduct an analysis of the empirical data in an attempt to identify which motivational factors are ranked as most important by Greek hotel employees nowadays that Greece is under the influence of an economic crisis. In the first part of Chapter 4 it is presented the demographical profile of the research population. In the second part, follows a more detailed analysis of the empirical
data, where motivational factors are assessed in relation to various demographical variables and from this assessment the most important motivational factors among Greek hotel employees are identified.

4.1 Demographical Profile of the Research Population

The basic aim of the thesis’s survey was to measure the prevalence of the 21 established motivational factors (Appendix 2) among Greek hotel employees nowadays. Moreover, the empirical data collected also provided demographical information which enabled the construction of a profile of the research population. It is argued that profiling the research population is of utmost importance, since it enables the researcher to better understand the various population characteristics and the research circumstances.

A total of 121 online questionnaires were completed by the employees of the 10 hotels that participated in the survey. Taking into consideration the method that was used for data collection and the number of hotels which participated in the research it is believed that the number of responses collected is satisfactory.

4.1.1 Research population according to gender

![Gender pie chart]

Figure 4: Gender distribution of the population

Research population contains 40.5% male responses (49 out of 121 total responses) and 59.5% female responses (72 out of 121 total responses). There is a significant dominance of females in the current research. This imbalance between male and female responses might indicate biases associated with specific gender dominance in the research when it comes to the assessment of the motivational factors.

4.1.2 Research population according to age

![Age pie chart]

Figure 5: Age distribution of the population

In order to enable the analysis the research population is divided into five groups: 18-25, 26-30, 31-35, 36-40, 41 and above. According to the data collected the highest percentage of respondents (23.97%) lies
to the age group of 31-35 (29 out of 121 respondents). Then follows the age group 41 and above with 23.14% (28 out of 121 respondents). In the third place is the age group 36-40 with 19.83% (24 out of 121 respondents). Finally, 19.01% falls within the age group 26-30 (23 out of 121 respondents) and 14.05% falls within the age group 18-25 (17 out of 121 respondents). These findings could indicate that the hotel industry in Greece is mainly dominated by young employees, meaning employees between 18 and 35 years old, as the total percentage of the groups 18-25, 26-30 and 31-35 is 57.03%, while the one of the groups 36-40 and 41 and above is 42.97%. The age distribution of the research population as presented in the graph above means that the findings of the survey mainly reflect the preferences regarding the motivational factors of the employees within the age group 31-35 and less of those within the age group 18-25.

4.1.3 Research population according to status

![Status Distribution](image)

Figure 6: Civil status distribution of the population

For better satisfying the purposes of the study, the research population has been divided into 6 groups in terms of the status: single, married, divorced, widowed, married with child/children and divorced with child/children. Based on the survey’s results the higher percentage of the employees who participated in the study are single (41.32%). 26.45% of the participants falls in the group of married with child/children, followed by the group of married employees (14.05%). The dominance of single participants could be attributed to the fact that most employees belong to the age group of 31-35. People at this age are considered to be young for marriage and given the current economic situation in Greece many people hesitate to move in a marriage.

4.1.4 Research population according to nationality

![Nationality Distribution](image)

Figure 7: Nationality distribution of the population
Based on the survey’s outcome, 86.67% of the research population has a Greek nationality, whereas the rest 13.33% of the employees originate from a different country. This big difference between these two groups may rely on the fact that in the service sector it is more common for native speakers in each country to get hired instead of expats.

### 4.1.5 Research population according to educational background

<table>
<thead>
<tr>
<th>Education</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master’s Degree</td>
<td>46.28%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>19.83%</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>25.62%</td>
</tr>
<tr>
<td>Secondary School Diploma</td>
<td>6.61%</td>
</tr>
<tr>
<td>PhD</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

Figure 8: Educational background distribution of the population

When it comes to the educational background of the research population the results are the following: 46.28% of the population holds a bachelor’s degree, 25.62% of the population holds a high school diploma, 19.83% of the population holds a master’s degree and 6.61% of the population holds a secondary school diploma. None of the respondents answered that they hold a PhD and only two respondents (1.65%) answered that they hold “other” diplomas which in Greece correspond to diplomas acquired by private educational institutions. Based on the results the research population is considered highly educated since 66.11% of the employees in total holds a master’s or a bachelor’s degree.

### 4.1.6 Research population according to job position

<table>
<thead>
<tr>
<th>Position of Employment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Member</td>
<td>30.58%</td>
</tr>
<tr>
<td>Administration</td>
<td>59.5%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>9.92%</td>
</tr>
</tbody>
</table>

Figure 9: Job position distribution of the population

According to the results collected by the survey, the research population consists of 59.5% administration employees, 30.58% customer service employees and 9.92% executive employees (managers, supervisors and hotel owners). Based on these facts the research population is dominated by administration employees. The dominance of administration employees compared to customer service employees is perceived as a surprising situation, since one tend to believe that in the hotel industry the number of service employees exceeds the number of managerial staff. In the context of this survey, the dominance of administration employees could be explained by taking into consideration that most of the employees are above 26 years old and well-educated, a fact that enables them to occupy higher-ranking positions.
However, 30.58% of the population are service employees which is considered to be a rather high percentage that allows making some inferences about this group, as well as enables comparisons with the administration employees.

4.1.7 Research population according to type of contract

![Type of Contract](image)

Figure 10: Type of contract distribution of the population

Based on the primary data collected, 71.07% of the survey respondents have full-time contracts, 24.79% of the survey respondents have part-time contracts and 4.13% of the respondents have other type of contracts, which based on their answers concern internship contracts. The percentages indicate a rather uneven distribution of the responses, since full-time employees are significantly over presented. When it comes to data analysis this means that the preferences of motivational factors will mainly depict full-time employees’ preferences. Moreover, this imbalanced distribution of full-time and part-time employees makes it difficult to make comparisons between the two groups and therefore to detect interrelation between type of job contract and preference of motivational factors. However, the lower percentage of part-time employees is quite surprising given the high seasonal impact on the sector. In other words, most of the respondents in the current research work in secure work positions, a fact that could highly affect their work motivation given the general climate of uncertainty that prevails in Greece these days.

4.1.8 Research population according to department of employment

![Department of Employment](image)

Figure 11: Department of Employment distribution of the population
The outcome of the survey indicates that mainly front office employees participated in the study (21.49%). The second group following is the one of employees in the food and beverage department (17.36%). The other two groups with relatively high percentages of participation are the one of the accounting and finance employees (13.22%) and the one of marketing and sales employees (14.88%). The rest of the employees who positively replied to the survey belong to the HR department (7.44%), the housekeeping department (7.44%), the maintenance team (7.44%), the security team (5.79%) and the PR department (4.13%). Only 0.83% of the respondents declared that they are occupied in a department not provided as a choice to select in the questionnaire and none of the participants was employed in the entertainment department. The high percentages of the first four departments may be related with the fact that employees working in administrative positions are easily reachable and usually have more time to complete questionnaires compared to customer service employees.

4.1.9 Research population according to years of employment in the hotel industry

![Years of Employment in Hotel Industry](image)

Based on the research findings, 52.07% of the research population is employed in the hotel industry for 4 years and above, 14.05% for less than 1 year, 13.22% for 1 year, 10.74% for 3 years and 9.92% for 2 years. The fact that the highest percentage of employees works in the hotel industry 4 years and above might indicate low employee turnover. In the context of the specific study, this trend means that the data collected mainly depict the preferences of experienced employees regarding various motivation factors. These employees have great knowledge of the hotel industry compared to the new hired employees and it is believed that their needs and preferences in the working environment significantly differ from those of new starter employees.

4.1.10 Research population according to years of employment in the specific hotel

![Years of Employment in the Specific Hotel](image)
Based on the primary data collected, 34.17% of the research population works in the specific hotel 4 years and above, 24.17% of the research population belongs to the group with less than 1 year of employment in the current hotel, 15% of the research population belongs to the group with 1 year of employment, 14.17% of it to the group with 2 years of employment and 12.5% of it to the group with 3 years of employment. The most important observation here is that the highest percentage of employees has been employed 4 years and more in the specific hotel, a fact that indicates low employee turnover in these hotels. Moreover, taking into consideration the existing economic crisis in Greece, this trend might indicate that the hotels which participated in the present research did not layoff the employees who work for them many years. However, given the recession and the high unemployment rate in Greece nowadays, it could be argued that the number of employees who work at the specific hotel for one year and less is considerably high (39.17%). In terms of employee motivation, the data collected mainly reflect the preferences of the employees that are rather old in their job. This means that compared to new employees they have greater work experience, higher skills and greater knowledge of the hotel industry. Therefore, it is argued that employees who are in the start of their career will have different preferences regarding the motivational factors compared to older employees who are better established in a company and more familiar with the working environment.

4.1.11 Research population according to monthly income (taxes included)

![Monthly Income (Taxes Included)](image)

Figure 14: Monthly income (taxes included) distribution of the population

When it comes to monthly income (taxes included), 40.5% of the population earns 800€-1199€, 32.23% earns 500€-799€, 21.49% earns 499€ and less and 5.79% earns 1200€ and above. The findings indicate that the highest percentage of employees lies in the middle of the income scale and earns between 800€-1199€ (taxes included). Some possible implications for the research could be associated with overrepresentation of average-income respondents. However, the total percentage of those employees who earn up to 799€ per month (taxes included) is equal to 53.72%. These employees lie in the low spectrum of the income scale. Thereby, the findings of the research would to some extent be biased since the motivational factors identified as important would be more relevant to employees with low income and less to employees with average and high income.

4.2 Empirical Data Analysis

In chapter 4.1 an introductory overview of the empirical data of the survey was presented. In this chapter it is presented the analysis of these empirical data with the aim of identifying which motivational factors are ranked as most important by Greek hotel employees under the influence of an economic crisis. In the first part of the chapter it is presented a general assessment of the findings regarding employee...
motivation in the Greek hotel industry, followed by a second part where a more elaborate analysis of the data takes place, in the sense that the 21 motivational factors examined in the research are assessed in relation to different demographical variables and in the end the most important motivational factors among Greek hotel employees nowadays are identified.

4.2.1 General Assessment of the Motivational Factors

In the first step of the analysis the survey results are assessed on a general level, where an overall presentation of the 21 motivational factors under examination is presented. In other words, at this stage the 21 motivational factors are not assessed based on any demographical characteristics such as age, gender, job position etc. In order to highlight the importance of these 21 motivational factors, a table was constructed (see Table 4 below), which includes information such as the names of the motivational factors, the level of importance, the responses collected both in numbers and in percentages, the average score, the total rank and the standard deviation.

In order to further enable the analysis of the results, the 21 motivational factors under examination have been divided into four categories: (1) high importance motivational factors, (2) medium high importance motivational factors, (3) medium low importance motivational factors and (4) low importance motivational factors.

The above classification was made based on the average score for each factor. Therefore, the motivational factors with an average score up to 3.89 are classified as factors of low importance. Those with an average score between 3.9 and 4.0 are classified as factors of medium low importance. Those with an average score between 4.1 and 4.24 are classified as factors of medium high importance and finally those with an average score equal to 4.25 and above are classified as factors of high importance. By classifying the motivational factors as indicated above it is easier to proceed with a more focused and detailed analysis of the motivational factors based on their level of importance for the employees in the Greek hotel industry.

<table>
<thead>
<tr>
<th>Motivational Factors</th>
<th>Unimportant</th>
<th>Little Importance</th>
<th>Neither Important Nor Unimportant</th>
<th>Important</th>
<th>Highly Important</th>
<th>Average</th>
<th>STDV</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary (Get paid fairly for my job)</td>
<td>0.0% (0)</td>
<td>0.0% (0)</td>
<td>1.7% (2)</td>
<td>42.3% (52)</td>
<td>55.9% (65)</td>
<td>4.48</td>
<td>0.51</td>
<td>1</td>
</tr>
<tr>
<td>Personal life (Balance between personal and professional life)</td>
<td>0.0% (0)</td>
<td>0.0% (0)</td>
<td>6.4% (8)</td>
<td>38.8% (48)</td>
<td>53.7% (65)</td>
<td>4.48</td>
<td>0.47</td>
<td>2</td>
</tr>
<tr>
<td>Relationship with peers (Good relationships with my coworkers)</td>
<td>0.0% (0)</td>
<td>1.7% (2)</td>
<td>3.3% (4)</td>
<td>52.1% (63)</td>
<td>43.0% (52)</td>
<td>4.36</td>
<td>0.48</td>
<td>3</td>
</tr>
<tr>
<td>Supervision (A confident and a fair boss)</td>
<td>0.0% (0)</td>
<td>3.3% (4)</td>
<td>5.8% (7)</td>
<td>44.6% (54)</td>
<td>46.3% (56)</td>
<td>4.33</td>
<td>0.44</td>
<td>4</td>
</tr>
<tr>
<td>Company policy (Clear and fair rules)</td>
<td>0.0% (0)</td>
<td>2.5% (3)</td>
<td>5.5% (7)</td>
<td>52.1% (63)</td>
<td>39.7% (48)</td>
<td>4.28</td>
<td>0.46</td>
<td>5</td>
</tr>
<tr>
<td>Relationship with supervisor (Good relationship with my boss)</td>
<td>0.0% (0)</td>
<td>0.0% (0)</td>
<td>9.9% (12)</td>
<td>62.1% (75)</td>
<td>36.4% (44)</td>
<td>4.26</td>
<td>0.46</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 4: General Assessment of Motivational Factors
Based on Table 4, employees in the Greek hotel industry ranked as highly important for them the below motivational factors: (1) **Salary** (average score 4.49, standard deviation 0.51), (2) **Personal Life** (average score 4.45, standard deviation 0.47), (3) **Relationship with Peers** (average score 4.36, standard deviation 0.48), (4) **Supervision** (average score 4.33, standard deviation 0.44), (5) **Company Policy** (average score 4.28, standard deviation 0.46) and (6) **Relationship with Supervisor** (average score 4.26, standard deviation 0.45).

Apart from the average score calculated for each of the motivational factors, the calculation of standard deviation also confirms the level of importance of the six factors above. Given that the standard deviation of each of these six motivational factors is lower than 1, it is assumed that the participants of the survey unanimously agree in their responses in regards to the importance each of these motivational factors has for them.

Furthermore, in order to gain a better understanding of what motivates the employees in the hotel industry in Greece it is essential we take into consideration the motivational factors of low importance for them. Based on Table 4, these factors are: (1) **Responsibility** (average score 3.88, standard deviation 0.41), (2) **Service** (average score 3.82, standard deviation 0.27), (3) **Variety** (average score 3.65, standard deviation 0.32) and (4) **Status** (average score 3.44, standard deviation 0.3).

Again here the calculation of standard deviation indicates that the respondents of the survey unanimously agree on their opinion regarding the above motivational factors since scores are lower than 1.

### 4.2.2 Assessment of the Motivational Factors in Relation to Demographical Variables

In the previous section, a general assessment of the survey’s results was presented which provide us with a good overview of what motivates the employees in the Greek hotel industry nowadays. However, a more elaborate and systematic analysis of the results is needed in order to gain an in-depth understanding of what drives employee motivation in Greece in our ages where the economic instability prevails the last few years.

#### 4.2.2.a Motivational Factors in Relation to Age

For purposes of convenience, the research population was subdivided into five age groups: 18-25, 26-30, 31-35, 36-40, 41 and above. Apart from further enabling the data analysis, the creation of different age groups also allows the identification of the most important motivational factors for each of them and offers the ground for comparisons to be made afterwards.

Based on the survey’s results, the six most important motivational factors for the respondents in the age group of 18-21 are: **relationship with supervisor, relationship with peers, salary, supervision, achievement and company policy** (see Table 5).

<table>
<thead>
<tr>
<th>Age Group 18-25</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with supervisor</td>
<td>5.76</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.41</td>
</tr>
<tr>
<td>Salary</td>
<td>4.41</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.41</td>
</tr>
<tr>
<td>Achievement</td>
<td>4.35</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.29</td>
</tr>
</tbody>
</table>

Table 5: The six most important motivational factors for employees in the age group 18-25
In the age group of 26-30 the six most important motivational factors as ranked by employees are: salary, relationship with peers, relationship with supervisor, working conditions, personal life, supervision (see Table 6).

<table>
<thead>
<tr>
<th>Age group 26-30</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4.52</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.43</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.43</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4.43</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.43</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.34</td>
</tr>
</tbody>
</table>

Table 6: The six most important motivational factors for employees in the age group 26-30

In the age group of 31-35 the six most important motivational factors as ranked by employees are: recognition, personal life, salary, supervision, relationship with peers and company policy (see Table 7).

<table>
<thead>
<tr>
<th>Age group 31-35</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition</td>
<td>4.89</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.58</td>
</tr>
<tr>
<td>Salary</td>
<td>4.41</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.41</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.31</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.31</td>
</tr>
</tbody>
</table>

Table 7: The six most important motivational factors for employees in the age group 31-35

In the age group of 36-40 the six most important motivational factors as ranked by employees are: salary, relationship with peers, personal life, relationship with supervisor, supervision and company policy (see Table 8).

<table>
<thead>
<tr>
<th>Age group 36-40</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4.41</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.37</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.29</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.25</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.16</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.16</td>
</tr>
</tbody>
</table>

Table 8: The six most important motivational factors for employees in the age group 36-40

In the age group of 41 and above the six most important motivational factors as ranked by employees are: salary, personal life, working conditions, supervision, company policy, relationship with peers (see Table 9).

<table>
<thead>
<tr>
<th>Age group 41 and above</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4.67</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.6</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4.42</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.35</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.35</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.32</td>
</tr>
</tbody>
</table>

Table 9: The six most important motivational factors for employees in the age group 41 and above
A closer look at the six tables presented above clearly shows that there are no essential differences in the preferences of employees in different age groups in regards to what motivates them in their working environment nowadays.

The comparison of the two age groups of 18-25 and 26-30, indicates that there is a consensus in respondents’ answers, given that 4 motivational factors are common: relationship with peers, relationship with supervisor, salary and supervision. The first three of them appear in the top three positions of the ranking in both age groups, whereas supervision holds the fourth position for the age group of 18-25 and the fifth one for the age group of 26-30. However, employees in the age group of 18-25 rank as highly important for them another two motivational factors, which hold the fifth and sixth position in the ranking table respectively: achievement and company policy. On the other hand, for employees in the age group 26-30 personal life and working conditions are the two motivational factors that hold the third and fourth position in the ranking table respectively.

Furthermore, a comparison between the age groups of 18-25 and 41 and above indicates that these two groups share four common motivational factors: salary, supervision, company policy and relationship with peers. The motivational factors that are distinctive for the age group 18-25 are relationship with supervisor and achievement, whereas the ones for the age group 41 and above are working conditions and personal life.

A comparison between the age groups of 26-30 and 41 and above reveals that employees’ preferences are rather similar as these two groups have five motivational factors in common, although in different ranking positions: salary, personal life, working conditions, supervision, relationship with peers. The motivational factor that is distinctive for the age group 26-30 is relationship with supervisor, whereas the one for the age group 41 and above is company policy.

The same results are revealed from the comparison between the age groups of 31-35 and 36-40. These two groups have five motivational factors in common in different ranking positions as well: personal life, salary, supervision, relationship with peers and company policy. The motivational factor that is distinctive for the age group 31-35 is recognition, whereas the one for the age group 36-40 is relationship with supervisor.

Finally, the comparison of the age groups of 26-30 and 31-35 highlights four motivational factors that these groups have in common, although again in different ranking positions: salary, personal life, supervision and relationship with peers. The motivational factors that are distinctive for the age group 26-30 are relationship with supervisor and working conditions, whereas the ones for the age group 31-35 are recognition and company policy.

The analysis of the different age groups and the comparisons made between them in regards to employee motivation in the working environment nowadays, leads to some plausible suggestions about the relationship between age and motivation. First of all, employees’ preferences regarding motivational factors change with age. So, it could be argued that age is a demographical variable which affects employee motivation in the service industry. For example, salary is not ranked first in employees’ choices in the group 18-25, whereas for groups 26-30, 36-40 and 41 and above is in the first position of their preferences. However, for the age group 31-35 recognition holds the first position in their preferences instead of salary which falls in the third ranking position. Although there is no strong deviation in employees’ preferences in regards to their preferred motivational factors, the fact that for different age groups these factors are in different ranking positions confirms the tendency described above. Finally, a second observation about the relationship between age and motivation would lead to the suggestion that it is logical for some motivational factors to hold a stable position in employees’ preferences and not change with age. For instance, relationship with peers and supervision are two motivational factors present in all age groups, apart from salary, a fact that highlights their importance among employees in the service sector.
In conclusion, based on the commonalities found among the five age groups it could be highlighted that the motivational factors which are ranked as most important by all age groups of employees in the hotel industry are the following: *relationship with peers, salary, supervision*.

### 4.2.2.b Motivational Factors in Relation to Gender

Gender is one of the demographical variables that might have an influence on employees’ motivation in the working environment in the service sector nowadays. The identification of the preferences women and men have in regards to motivational factors is essential in order to gain a better understanding of what motivates employees in the hotel industry in Greece in our ages.

Based on the survey’s results, males show preference in the following six motivational factors: *salary, personal life, working conditions, relationship with peers, relationship with supervisor and supervision* (see Table 10).

<table>
<thead>
<tr>
<th>Gender- Male</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4.52</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.34</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4.2</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.18</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.18</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.16</td>
</tr>
</tbody>
</table>

Table 10: The six most important motivational factors for male employees

For female respondents the top six motivational factors are: *personal life, relationship with peers, salary, supervision, company policy and relationship with supervisor* (see Table 11).

<table>
<thead>
<tr>
<th>Gender- Female</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal life</td>
<td>4.52</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.48</td>
</tr>
<tr>
<td>Salary</td>
<td>4.47</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.45</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.4</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.31</td>
</tr>
</tbody>
</table>

Table 11: The six most important motivational factors for female employees

From the analysis of the responses male and female participants of the survey gave, it is revealed that five out of the top six motivational factors are common in these groups. Both female and male employees consider as highly important for them the following motivational factors: *salary, personal life, relationship with peers, relationship with supervisor and supervision*. Nevertheless, a closer examination of the Tables 13 and 14 highlights also some differences between the two gender groups when it comes to the ranking of their preferred motivational factors. Male employees who participated in the survey place monetary rewards (*salary*) in the first position of their preferences, whereas female participants ranked first *personal life* as their most important motivator, which is considered to be a non-monetary reward. Moreover, one motivational factor in each gender group is distinctive. The motivational factor which is ranked as highly important for male participants and is distinctive for that gender group is *working conditions*, whereas the one for females is *company policy*. The differences between the two gender groups mentioned above could be related to general gender differences, given that females usually tend to be motivated by more “soft” values, while males by more “hard” values.
The analysis of the results between the two gender groups creates the ground for some interesting conclusions. It could be argued that gender is a demographical variable that affects employee motivation in the service sector, considering that despite the two groups have five out of six top motivational factors in common, their responses in terms of ranking and preferences are not identical. As already mentioned, both groups have a motivational factor distinctive for each of them. However, based on the commonalities found between the two gender groups it could be highlighted that the motivational factors which are important both for male and female employees in the hotel industry are the following: salary, personal life, relationship with peers, relationship with supervisor and supervision.

### 4.2.2.c Motivational Factors in Relation to Contract Type

It is of high importance to assess the motivational factors in relation to contract type in order to gain a better understanding of what drives employees in the hotel industry to achieve higher performance nowadays in Greece, given that part time employees spend less time at their working environment compared to full time employees. For that reason it is believed that the type of contract will have an impact on employees’ preferences when it comes to motivation in the workplace.

Based on the survey’s results the top six motivational factors for full time employees are: personal life, salary, supervision, relationship with peers, company policy and work itself (see Table 12).

<table>
<thead>
<tr>
<th>Contract type- Full Time</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal life</td>
<td>4,6</td>
</tr>
<tr>
<td>Salary</td>
<td>4,5</td>
</tr>
<tr>
<td>Supervision</td>
<td>4,41</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4,4</td>
</tr>
<tr>
<td>Company policy</td>
<td>4,4</td>
</tr>
<tr>
<td>Work itself</td>
<td>4,33</td>
</tr>
</tbody>
</table>

Table 12: The six most important motivational factors for full time employees

For part time employees these factors are: salary, relationship with peers, supervision, working conditions, personal life and relationship with supervisor (see Table 13).

<table>
<thead>
<tr>
<th>Contract type- Part time</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4,53</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4,26</td>
</tr>
<tr>
<td>Supervision</td>
<td>4,1</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4,06</td>
</tr>
<tr>
<td>Personal life</td>
<td>4,03</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 13: The six most important motivational factors for part time employees

A closer look of Tables 12 and 13 reveals that there are both similarities and differences when comparing employees’ preferences of motivational factors in terms of the type of contract they have. The two groups of employees share four common motivational factors out of the top six, while two of them are distinctive for each group. The motivational factors common for both groups are: personal life, salary, supervision and relationship with peers. Nevertheless, the ranking positions there four motivational factors hold for each group are different. For example, part time employees rank salary as the most motivating factor for them, whereas for full time employees salary holds the second position in their preferences and personal life is ranked first.
Moving further with the analysis of these two groups, the motivational factors that are distinctive for full time employees are company policy and the work itself, while for part time employees working conditions and relationship with supervisor. Considering the above results it could be argued that full time employees, apart from monetary rewards, need to feel part of the company they work for and get satisfaction from their daily tasks, while part time employees show a greater interest for social interaction (relationship with peers and supervisor). Therefore, it could be assumed that there is an interrelation between job position and motivation in the service sector, given that the two groups just compared are not identical. However, it can be inferred that personal life, salary, supervision and relationship with peers are the most important motivational factors for both part time and full time employees in the hotel industry, since they are common in both categories.

4.2.2.d Motivational Factors in Relation to Job Position

Another demographical variable that should be taken into consideration during the analysis of the motivational factors that are ranked as highly important by employees in the Greek hotel industry nowadays is job position. Different job positions mean different tasks, responsibilities, work nature and working conditions for employees, so it could be argued that the job position has an impact on employees’ preferences regarding motivational factors.

Based on the survey’s findings the six top motivational factors for executive employees are: growth, recognition, relationship with peers, relationship with supervisor, company policy and achievement (see Table 14).

<table>
<thead>
<tr>
<th>Job position- Executive member</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>5.25</td>
</tr>
<tr>
<td>Recognition</td>
<td>4.83</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.75</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.75</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.58</td>
</tr>
<tr>
<td>Achievement</td>
<td>4.58</td>
</tr>
</tbody>
</table>

Table 14: The six most important motivational factors for executive employees

The six top motivational factors for administration employees are: personal life, salary, supervision, relationship with peers, company policy and social interaction (see Table 15).

<table>
<thead>
<tr>
<th>Job position- Administration</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal life</td>
<td>4.52</td>
</tr>
<tr>
<td>Salary</td>
<td>4.47</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.41</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.33</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.27</td>
</tr>
<tr>
<td>Social interaction</td>
<td>4.19</td>
</tr>
</tbody>
</table>

Table 15: The six most important motivational factors for administration employees

Finally, the six top motivational factors for customer service employees are: salary, working conditions, personal life, relationship with peers, relationship with supervisor and autonomy (see Table 16).
The six most important motivational factors for customer service employees

<table>
<thead>
<tr>
<th>Job position</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4,51</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4,43</td>
</tr>
<tr>
<td>Personal life</td>
<td>4,37</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4,29</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4,27</td>
</tr>
<tr>
<td>Autonomy</td>
<td>4,27</td>
</tr>
</tbody>
</table>

Table 16: The six most important motivational factors for customer service employees

The comparison of the results between the two groups of the executive members and the administration employees reveals that these two groups have only two motivational factors in common out of the six top ranked motivational factors: relationship with peers and company policy. Similarly, a comparison between the group of the executive members and the customer service employees indicates that there are again only two motivational factors common in these categories: relationship with peers and relationship with supervisor. Therefore, it can be argued that executive members in the hotel industry nowadays are motivated by different factors than administration and customer service employees. Executive members value as important for them motivational factors related to their personal and professional growth more than they value monetary rewards. On the contrary, the comparison between administration employees and customer service employees indicates that these two groups share three common motivational factors: salary, personal life and relationship with peers. These two groups value as highly important financial rewards, although salary holds different ranking positions for each of them. The distinctive motivational factors for the group of administration employees are supervision, company policy and social interaction, whereas the ones for the group of customer service employees are working conditions, relationship with supervisor and autonomy.

Taken into consideration the results acquired from the above analysis, it can be argued that job position has to some extent an impact on employees’ preferences regarding motivational factors in the service industry, given that the top six motivational factors for each of the three groups are not identical. However, relationship with peers is a motivational factor present in all three job position groups.

4.2.2.e Motivational Factors in Relation to Years of Employment

It could be argued that the length of employment will have an impact on employee motivation given that it affects several job aspects. For example, an employee who just enters the job market is lacking experience and professional expertise in a certain field. Moreover, the first years of employment the learning curve is very intensive and it gradually decreases as time goes by. Taking into consideration the above and the assumption that employees’ preferences regarding motivational factors are affected by the length of their employment, an analysis is conducted in order to test the validity of that assumption in the service sector. For that purpose, the research population is subdivided into five categories according to years of employment: less than one year, 1 year, 2 years, 3 years and 4 years and above.

The motivational factors that are ranked as highly important for employees with less than 1 year of employment are: salary, relationship with peers, variety, supervision, working conditions and personal life (see Table 17).
Among employees with 1 year’s employment experience, the important motivational factors are as follows: salary, relationship with supervisor, supervision, company policy, relationship with peers and personal life (see Table 18).

Additionally, the motivational factors that are ranked as highly important for employees with 2 years of employment are: personal life, relationship with supervisor, salary, responsibility, work itself, growth (see Table 19).

Furthermore, among the employees with 3 years employment the most important motivational factors are: personal life, salary, social interaction, relationship with peers, working conditions and supervision (see Table 20).
Finally, employees with 4 years and above employment rank as the highly important motivational factors the following: salary, supervision, personal life, relationship with peers, company policy and relationship with supervisor (see Table 21).

### Table 20: The six most important motivational factors for employees with 3 years of employment

<table>
<thead>
<tr>
<th>Factor</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal life</td>
<td>4.73</td>
</tr>
<tr>
<td>Salary</td>
<td>4.53</td>
</tr>
<tr>
<td>Social interaction</td>
<td>4.53</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.46</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4.4</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.33</td>
</tr>
</tbody>
</table>

### Table 21: The six most important motivational factors for employees with 4 years and above of employment

<table>
<thead>
<tr>
<th>Factor</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>4.6</td>
</tr>
<tr>
<td>Supervision</td>
<td>4.6</td>
</tr>
<tr>
<td>Personal life</td>
<td>4.6</td>
</tr>
<tr>
<td>Relationship with peers</td>
<td>4.53</td>
</tr>
<tr>
<td>Company policy</td>
<td>4.53</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>4.39</td>
</tr>
</tbody>
</table>

The comparison of the first two employment groups, less than 1 year of employment and 1 year of employment, indicates that the two groups are similar to a great extent, but not identical. Four of the top six motivational factors are common in these two groups and two are distinctive for each group. Both groups rank as highly important for them the following motivational factors: salary, relationship with peers, supervision and personal life. Nevertheless, employees with less than 1 year of employment rank as important for them also variety and working conditions, while employees with 1 year of employment place relationship with supervisor and company policy among the six top motivational factors for them.

The comparison of two other employment groups, 1 year of employment and 2 years of employment, indicates that the two groups are quite similar. Three of the top six motivational factors are common in these two groups and three are distinctive for each group. Both groups rank as highly important for them the following motivational factors: salary, relationship with supervisor and personal life. Nevertheless, employees with 1 year of employment rank as important for them also supervision, company policy and relationship with peers, while employees with 2 years of employment place responsibility, growth and work itself among the six top motivational factors for them. An interesting observation is regarding salary, as based on the survey results the importance of salary as motivational factor is stronger at the beginning of an employment as the factor’s importance diminishes significantly for the ‘2 years’ group compared to the ‘1 year’ group. In addition to this, the factors that are distinctive for the ‘2 years’ group could be attributed to employees’ need for personal growth and career building. It could be assumed that after two years of employment employees start to perceive their job as a permanent one and maybe considering it as a potential future career path.

The comparison of the two following groups, 2 years of employment and 3 years of employment, shows that these two groups are rather distinctive since they have only two out of the top six motivational factors in common. These factors are: salary and personal life. The factors that are distinctive for the ‘2 years’ group are relationship with supervisor, responsibility, work itself and growth, while for the ‘3 years’
category the distinctive factors are social interaction, relationship with peers, working conditions and supervision.

The comparison of the last two groups, 3 years of employment and 4 years and above of employment, indicates that these two groups are quite similar, given that four out of six motivational factors are common. These factors are: salary, personal life, supervision and relationship with peers. The two distinctive factors for the ‘3 years’ group are social interaction and working conditions. For the ‘4 years and above’ group the two distinctive factors are company policy and relationship with supervisor.

Finally, the comparison between the ‘4 years and above’ group and ‘less than 1 year’ group, shows that new employees and established employees have quite similar preferences regarding the top six motivational factors for them, as four factors are common in both categories. These factors are: salary, supervision, relationship with peers and personal life. However, although salary is ranked first in both groups, relationship with peers is ranked second for new employees, while established employees placed it in the fourth position. Additionally, supervision is ranked second by older employees, while new employees ranked it fourth in their preference list. Finally, personal life holds the fifth position in new employees’ preferences and the third position in older employees’ preferences.

The survey’s results and the above analysis indicate that the length of employment has an impact to some extent on employees’ preferences regarding motivational factors in the service industry. However, there is not a clear picture of how motivational factors are prioritized during the years of an employee’s employment as many factors are common in all groups. These factors that are common in all categories are salary and personal life, so the conclusion here could be that these factors are of high importance for employees in the hotel industry nowadays in Greece.

4.2.3 Summary of the Findings

The empirical data collected and their analysis in the context of the current thesis indicates that the top six motivational factors for employees in the service industry under the influence of an economic crisis as ranked by hotel employees in Greece are: (1) Salary, (2) Personal Life, (3) Relationship with Peers, (4) Supervision, (5) Company Policy and (6) Relationship with Supervisor. The detailed analysis of the empirical data in regards to different demographical variables presented above confirms the importance of these six motivational factors for employees, as based on the outcome five out of these six factors are ranked as important by all subgroups. Thus, it could be concluded that the five motivational factors that are ranked as highly important by hotel employees in Greece under the influence of an economic downturn are: (1) Salary, (2) Personal Life, (3) Relationship with Peers, (4) Supervision and (5) Relationship with Supervisor.

4.2.4 Critical Assessment of the Primary Data Collected

Closing this chapter, the empirical data collected and presented above are assessed here in terms of both generalizability and validity. The participants of the survey are considered to be a representative sample of the population of Greek hotel employees in the area of Thessaloniki (2-stars, 3-stars, 4-stars and 5-stars city hotels). This fact makes the outcome applicable for hotel employees in the area at large. Furthermore, it could be argued that the findings could be applicable to other city hotel employees in different areas of Greece. However, in order to increase the generalizability of the findings to the service sector at large in Greece, further research with a larger sample of employees is required, where seasonal hotels and thus seasonal employees will also be taken into consideration.

Finally, in terms of validity the research outcome is considered to be a valid one. The survey is based on a predefined set of motivational factors which is the result of previous research done in the field, so it is
strongly argued that these factors cover employees’ preferences to a great extent. However, in order to further increase the validity of the research findings, apart from the survey conducted, some interviews with a representative group of employees could have been arranged, a fact that would allow the empirical identification of a set of motivational factors that are considered as important for employees and are not covered by the set of the predefined motivational factors given to them. Nevertheless, this method still does not guarantee that all the factors that affect employee motivation would be identified. This is the reason why in the context of the present thesis, where time restrictions are inherent, the survey was thought to be the most appropriate tool for the collection of valid primary data.

Chapter 5: General Discussion and Conclusion

The present chapter aims at providing us with a critical evaluation of the research outcome both from a practical and a theoretical point of view. A critical assessment is considered as necessary since it enables us to understand how the research findings presented above are related to the existing theory regarding employee motivation and thus what the contribution of this thesis is. The assessment of the research outcome is followed by suggestions regarding possible implications of the findings to HR policies and procedures in the service sector. In the last part of the chapter, a concluding remark is presented and further research directions are given.

5.1 Critical Assessment of the Research Outcome in Relation to the Theory

In the following part of this chapter, the research findings will be assessed in relation to the two theories that form the theoretical framework of the current thesis, which are the Herzberg’s two factor theory (Herzberg F. et al., 1959) and the Job Characteristics Model (Hackman J. and Oldham G., 1976).

As discussed earlier, Herzberg’s two factor theory is based on the idea that employees’ motivation is influenced by two set of factors’ motivators and hygiene factors. According to Herzberg F., the first set of factors, called motivators, refers to the factors that are job-related and can affect employees’ level of satisfaction in the working environment. On the contrary, hygiene factors are not job-related factors, but they refer to the basic survival needs each employee has. Hygiene factors are mainly responsible for employees’ dissatisfaction in the working environment. The two factor theory highlights a dual relationship between these two set of motivational factors. Herzberg F. (1987) supports that based on his research the motivators that hold the highest positions in employees’ preferences are: achievement, recognition, work itself, responsibility, advancement and growth. Similarly, the hygiene factors that hold the highest positions are: company policy, supervision, relationship with supervisor, work conditions, salary and relationship with peers (Herzberg F., 1987).

On the other hand, the Job Characteristics Model (JCM) is based on the idea that employee motivation is driven by a set of specific job attributes which can lead to either positive or negative psychological states in the working environment. The main job attributes highlighted by Hackman J. and Oldham G. (1976) are: skill variety, task identity, task significance, autonomy and feedback. Although these job attributes are not ranked based on their importance for employee motivation in the context of the JCM, Hackman J. and Oldham G. support that they should be equally satisfied in order for employees to be highly motivated in a working environment.

In the context of the current thesis, the findings of the survey are compared to the outcomes of the studies conducted and presented by Herzberg F. and by Hackman J. and Oldham G. in order to enable any
possible distinctiveness on employees’ preferences regarding motivational factors in tough economic times. As already stated in the previous chapter salary, personal life, relationship with peers, supervision and relationship with supervisor are the five motivational factors that highly affect employees’ motivation in the Greek hotel industry nowadays, so the comparison will be based on these empirical data collected. The above findings are mainly supported by the survey conducted. However, there is another study conducted by Dermody M. et al. (2004) that could also support these results. Dermody M. et al. (2004) after conducting a study in the restaurant sector concluded that employees in this sector value as highly important factors for their motivation the salary and the relationship with peers. Moreover, Dermody M. et al. (2004) confirm the dominance of young employees in the service sector by presenting historical evidence that prove that above 50% of service employees are between 18 and 35 years old. Nevertheless, as already mentioned earlier, there is no other study conducted in the field of employee motivation in tough economic times in order to further support the current findings.

A first comparison between the findings of the present study and those presented by Herzberg F. (1987) indicates that the results are totally different. Based on the data collected by the current survey it is indicated that employees in the Greek hotel industry in times of an economic recession value more the existence of hygiene factors compared to the existence of motivators, while Herzberg’s F. (1987) results show the opposite. Again it should be highlighted here that in his studies Herzberg F. did not take into consideration any bad socio-economic conditions. However, despite this inconsistency between the current study and Herzberg’s F. studies, one can notice that age plays a key role in employees’ preferences as younger employees in the groups of 18-25 and 31-35 value as important for them motivational factors such as achievement and recognition (called motivators according to Herzberg. F). based on that it could be argued that the younger the employees are, their preferences regarding motivational factors diverge more. The employees who belong in the older age groups show a steady preference towards hygiene factors during an economic downturn.

The above observations could lead to the conclusion that based on the present study’s results different age groups of employees in the service sector should be approached with different policies in regards to motivation in the working environment, mainly when the socio-economic conditions are bad. Employees’ motivation in the younger age groups seems to originate from a mix of hygiene factors and motivators, whereas older employees seem to be motivated mainly by hygiene factors. Given the blurred picture of the current survey’s findings it could be argued that Herzberg’s F. two factor theory may not entirely apply to the conditions under which this study took place. In other words, one could claim that Herzberg’s F. theory does not entirely apply to this thesis’s findings since it is taken for granted that the participants of the survey are highly affected by the economic crisis in Greece and its detrimental consequences at all levels of their daily life.

The above assertion, however, does not mean that Herzberg’s F. two factor theory can be totally rejected when examining employee motivation in a country under the influence of an economic crisis, since it is indicated a possible interrelation between employee motivation and different demographical variables. As just mentioned, when it comes to young (18-35 years old) and older (36 and above) employees Herzberg’s F. theory needs to be revised as the current study points that younger employees may also be motivated by the presence of motivators, while older employees focus mainly on the existence of hygiene factors. From a gender’s perspective the research findings show that both males and females are mainly motivated by hygiene factors. The same can be said when examining the issue of employee motivation from a contract type perspective, but with the slight difference that one out of the top six motivational factors for full time employees belongs to the motivators’ list of Herzberg’s factors (work itself). When looking at the issue of employee motivation from a job position perspective, the survey’s findings point out that administration and customer service employees are mainly motivated by hygiene factors, whereas executive members are motivated by the presence of hygiene factors and motivators as well. Finally, when focusing on the length of employment for employees the study reveals that all groups of employees
(less than 1 year, 1 year, 3 years and 4 years and above) seem to give great importance on hygiene factors, apart from those employees who belong to the third group (2 years) who are motivated by both hygiene factors and motivators.

These findings create all the fertile ground for additional questions to be raised on why employees are motivated differently when socio-economic conditions in a country are taken into consideration. Nevertheless, before clarifying any underlying reasons behind this issue, the survey’s findings will be also looked upon in relation to the Job Characteristics Model (JCM).

A first assessment of the research outcome, indicates that the survey’s participants ranked in low positions the five job characteristics (skill variety, task identity, task significance, autonomy, feedback) proposed by the JCM. However, the main reason why the JCM was included in the theoretical framework of the thesis was just to provide us with more motivational factors that could possibly affect employees’ motivation in Greece nowadays. The research findings can by no means lead to a conclusion that the JCM should be rejected, but they clearly suggest that the job attributes proposed by Hackman J. and Oldham G. are not these factors that have a great impact on employee motivation in the service industry during tough economic times. The discussion that follows will mainly focus on the assessment of the survey’s findings in relation to the JCM.

According to the JCM, a job should be designed based on specific job attributes which can drive three psychological states that in turn can lead to higher levels of internal employee motivation. Employees later on are responsible for prioritizing the value each of these job attributes has for them in order to positively influence their internal motivation in the working environment. A logical assumption that derives from the above is that the incorporation of job attributes which are not valued as highly significant for employees will lead to a job design weak enough to stimulate employee motivation and thus better working results. This could be applicable in the context of the current study, since the findings indicate that employees in the Greek hotel industry nowadays do not rank as important for their work motivation the job factors suggested by the JCM. Thus, one may argue that the job attributes proposed by Hackman J. and Oldham G. are not highly effective on their own to stimulate employee motivation in the service sector under the influence of an economic crisis.

At this point it should be mentioned that the five job characteristics proposed by the JCM focus on different factors from those that Herzberg F. et al. (1993) uses to describe the factor *work itself* and they also neglect any factors related to social interaction. The present study shows that employees in Greece nowadays low rank the factor *work itself* (position 14), while *relationship with peers* holds the first position in their preferences. This fact further enhances the belief that if the JCM is to be used for employee motivation in tough economic times possible adjustments should take place first. The factors that are pointed out as important for employees’ motivation in a down economy by the current survey, could act as the basis on which the adjustments of the job attributes will take place when needed, but further research is also needed in order to verify the present findings and leave the space for a more general version of the JCM to be created. This conclusion does not entirely reject or dispute the JCM, but as for Herzberg’s F. two factor theory, the current thesis highlights that employee’s preferences and needs in the working environment are different in times of economic downturns.

The general conclusion of the discussion is that the two motivational theories which formed the theoretical framework of the thesis cannot be used unquestioned when addressing the issue of employee motivation in the service industry in a down economy. Moreover, it is highly recommended that managers and HR experts examine the issue of employee motivation more from a sub-group perspective, as it seems that a holistic approach to motivation may be insufficient in describing some populations or industries, for instance the service sector where many different variables should be taken into consideration such as the seasonality and the employees’ demographical and educational profile. For that reason, one could assume that motivation in the working environment is a dynamic subject that becomes more and more complex as
time passes and societies change, thus the existing motivational theories should always be revised and readjusted to meet modern needs and market tendencies.

The differences found between the present study’s findings and the two theories that formed the theoretical basis of the discussion could be explained to some extent by certain characteristics of the Greek market and society in our ages where the economy is still very sensitive. Thus, the last part of the discussion aims at shedding light on the main characteristics that render employees in a down market different from other groups of employees who live and work in stable or developed economies.

First of all, under the influence of an economic crisis, where the social and the economic status of the majority of people leaving in a country changes, employees perceive their work as a means of survival and not as an opportunity for personal development. Most of the employees in a down economy try to cover their basic needs by earning as more money as possible and they always attempt to increase their savings account, if possible, in order to fight the feeling of insecurity that prevails in these times. So, for those employees job is seen as a way of survival and financial incentives are their main force of motivation, while the employees in stable economies who have secured their basic needs focus more on their personal growth, thus they value more the so called by Herzberg F. hygiene factors.

Secondly, as it is widely proved and accepted, in times of an economic recession few jobs are offered in the labor market, so the examples of the employees who enter the service industry because they might not have any other choice are not few. Those employees who just get a job position for survival reasons and do not have any genuine interest for this position or the industry they are working for, they normally do not show any willingness to pursue a career in this sector, thus they do not focus on what Herzberg F. calls motivators. Moreover, given the instability of the market in tough economic times, many employees who enter the service industry tend to treat their employment as a temporary one not only because of its seasonal character most of the times, but also because for them sometimes it is just a first step to enter the market before they proceed towards their main occupational focus. For that reason, their commitment to the organization they work for and the requirements they have for the job are different from those an employee who wants to be in the service sector might has, especially if they work in an economically stable country. Job commitment stems from the educational background an employee has, their career aspirations or other personal goals and factors to a working environment. However, in times of an economic crisis, where insecurity and social depression prevail, even the well-educated workforce does not focus on these characteristics, as the main goal of all people is to ensure financial resources in order to cover their daily expenses. Furthermore, during an economic downturn where the equilibrium changes at all levels of people’s social, personal and professional life, trust is limited between employees and employers, a fact that makes employees’ investment in the working environment extremely limited. For that reason they are mainly motivated by hygiene factors, as these cover their social and personal needs.

Finally, employees in the service sector are often judged as unskilled or inexperienced, especially the younger ones. It is not uncomon the phenomenon of recent graduates or unskilled people to search even for a seasonal or part-time opportunity in the service sector in order to enhance their monthly income, since other business sectors raise more their standards during the recruitment process. This is all the more common in the Greek service sector which is highly seasonal and in the past used to concentrate mainly unskilled or low skilled young workforce. Taken into consideration that mainly young people choose their first job to be in the service sector and the fact that the research’s findings verify that most of the participants were between 18 and 35 years old, it could be assumed that in terms of work motivation young employees lack a basic understanding about themselves as professionals. In other words, young or inexperienced employees do not have a clear picture of their strengths or weaknesses, they do not know what they want or what to expect from a job or an employer etc., thus they are motivated mainly be hygiene factors as their impact on them is more tangible. Additionally, the tough socio-economic conditions nowadays in Greece do not leave them the space to focus on their personal growth as they are...
mainly forced to find ways to survive and satisfy their basic needs, so the existence of motivators will probably not be estimated by them as much as the hygiene factors will.

In conclusion, the above discussion shows that employees working in a country under the influence of an economic downturn differ from an average employee in a stable economy from many perspectives. This explains why a revised approach is needed when addressing the issue of employee motivation in the service sector in a down economy.

5.2 The Research Outcome in Relation to Practice

This part of the current chapter assesses and discusses the survey’s findings in relation to HR management and the service industry. In general, as already seen above, the findings of the current research suggest that employees in an economically unstable country are motivated differently than those employees pictured in the two motivational theories employed in the theoretical framework of the thesis.

In regards to HR management and policies the research findings presented in the current thesis help practitioners to gain a better and deeper understanding of what drives employee motivation in tough economic times in the service industry. Therefore, it enables HR managers to form and adopt a more focused approach when attempting to motivate employees by altering and readjusting the existing motivational theories and strategies in order to better address employees’ specific needs under the influence of an economic crisis.

The fact that relationship with peers was ranked as the most important factor for employees’ motivation in tough economic times according to the survey’s outcome, might have a direct impact on the recruitment process, as it is essential there be a high fit between employees in order for this motivational factor to be satisfied. Thus, the present thesis suggests that HR managers pay great attention to the personality and the communication skills of the potential employees during the recruitment process so as to ensure the best possible fit with the company’s culture. A good match between these personal traits might lead to the creation of a better social environment among the employees in the workplace. Moreover, the research findings indicate that employees in the service sector in a down economy are mainly extrinsically motivated, therefore HR managers need to actively engage on employee motivation. Since in most cases the job itself does not motivate the employees, HR practitioners need to exert a continuous effort in order to keep them motivated and increase the company’s profitability.

For the service sector, the research outcome suggests more general implications given that they raise awareness about employee motivation. In other words, more focus and attention should be paid to employees’ recruitment and motivation given that service employees constitute a substantial part of the customer experience in the service industry and their performance can have a direct impact on customer’s satisfaction or dissatisfaction. Especially in times of an economic crisis where the social morale is low, a fact that directly influences employees’ attitude and job performance, a greater attention should be given to their needs and motivation preferences.

5.3 Conclusion

The main goal of the thesis is to identify which motivational factors are ranked as highly important by employees in the Greek hotel industry nowadays that the economic crisis that started in 2008 affects the social, political and economic scene of the country. In order to achieve this, a set of 21 work motivational factors was established based on motivational factors suggested by two theories that formed the theoretical framework of the survey. These 21 motivational factors are used to measure the importance
each of the employees participated in the survey places on them. The questionnaire of the survey was
distributed to ten city hotels of a specific area of Greece. According to the research findings, the five
motivational factors that seem to highly affect employee motivation in the service industry in a down
economy are: (1) Salary, (2) Personal Life, (3) Relationship with Peers, (4) Supervision and (5)
Relationship with Supervisor. The outcome of the survey points that employees’ motivation under tough
economic times stems mainly from extrinsic sources.

5.3.1 Suggestions for further research

Two possible directions could be suggested for further research in the context of the present thesis: (1)
extension of the scope of the current research and (2) narrow of the scope of the current research.
To start with, two different approaches could be proposed for the extension of the scope of the present
research, both of which will have as a starting point a country under the influence of an economic crisis.
The first one is to test the findings of the thesis on city hotels with similar characteristics in other areas of
Greece in order to check whether the findings are applicable beyond the research population or not. The
second one is to test the findings on other organizations and companies within the service industry, but
not hotels. In that way it will be determined whether the thesis’s findings are applicable to employees in
the service sector in general or just to hotel employees.

Finally, it is also possible to narrow the scope of the present research by adopting a more focused and in
depth approach. Given that under the influence of an economic downturn every aspect of the everyday
life is affected and the consequences people suffer are multifaceted and in different levels, it would be
really interesting to move a step beyond plausible speculations and examine in depth the underlying
reasons behind employees’ preferences regarding motivational factors under these conditions. By doing
so a more comprehensive understanding might be formed about employees’ motivation in the working
environment in tough economic times which will probably act as a starting point for future research and
practice in other countries that might face the same problems as Greece does nowadays.
List of References


- **Chitiris L. (1990).** “Who are the work-motivated managers in the hotel industry- an exploratory study”, Int. Hospitality Management Vol. 9, No. 4, pp. 293-304, printed in Gr. Britain.


APPENDIX 1: European Unemployment Rates

Figure 15: Greece’s unemployment rate in August 2012 noted “EL” (Eurostat 2012).

Figure 16: Greece’s unemployment rate in August 2013 noted “EL” (Eurostat 2013).

Figure 17: Greece’s unemployment rate in February 2014 noted “EL” (Eurostat 2014).
Figure 18: Greece’s unemployment rate in March 2014 noted “EL” (Eurostat 2014).

Figure 19: Greece’s unemployment rate in May 2014 noted “EL” (Eurostat 2014).

Figure 20: Greece’s unemployment rate in November 2014 noted “EL” (Eurostat 2014).
Figure 21: Greece’s unemployment rate in December 2014 noted “EL” (Eurostat 2015).

Figure 22: Greece’s unemployment rate in January 2015 noted “EL” (Eurostat 2015).

Figure 23: Greece’s unemployment rate in February 2015 noted “EL” (Eurostat 2015).
Figure 24: Greece’s unemployment rate in March 2015 noted “EL” (Eurostat 2015).

Figure 25: Greece’s unemployment rate in April 2015 noted “EL” (Eurostat 2015).

Figure 26: Greece’s unemployment rate in May 2015 (Eurostat 2015).
Figure 27: Greece’s unemployment rate in June 2015 (Eurostat 2015).

Figure 28: Greece’s unemployment rate in July 2015 (Eurostat 2015).

Figure 29: Greece’s unemployment rate in August 2015 (Eurostat 2015).
Figure 30: Greece’s unemployment rate in September 2015 (Eurostat 2015).

Figure 31: Greece’s unemployment rate in October 2015 (Eurostat 2015).

Figure 32: Comparison of unemployment rate in Greece between Q1-2014 and Q1-2015 (Eurostat 2015).
Figure 33: Comparison of unemployment rate in Greece between Q3-2014 and Q3-2015 (Eurostat 2015).
APPENDIX 2: Survey’s Questionnaire

Employee Motivation in the Hospitality Industry

Welcome to my research

This questionnaire is a part of my master's thesis at Copenhagen Business School and concerns Greek hotel employees' motivation in the working environment and the various factors related to it under the influence of the current economic and social crisis. I would really appreciate if you would take a few of minutes of your time to complete this questionnaire. Read each question carefully before responding and then choose the appropriate answer among the choices offered. Please answer to the best of your ability. The information gathered will be kept in the strictest confidence and used for statistical purposes only.

Thank you for your help.

Economic crisis

1) To what extent has the economic and social crisis in Greece affected you during the last years?

☐ Not at all
☐ Slightly
☐ Neutral
☐ A lot
☐ Very much

2) Please indicate to what extent you have been influenced by the economic and social crisis in Greece during the last years in each of the following levels.

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Slightly</th>
<th>Neutral</th>
<th>A lot</th>
<th>Extremely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(for example, negative impact on your psychological state/ reduced monthly income/ career changes/ short-term unemployment/</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
health problems due to increased stress or mental illness, such as depression)

<table>
<thead>
<tr>
<th>Family Level</th>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>(for example, a divorce because of economic problems/ long-term unemployment of a family member or a friend/ family members of friends who committed a suicide due to economic problems)</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Level</th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>(for example, massive layoffs/ cost cuts/ negative corporate climate/ insecurity because of the company's economic instability)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Employee Motivation**

3) Please indicate how important each of the following motivational factors is for you.
<table>
<thead>
<tr>
<th></th>
<th>nor</th>
<th>unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship with peers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Good relationships with my co-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>workers).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relationship with supervisor</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Good relationship with my boss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Salary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Get paid fairly for my job).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supervision</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A confident and a fair boss).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Company policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Clear and fair rules).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Working conditions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A nice, clean and modern work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>place/ work equipment).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personal life</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Balance between personal and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>professional life).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A prestigious job).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>(Get credit for my work).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Obvious results of my work).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A chance to grow as a person and learn new skills).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advancement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Have career opportunities at my work).</td>
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<td></td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Undertake responsibilities at work).</td>
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<td></td>
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<tr>
<td>Work itself</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Enjoy the tasks that my job involves).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Receive information about my performance).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significance</td>
<td></td>
<td></td>
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<tr>
<td>(A feeling that my job makes a difference).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Performance of different tasks and use of different jobs).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Identity (Follow my tasks through and see the outcomes of my work).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy (Freedom to make my own decisions at work).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service (Possibility to serve customers and make them happy).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social interaction (Contact and interaction with other people).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4) Are there any other factor(s) that are important for your work motivation?

☐ No  ☐ Yes

If yes, please indicate these factors

5) Please indicate which of the following answers best describes your opinion regarding each of the sentences stated below.
| During an economic recession, the most effective way of employee motivation is the provision only of financial incentives. |   |   |   |   |   |
| During an economic recession, the most effective way of employee motivation is the provision only of non-financial incentives. |   |   |   |   |   |
| During an economic recession, the most effective way of employee motivation lies on the provision of a right combination between financial and non-financial incentives. |   |   |   |   |   |
| During an economic boom, the most effective way of employee motivation is the provision only of financial incentives. |   |   |   |   |   |
| During an economic boom, the most effective way of employee |   |   |   |   |   |
motivation is the provision only of non-financial incentives.

During an economic boom, the most effective way of employee motivation lies on the provision of a right combination between financial and non-financial incentives.

<table>
<thead>
<tr>
<th>Demographical data</th>
</tr>
</thead>
<tbody>
<tr>
<td>6) Gender.</td>
</tr>
<tr>
<td>□ Male □ Female</td>
</tr>
<tr>
<td>7) Age.</td>
</tr>
<tr>
<td>□ 18-25 □ 26-30 □ 31-35 □ 36-40 □ 41 and above</td>
</tr>
<tr>
<td>8) Status.</td>
</tr>
<tr>
<td>□ Single □ Married □ Married with children □ Divorced □ Divorced with children □ Widowed</td>
</tr>
<tr>
<td>9) Nationality.</td>
</tr>
<tr>
<td>□ Greek □ Other</td>
</tr>
<tr>
<td>10) Education.</td>
</tr>
</tbody>
</table>
| □ PhD □ Master’s degree □ Bachelor’s degree □ High school diploma □ Secondary school diploma
| □ Other (please |
11) **Type of contract in the specific hotel.**

- [ ] Full-time
- [ ] Part-time
- [ ] Other (please specify):

12) **Department of employment.**

- [ ] HR department
- [ ] Front Office- Reception
- [ ] Housekeeping
- [ ] Accounting
- [ ] Public Relations
- [ ] Marketing and Sales
- [ ] Food and Beverage
- [ ] Maintenance
- [ ] Security
- [ ] Other (please specify):

13) **Position of employment.**

- [ ] Customer service
- [ ] Executive member
- [ ] Administrator

14) **Years of employment in the hotel industry.**

- [ ] Less than a year
- [ ] 1 year
- [ ] 2 years
- [ ] 3 years
- [ ] 4 years and above

15) **Years of employment in the specific hotel.**

- [ ] Less than a year
- [ ] 1 year
- [ ] 2 years
- [ ] 3 years
- [ ] 4 years and above

16) **Monthly income (taxes included).**

- [ ] 499€ and less
- [ ] 500€-799€
- [ ] 800€-1199€
- [ ] 1200€ and above

17) **Please indicate the name of your hotel and the area in which it is located.**
THANK YOU FOR YOUR PARTICIPATION!