

# 2<sup>nd</sup> International Conference on Quality of Life



## CONFERENCE MANUAL

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*Faculty of Engineering, University of Kragujevac*

## Conference manual

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**2<sup>nd</sup> International conference  
on Quality of Life**

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*Dear friends,*

*The goal of the 2nd International conference on quality of life 2017 is to enable knowledge analysis and transfer to all stakeholders through exchanging ideas and presenting the results of ongoing research in a range of different topics in the field of improving the quality of life.*

*We invite you to participate in this important event.*

*Sincerely yours,  
President of Organization Committee*

*Prof. dr Slawko Arsouski*

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## PERFORMANCE ANALYSIS OF MOTIVATION IN PUBLIC ADMINISTRATION

**Abstract:** Motivation and employee satisfaction are key areas of interest in modern management of human resources, because only the construction of a good motivational system can help the organization to increase its competitive ability and value of the company. Employee motivation is not only the area of psychological and sociological problems of work and work behavior, but the behavior directed toward a goal that excites the needs caused by the man, and the goal is to satisfy the needs. Croatian public administration operates in the transition area and the still insufficient attention is given to the organizational culture and ethics, there is no elaborate system of internal control, employment is affected by policy, promotion system has not worked out, and training is insufficient and occasional. Officials apparently have difficulties to realize their needs in terms of inability to progress, non-stimulating income and low respect. The study involved 534 employees of public services in the Republic of Croatia, by simple random selection through written surveys, where respondents were asked to assess the importance of each factor of motivation for work. Results of this study show that the amount of salary is the main motivating factor for employment in public administration, but that after the employment other motivational factors become important such as advancement opportunities, achievement of goals and good working conditions. This study confirmed that there is a statistically significant difference in motivational factors with respect to the place of work in public administration.

**Keywords:** management, factors of motivation, public administration, employee motivation

### 1. INTRODUCTION

In managerial theory much attention is paid to encouraging employees to achieve better results by creating high-quality motivational system. Such systems support management of organization with the aim of increasing its overall competitive ability and value. Key reasons related to the great interest in the introduction of a quality system of motivation can be structured into three groups:

1. Improvement of productivity, efficiency and creativity of work;
2. Improving the quality of working life in the organizations;
3. Strengthening the competitive ability and success of the organization.

The system of motivation is extremely important in all aspects of management in the field of public administration. The task of establishing such a system is to encourage employees to achieve the best possible performance, thereby increasing the efficiency of public administration as a general objective and the imperative of all political and managerial options.

Evaluation of work and reward performance of employees and managers is essential for short-term, long-term project and the success of each company. Management and development of human resources is becoming increasingly important due to the new place and role of man in all social processes and in their management. Motivation and employee satisfaction are key areas of interest in modern management of human resources, because only

the construction of a good motivational system can help the organization to increase its competitive ability and value of the company. The companies that have not developed a strategy for motivating and rewarding have a bad working atmosphere, lack of responsibility and trust so that employees feel bad, which inevitably leads to stagnation and decline.

The basic task of human resources management is, after finding "the right people", to make them fit for a common and successful work, and to deal effectively with the problems that they are faced with, and that their power is effective and weaknesses irrelevant. Employee motivation is not only the area of psychological and sociological problems of work related issues and of work behaviour, but the behaviour is directed toward a goal that excites the needs of man, and the goal is to satisfy the needs. The causes of the behaviour of man are internal psychological triggers that make him to act, but the individual's performance depends not only on its ability but also on the motivation. Therefore, a number of intangible strategies were developed such as job design, management style, participation, management by objectives, flexible working hours, recognition and feedback, organizational culture, training and career development, etc., which together with the substantive strategies constitute a full motivational system.

The aim of this paper is to analyze the current state of motivation of employees in public administration and to suggest possible directions of motivating employees in order to increase citizens' satisfaction with regard to efficiency and quality in public sector management. For achieving the objectives two hypotheses are set:#

### Hypothesis 1

A key motivating factor for employment in public administration, as well as the most important motivating factor for a better, more intense and more quality work is the amount of salary.

### Hypothesis 2

In different organizational units and at different workplaces in public administration there is a difference in the significance of motivational factors.

## 2. OVERVIEW THEORETICAL KNOWLEDGE ABOUT MOTIVATING

Employee motivation is not only the area of psychological and sociological problems of work related issues and of work behaviour, but the behaviour is directed toward a goal that excites the needs of man, and the goal is to satisfy the needs. The causes of the behaviour of man are internal psychological triggers that make him to act, but the individual's performance depends not only on its ability but also on the motivation. Task (obligation) of managers is to understand human complexity and personality, motivational theories, and that depending on the specific circumstances in which the company operates choose and apply the tangible and intangible motivational techniques

### 2.1 The basic functions of management

Croatian word management, as translation of the English word management, in the broadest social sense, could be equated with the concept of process and coordination of effectively used human and material resources, in order to achieve certain goals (Cerović, 2003, p. 3). Management is usually defined as the process of working with others and by others in achieving organizational objectives in a changing environment with effective and efficient use of limited resources (Buble, 2006, p.3). From the definition management tasks come out, related to the planning and decision making, organizing work and business, hiring and managing people and controlling the human, financial, physical and information resources. Also for the successful management of the crucial importance is selection, training of employees; design and management of meetings of groups of all kinds; management of all types of conflicts between powerful individuals and groups; influence and negotiation on an equal level and integrating the efforts of people of different professional specialties. "Management is the process of creating and maintaining an environment in which individuals, working together in groups, efficiently achieve desired outcomes" (Wehrich and Koontz, 1998, p. 4). In order to successfully implement and master their tasks managers (Wehrich and Koontz, 1994, p. 6)

must have four basic skills: conceptual skills, skills of working with people, technical skills and design skills. Nowadays managerial functions are classified at (Buble, 2010, p. 6): planning, organization, human resource management, leading and control.

## 2.2. The concept and meaning of motivation

Motivation is a condition in which we are "inside" excited by some motivations, aspirations, desires, and focused on achieving an objective that from outside acts as a stimulus to behaviour. The body is therefore not only "pushed" into the activity by the inner impulses, but it is also encouraged and "attracted" by some surrounding objects and situations coming from outside. Although in the aforementioned expressions (needs, impulses, etc.) there are certain connotative, even somewhat denotative differences, in the literature on the motivation these differences are by no means clear. Individuals differently perceive and interpret these small differences and most of these expressions are in everyday speech and even in the psychological literature, alternately in use. All that man consciously does, he does because he is "motivated" to do so. Even when someone is forced to do "against their will", and then they do so because they decided to do it, because such a solution is still better than the alternative. In doing so, of course, that does not mean that we do what pleases us. Only the newer theories of motivation have clarified why human behaviour in life is often not in line with its main wishes and interests. Person's final decision is due to several factors, not only on how much person is drawn by some objective. In the final decision, the chosen goal is the one by which person is relatively most motivated (Petz B. et. al., 2005., p. 251-252). Motivating employees is one of the key tasks and functions of managers. It is essential that the motivation should be based on what is to be achieved; it means that it is needed to reward what we want more, or encourage those behaviours that lead to achieving the objectives of the organization. The motivation always comes from within and each employee makes a decision on whether to go in for some action (self-motivation). Such a decision will be taken when there are enough motivating factors worth launching campaigns. The assumption is that most people need more than one motivating factor. Managers today

increasingly realize that the essence of their work is "to find the best people, motivate them well and let them do their job in their own way." (Bahtijarević-Šiber, 1999, p.556.) The basic task of human resources management, after finding the "right people", is to make them fit for a common and successful work, or to successfully "carry" the problems that are put in front of them and that their power is effective and weaknesses irrelevant. Capable man should not be made weak and insecure, because the weakness and uncertainty are lasting source of frustration and a direct threat to people working in the organization, as well as to the organization itself.

Managers often ask themselves the following questions:

- why some people work a lot and well, while others are doing as little as possible,
- how as a manager I can influence the behaviour and performance of my employees and
- why people change, starting being late at work, being absent, work less, etc. ( Bahtijarević-Šiber, 1999., p.557).

Answers to the questions can be found in the sphere of motivation and its understanding, what is expected from good manager . A good understanding of motivation and motivation theories provide answers to the issues and help managers to better cope with these problems knowing their background. For any area of human and professional performance, besides skills, knowledge and personal characteristics, motivation is also needed. What are professions more complex and demanding, it is more important the role of motivation. Besides the motivation of employees, particularly essential is motivation of managers.

## 2.3. The main characteristics of motivation

There are many factors that influence motivation, but Porter and Miles emphasize the following three groups (Porter, Miles, 1974., p. 547):

1. *The individual characteristics*, indicating needs, values, attitudes and interests held by individuals. They differ from person to person, which affects the differentiation of their motives for completion of tasks - some are motivated by money, some by job security, some by challenges of the

- tasks, and so on. The management must be aware of these differences in order to encourage those that contribute to achieving the objectives of the company.
2. **Characteristics of work**, that make certain attributes of work, such as complexity, autonomy, complexity and more. One and the same work can be characterized differently by different characteristics. Management must take into account when allocating tasks to establish harmony between individual characteristics and job characteristics.
  3. **Organisational characteristics** of the rules and procedures, personnel policies, practices, management and reward system which contributes to the efficiency of companies. All these instruments must be so designed to attract new and retain existing employees.

## 2.4. Motivational strategies

One of the important tasks of managers is to create, design and implement an appropriate system that includes development and implementation of various strategies to motivate employees to achieve individual, group and organizational goals. In addition to sharing incentive compensation in the financial and non-financial direct and indirect, the motives for the work can be divided and on external, such as.: system of salaries, working conditions, management and internal services such as education and promotion. Results of previous studies show that the first should be resolved external motives to achieve average productivity, and then included internal factors in order to achieve greater motivation and above-average productivity. Motivation is very complex and of personal character that actually there is no single answer, but nevertheless it is possible to identify the basic motivational techniques.

### 2.4.1. Material compensation

Tangible or financial compensation is made up of different forms of motivation that are aimed at ensuring and improving the financial situation of employees and financial compensation for the work. Given the degree of directness of material or financial remuneration there are two basic types of financial compensation:

1. Direct financial gains that an individual gets in "money", and
2. Indirect material gains that contribute to raising the material standard of employees that are not received in wages or in the form of cash.

The first group encompasses direct rewards for work, while the indirect material compensations are gained by employment in the company and do not depend on work performance and success. Considering a classification of material compensation from the aspect of the company, then it can be seen that the material rewards are associated with the organizational level and are distributed on the basis of organizational programs or policies and success in achieving the goals. Managers must understand the complexity of the human personality to avoid misapplied the general attitudes about motivation, leadership and communication, and adapt them to the specific situation of the company. They should conceive of such a system of motivation that will include a combination of more motivators to influence on all dimensions of work and thus make successful and productive employees. Depending on whether the company wants motivational system that will emphasize and encourage individual or team performance, it should use different motivators. In the conception of the system of motivation discrepancy between the loyalty of employees to the task (supported by motivators of individual performance such as eg. payment to individual performance and improvement) and loyalty to the company (stimulated by organizational culture and rewards based on team work and success, promotion and job security) should be avoided. Tangible motivation is one of the fundamental factors on which is based the organizational practice of motivating work. It is under the direct influence of the organization, its policies and practices. Promotion, symbols of status, recognition, salary and other material compensation are visible allocation mechanisms of specific awards and evaluation of work within the policies and practices of each organization.

### 2.4.2. Salary as a motivating factor to work

The money is obviously the oldest and "obvious", but also the most universal way of motivation to work. But undoubtedly it is one of the most important issues that is attracting increasing attention because of the great impact

it has on work and relationships at work. If the salary is in direct function of increasing labor productivity, it leads to the fact that any increase in wages does not keep and increase productivity. It is therefore necessary to follow the following settings of influence of material factors and payment system on the efficiency of individual work and performance (Bahtijarević-Šiber, 1999., p. 615-616):

1. Material prizes must be associated with those indicators of work that an individual can influence, and labour standards must be achievable,
2. Must be a clear link between performance and reward,
3. The system of remuneration must be based on more positive than the negative consequences of work behaviour,
4. Increasing material compensation must be large enough to justify the extra effort invested,
5. Increasing wages must directly and immediately follow the increasing performance and improving work efficiency,
6. Material compensation should be adequate to amount of work and fair compared to others, and
7. Differences in salary between good and bad workers must be substantial enough to stimulate good work.

Compensation as total fees that employees receive for their work in the company is related to the results of the work and some to the company affiliation. All the fees occur in three aspects, namely as: salary, bonuses and benefits. Salary as a "sum of money which the employer must pay an employee for work that done over some time" consists of five basic components: base salary, incentive pay, supplements, fees and share of profit.

The most significant elements of compensation are those in which an employee is entitled to when working effectively, and consist of basic salary, incentive pay and allowances. The basic salary as a basic form of compensation is usually determined through the evaluation process of work that continues on job analysis and results - job description and specification of work. Evaluation work is usually carried out by two groups of methods, with one focused on qualitative analysis of work, and the other on the classification of work. In the event that the goal of the use of the evaluation process of work is improving the

organization of work, and not exclusively evaluation, then more complex procedures and methods will be used. If it is used eg., the ranking procedure with one ranking list without systematic analysis of individual, partial characteristics of a job or a more complicated scoring process which determines the relative value of each job in the company, expressed in points, we come to a common goal, and that is basic salary, which forms the basis for most other parts of salaries. An incentive is aimed at promoting and ensuring the continuous realization of optimum parameters of performance both in terms of business results, companies and employees. However, one should bear in mind that it cannot be oriented exclusively and continuously to increase the investment results of the labour force because it would lead to the depletion of the workforce, as well as to declining product quality and disproportionate increase in costs. This part of the salary is always determined depending on the degree of execution of a given job, so there is: an incentive based on the impact - basically there is a payment by a command, and time standards, and stimulating part of salary based on the prize-employed to stimulate the rational use of available material and human resources. Allowances paid to employees for work under certain conditions that may have harmful consequences for the individual, comprising of: allowance for shift work, allowance for work at night, the addition allowance for overtime, sometimes difficult working conditions, the addition for work on public holidays, the addition to work on the weekly rest period.

Compensation from the share in profits is primarily used to increase the interest of employees for business performance, to reduce employee turnover, improve social relations in the company, ie. for a better and more successful business. There are four basic system employees share in the profits: systems of indirect profit sharing, systems of direct profit sharing, employee share ownership schemes and savings systems of employees. In the indirect share in profit, which is employed to stimulate the realization of savings regardless of profits, stands out system Scanlon in which to the employees belongs a certain percentage of the value of savings, and system Rucker where employees receive premium of the percentage of newly created value. Compensation on the grounds of belonging to the company achieves the main purpose of a

greater degree of socialization of employees in the company in order to achieve maximum efficiency. All forms of compensation on the grounds of belonging to the company are classified into three groups: the salary compensation, financial assistance and other benefits. Salary compensation, as the most important form of compensation on the grounds of belonging to the company, is paid in terms when employees get a salary that they would if they worked, for example, sick leave, vacation, public holidays that are not working days, and others. The policy management of salaries should define the amount of wages, salary structure, part of the salary which is dependent on the impact, the impact of market wage policy, and justice and control. When considering payment systems for rewarding work contributions, carrying out tasks, submission of work efforts and unfavourable working environment or even health and life danger, material aspects of motivation should be considered. People will sell their skills (work) to anyone who will be able to pay the best. Price sale of the work is not the only target: status of work, company image, continuity of employment, good working environment and workplace distance away from the residence are very important. Although personal income belongs to the material factors of motivation, it may have partially influence on moral motivators. Policy of good neighbourly relations must be accompanied by attractive salaries and incentive pay because the motivation and wages are closely related. Policy of wages and salaries should promote good relations between people, which means that it is necessary to pay employees according to merit, closely linking their payment to the execution. The relative value of jobs and wage structure provide background and general framework for the development of incentive systems material rewards. Today, the most popular reward systems based on performance where the wage increase, determined by assessment of work and range of payment groups, is based on an assessment of work performance.

#### **2.4.3. Evaluation of work performance as the basis for setting salary structures**

Assessment of work performance is a process which measures employee contribution to achieving the objectives over time. If such an

assessment was not carried out in a correct manner it can impair relationships, and in contrary, accurate assessment can encourage employees to better realization of the goals. The method for evaluating performance include: descriptive marks from managers, ranking within the group, comparing in pairs, the method of forced distribution, method of critical incidents and the evaluation scale. There should be a relationship of evaluation of performance and incentive remuneration, and evaluation of performance should be a function of incentive rewards. Today, in addition to assessment done by higher-level managers and coworkers and colleagues, in the process of assessing the self-assessment is also used. The most common errors that appraisers should definitely avoid are non-determination of standards, subjectivity and halo-effect. At technological development of rating system people need to keep in mind their mental and leadership skills, temperament, ethical principles as well as the achievements of success: planning, decision making and control, organization and coordination, the success of the work (effectiveness, productivity and profitability). Any system of evaluation of work performance has its advantages and disadvantages but it is certainly important to choose one that will lead to the achievement of company and individual goals.

#### **2.4.4. Intangible compensation**

In addition to monetary compensation, which forms the foundation of motivational system, it is necessary to elaborate a system of non-material incentives for work that meet the diverse needs of people in organizations. For majority of people are very important so called needs of a higher order, such as the development and validation, respect, status, etc. A number of intangible strategy is developed, as job design, management style, participation, management by objectives, flexible working hours, recognition and feedback, organizational culture, training and career development, etc., which together with the substantive strategies constitute a full motivational system. Design work makes a very important segment of intangible strategy motivation since attitudes towards work and pleasure significantly affects the work motivation, and on the entire life of the individual. Programs for transformation of work are mostly trying to make work more

interesting, diverse and challenging. Significant individual approaches to design jobs are job rotation, periodical movement of people from one specialized job to another, and thus preventing the monotony and boredom of people and expanding job as a process of increasing the range of operation, ie. number of different tasks and frequency of repetition work cycle. But the real motivation potentials are best activated by enrichment of work in which the business grows vertically including in more diverse tasks and skills, responsibility and autonomy of action. Fundamental characteristics of the work that have to be taken into account in the designing tasks are: diversity of skills, identity and integrity of the task, task significance, autonomy and feedback. In the process of enrichment of work numerous problems are imposed, such as the fact that for some people tasks are challenging while for others are boring and that the enrichment of work is usually imposed on people. The organization needs to better understand what people want, to try to be consulted and to have a sense that managers really care about them. In addition to the individual, there are group approaches to design work. Thus in the integrated working group employees are assigned instead of one task a number of tasks, and autonomous working groups is determined by their objective, and the employees themselves determine work assignments, vacations, etc. Managers and management style are also very important factors for building a complete motivational system as by understanding what people want they significantly affect organization and act on employee motivation. In the area of management style, democratic style has the highest motivational potential as managers are realizing that strengthening co-workers they strengthen themselves. Participation as the degree of involvement of employees in decision-making is an important aspect of the business and significantly affects the increase of employee motivation, encouraging creative and overall potential of the people, improve the quality of decisions and overall organizational success. "Management by objectives" is an important strategy of modern management in raising motivation, the quality of decisions, development of human resources and the flexibility and speed of response to changes in the environment. It is actually "approach that through the cooperation and participation of all

stakeholders set organizational, departmental and individual objectives forms the basis for establishing action plans for their implementation, monitoring, evaluation and reward success." This will identify the areas of responsibility and standards of behaviour for each unit, with periodic conversion of these goals into measurable, time-bound targets. Very important to employee motivation are other intangible motivational strategies, such as flexible working hours, recognition of success, feedback to the employee for their work and the organizational culture of the company. One of the biggest problems is the resistance of the workers themselves who very often do not believe that the system of incentive reward is objective and fair. Therefore, one of the important conditions for success of incentive rewards is to gain the trust of employees in the system, provided that they are well informed about the system. For example, the wage system should be supplemented by designing a good job, it should not be compensation for the bad design of the workplace. Very widespread mechanisms of motivation are the security and continuity of employment, recognition, promotion at work, greater informality and social equality, elimination of formal, functional status and barriers to communication, and others. The search for opportunities to increase motivation and interest in the work and development of the organization's employees, led to a complete reorganization, changes in climate and culture, and overall relations in modern businesses, as well as in public administration.

### **3. MOTIVATION IN THE WORK OF THE STATE ADMINISTRATIVE ORGANIZATIONS**

Croatian public administration operates in the transition area and still insufficient attention is given to organizational culture and ethics, there is no elaborate system of internal control, employment is affected by policy, promotion system has not worked out, and training is insufficient and occasional. Officials apparently have difficulties to realize their needs in terms of inability to progress, non-stimulating income and poor respect. At the same time, performance often depends on the individuals, while it should depend on teams and the entire organization. Ordinance on the assessment of

state employees (NN 18/02) sets out the criteria for evaluation. They include expertise, creativity, initiative, scope of work, respect of working hours, compliance with deadlines and quality in the performance of activities and tasks. The disadvantage is that the Ordinance is about assessing focused on negativity. Namely, if the officer or employee is assessed for two consecutive years with negative marks, consequence is termination of employment, and in the case of particularly successful assessment there is no possibility of promotion or reward. This results in poor employee motivation. It is necessary to single out the importance of raising the motivation by participating in the decision-making process, which enables creativity to be expressed and raises confidence of individuals and human resources development, which is of great significance for the efficiency of any organization. Regardless of which motivational technique is employed, for every individual is important to have standardized procedures, equal approach to similar cases, honesty and faith in the system. Public administration in Croatia is insufficiently engaged in motivational techniques, does not analyze sufficiently the organization of work and in this respect there is no elaborate criteria and benchmarks.

### 3.1 Historically valued approach to public administration

Public administration, as a "practical area of science", has been constantly in its existence associated with values. The science of administration as well as any "use-science", necessary deals with the achievement of specific goals (Jering, 1998, p. 26). Historical approach to the management warns that there were different approaches to public administration. Modern theories of administration emphasize that management always has an ideological content and special value content. On the other hand, some scientists and practitioners present the area of public administration as value neutral and as reason they state: Legal Values in Public Administration are: legality, protection of citizens' rights, fair procedures, legal responsibility of the administration and so on. The legal and political values are traditionally associated with the countries of Europe, while the market values based on a pragmatic approach and a spirit of entrepreneurship are

features of the US. The reasons are found in different tendencies and different historical development. Search for accountability of public administration addresses and creates codes of ethics of public officials and the introduction of ethics in the study of public administration. This code of ethics is presented as rules of certain professional groups. For example, civil servants of the police, the customs administration, tax administration, etc., that form the ethical code of conduct as a criterion for treatment and behaviour and a reflection of the social reality in the minds of individuals and act bonding, reduce uncertainty in behaviour and provide for sanctions for unethical behaviour. It is reasonable to say that the public servants themselves have a certain political role, which involves discretion (Ivančević, 1983., str. 197-206), the reason why the securities and ethical responsibilities of the civil service conduct are very important. The problem of values and ethics is more pronounced in the public administration, because the activity in the public sector is directed to a broader set of objectives and is subject to greater restrictions than in the private sector. Public officials are subject to conflicting requirements, they must establish the separation from the society not to fall in the advocacy of partial interests, and on the other hand, they must represent the society not to undermine the legitimacy of the state in the eyes of the public. It is therefore necessary to establish ethical behaviour of public officials. At the same time, public servants to be able to fully comply with the above standards must be well motivated.

### 3.2. Term of public administration

It can be said that the public administration is organization that connects administrative duties and tasks, the administrative organizations and the specificities arising from the environment. The internal administrative development processes caused by external action are linked to each other. Internal factors that have an impact on public administration are associated with the size of the organization, people, objectives, strategy, available technology, and external factors that have an impact on the formation of public administration are related to social, political, cultural environment, the legislative area which is defined by relative rate of changes that may affect the design of the organization of public

administration. The state itself is made up of political, economic and administrative forms. Political form includes designed policies for the purpose of overall development, economic refers to the process of making decisions which affect the economic activity and the administrative form is related to the implementation of the planned policy on public administration. Public administration can be viewed from organizational and functional aspects. The organizational aspect refers to the collection of bodies of the state apparatus, which perform administrative tasks. Administrative bodies are ministries, government organizations, and self-government offices, according to competencies defined by central body. The functional aspect of public administration is an activity that has certain characteristics. Functional form meet the formal point of view that is associated with the authority of the body units that perform administrative activities and on the process of the activity. It also includes the contents of legislation and the changes that administrative acts may cause. This view is associated with the view of the public administration in terms of organization. Public administration, due to the numerous administrative tasks is characterized by a great dynamism. The fundamental point is that the principle of legality is the most important principle of public administration. Regular forms of work and executing the functions are administrative acts and measures, administrative actions, the implementation of regulations and the process of meeting the needs of citizens. Public administration implement the set policy of the community and as such follows the situation in certain administrative areas, the administrative control. The organization of public administration departments refers to a complex problem solving and meeting the interests based on effectiveness, efficiency and purposefulness. The purposefulness includes internal organization, training of employees for jobs, relationships within the organization, relations with citizens and other users. Modern societies assume a public administration that operates according to internal criteria of success. Public administration should focus on motivating employees and on the impact on customer satisfaction by providing quality services. Its mission is related to the safety and efficacy. Effectiveness shows the extent to which output targets are achieved. The success is associated

with interplay of input and output data and their relationships. The efficiency and effectiveness of public administration increase through the learning process, by increasing its responsibilities, innovation and motivation. It often happens that the criteria are determined by available funds and the result is deviation from the planned mission. Public administration is classified as a non-profit activity. Its main feature is social contribution as opposed to profit organizations where the objective is determined by income. A non-profit organization is defined as an organization that exists with the aim of contributing to the general welfare of society by managing adequate resources (Sargeant, 1999., p. 4). Non-profit organizations such as public administration prefer social contribution and highlight the quality of servicing other customers. The process of accession to the European Union creates the pressure on public administration, better service is expected, there are more and more requests for increase in capacity of employees for effective performance of duties and tasks by keeping the principles of good "governance". The same applies to the management of public administration, the good institutional infrastructure and the strong administrative capacity. This refers to the processes, public administration organized as a professional service to the citizens, the responsibility and the stability of the administrative system. Strengthening public administration, effectiveness and efficiency is considered an important and priority tasks in the process of planned reforms.

### **3.3. The development strategy of the public administration**

The development strategy of the public administration<sup>1</sup>2015 - 2020 is a comprehensive document that provides the framework for the development of public administration and is aimed at improving the administrative capacity and to improvement of the organization of public administration. Public administration is one of the key strategic areas, and the modernization of public administration and the provision of fast and reliable public services are

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<sup>1</sup>[http://narodne-novine.nn.hr/clanci/sluzbeni/2015\\_06\\_70\\_1329.html](http://narodne-novine.nn.hr/clanci/sluzbeni/2015_06_70_1329.html)

essential components of stimulating entrepreneurial environment and a prerequisite for ensuring higher standards of life for all citizens. Modern management must reflect the harmonization of the Croatian legal system with the European, as well as the acceptance of European administrative standards. The aim of the Strategy is to increase the efficiency and effectiveness of the system of public administration, increasing the quality of public services to increase confidence between the administration and users in the electronic communication, a higher level of openness, transparency and accessibility of public bodies, strengthening the rule of law, strengthening of social sensitivity in the public administration and in relation to customers, respect for ethical principles in public administration and the eradication of corruption, the use of modern information and communication technology for the purpose of efficient provision of services and greater transparency of public administration, the inclusion of the Croatian public administration in the European administrative space and more powerful user participation in governance and the development of democratic political culture. The Croatian Government strongly supports and creates the preconditions for the realization of the vision of a modern public administration, which will contribute to the economic and sustainable development of the Croatian society by providing public services in a reliable, predictable and socially responsible manner.

### 3.4. Construction and organization of state administrative organization

Construction of state administrative organizations take place within a legal framework which defines the system of state administration. According to the State Administration System (Official Gazette 75/93; 92/06; 48/99; 15/00; 59/01; 79/07 and 199/03) the state administration system in the Republic of Croatia is made of government bodies as follows: ministries, government organizations and government offices. Ministries and government organizations are defined as central government bodies and government offices as first-instance state administration offices in the local (regional) self-government or county.

State Administrative Organizations carry out administrative, professional and other activities within their scope, in particular:

- Studying and investigating specific issues that require the application of special modes, which are performed in the framework of the state administration;
- Keep prescribed records;
- decide on issues for which they are explicitly authorized by law;
- Carry out administrative inspection control;
- Prepare draft laws and other regulations;
- Prepare the technical basis for decision-making procedure in state bodies;
- Cooperate with government bodies, local and regional (regional) governments and other legal entities;
- Realize international cooperation;
- Collect, arrange and decide on the information of interest to the activity for which they are organized;
- Perform other tasks stipulated by law and other regulations.

These tasks and duties are taken up by and distributed within the internal organizational structure of the state administrative organization based on related jobs (Regulation on the internal organization adopted by the Government) and precisely defined in the description of the tasks of a civil servants and employees (internal organizational rules that the adopted by the head of the state body). The work of state administrative organizations is managed by the Director. The director is an official of the Republic of Croatia and appointed and dismissed by the Croatian government. The internal structure of state administrative organizations and the names of the organizational units are established by the Regulation on Principles of Internal Organization of State Administration (Official Gazette 43/01 and 08/14). According to Article 5 of that Regulation in state administrative organizations can be established the following organizational units: services (sectors), departments, sections, subsections and sections.

### 3.5. Performance appraisal of civil servants

Evaluation assessment of civil servants is one of the most modern instruments of human resources management in the civil service. The main objective of the evaluation is to help the individual development of civil servant and

his/her career, as well as providing insight into the need for his/her training and professional development. The purpose of performance monitoring is to obtain an objective and valid appraisal of civil servants, as well as on their abilities and competencies. In addition, the evaluation is lately more and more connected to other functions of human resources management, in particular the remuneration of civil servants (OECD, 2005.), and therefore the motivation. In most countries of the EU impact assessment in the civil service was introduced as a formal instrument of human resources management in 70s of the last century, also in times of economic crisis, with weak economic growth and high unemployment, which has led to the need for comprehensive reform of the public administration (OECD, 2005). The basic question that in these conditions was set is "How to do more with less?", ie., enhance productivity and improve the results of work with limited human resources - an issue that is still valid in the conditions of the new global economic crisis and almost daily asked. From the beginning of introduction in a large number of European countries, impact assessment has become the subject of harsh criticism and challenges. Although the systems of assessment of civil servants have a clear goal of career development and motivation of civil servants, the practice has shown that there are a number of problems in their application (Demarco, J., Nigro, L., 1983, . p. 45-55). The main objection is that line managers who have a major role in the assessment do not have enough knowledge about the work of officials and are not able to objectively evaluate the work, which often leads to the creation of a bad working atmosphere and has a negative impact on the morale of the entire organization (Thayer, F.C., 1987, p. 36-53). Often, therefore, raises the question of whether it is a complex system of assessment worth the time and effort and what is actually achieved (Nick, N., 1996). Despite the many problems that occur in practice, impact assessments not only has not lost its importance, but in recent years has made significant progress in developing the methodology of evaluation and monitoring of performance in many European countries. In almost all EU countries in the last decade there has been a development process of performance management in terms of professionalization of the system of evaluation and monitoring of the performance of civil servants (Demmke, C.,

2007.).

Systems performance management in European countries can be classified into two main groups:

- The traditional systems which are based on a set of established criteria;
- Systems based on the work objectives of civil servants, where the success of the individual is measured by the degree in which the goal is met.

However, it can be said that the vast majority of European countries use a mix of the two systems, but the assessment is done on the basis of a set of selected criteria and an agreement on the objectives that a civil servant should achieve during the appraisal period. Therefore, we can talk about the existence of a third, a mixed model of performance appraisal.

### ***3.5.1. The traditional systems which are based on a set of established criteria***

In the traditional performance appraisal system evaluation of employees is based on evaluation of selected performance criteria, which may be compulsory or optional. The criteria of success can be different types of activities, skills, behaviour of civil servants and personality traits such as dedication, reliability, motivation. As the evaluation is often based on different competencies required for a particular job, this model allows the application of a variety of different assessment methods and the use of a variety of broad criteria of efficiency. The advantage of the traditional system of efficiency ratings is fact that standardized procedures for performance evaluation based on established criteria are more efficient and easier for application than procedures based on performance targets, which often is a complex negotiation, but the lengthy process. Also, a comparison of the effectiveness of employees is easier in a standardized system of identical criteria than the individualized system, where the assessment is based on individually established goals of the individual. Traditional systems have, however, in recent years been critically discussed in a number of European countries. A variety of evaluation criteria that often lead to subjective assessment results are justifiably criticized, as well as the tendency of assigning excessively high ratings for maintaining a good working atmosphere and non-confrontation. The application of uniform criteria evaluating the work of civil servants

began to be seen as too burdensome formality and routine work, with no genuine interest for superiors and employees, especially because monitoring effectiveness in a number of countries did not have any consequences on career development and advancement. Furthermore, job security in the civil service and almost automatic advancement based on seniority questioned the purpose and use of this institute. In Croatia, the assessment of civil servants is governed by the Regulations issued by the Ministry of Justice, Administration and Local Self-Government in 2002. The assessment criteria are as follows: 1) the expertise, creativity and initiative in carrying out tasks; 2) the quality and scope of the activities and compliance with deadlines in the performance of 3) compliance with the working time.

**3.5.2. Performance evaluation system based on establishing work goals**

In the last decade, more and more European countries began reforming performance evaluation system, which is aimed at an agreement on the individual performance targets of civil servants between the manager and the civil servant, which is the basis for evaluation. The agreement on performance targets between the manager and the employee has a significant positive effect on efficiency. The participation of civil servants in the formulation of the objectives increases the level of compulsory execution of the objectives of a civil servant. The degree in which agreeing on the objectives has encouraging effect depends on the existence of expectations that the objective can be achieved; the existence of awards in the case of goal attainment; support that gives the manager of the civil servant in meeting the goals and the existence of a limited number of reasonable, well-characterized targets. The advantage of modern approach to appraisal based on the agreement of objectives is that it is based on ratings on specific agreed performance targets to avoid errors in the assessment work that may occur when using a multitude of evaluation criteria that are related to the civil servant, as is the case in traditional systems of evaluation. Mixed model is a combination of the above models.

**4. RESEARCH**

**4.1. Hypotheses**

The aim of this paper is to analyze the current state of motivation of employees in public administration and suggest possible directions of motivating employees in order to increase citizens' satisfaction with regard to efficiency and quality management in the public sector. For achieving objectives two hypotheses are set:

**Hypothesis 1.**

A key motivating factor for employment in public administration, as well as the most important motivating factor for a better, more intense and more quality work is the amount of salary.

**Hypothesis 2.**

In different organizational units and at different workplaces work in public administration there is a difference in the character of motivational factors

**4.2. Results of the research**

The study involved 534 employees of public services in the Republic of Croatia by simple random selection through written surveys. The respondents had to rate the importance of certain factors of motivation to work on a scale from 1- 5, with 1 being completely irrelevant, while 5 is extremely important. For statistical analysis of data was used IBM SPSS 20. Check of the reliability of the claims of this study found that the Cronbach's alpha is 0.855. It can be concluded that the selected claims with relatively high reliability allow measurement of employee motivation.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.855	30

*Figure 1. Cronbach reliability coefficients  $\alpha$  (own source)*

Checking the normal distribution of data, by Kolmogorov - Smirnov test for normality, it was established that no variable has a normal distribution of data. This is concluded, because the level of significance is less than  $\alpha = 0.05$

(Sig. <0.05), and for all the variables is ~ 0.000, and the assumption of normal distribution of data may be rejected.

Motivational factors for work	N	Mean
Direct financial rewards	521	3,82
Indirect financial rewards	524	3,56
Good working conditions	527	3,88
Opportunity for advancement	524	3,96
Status	524	3,69
The sense of achievement and success	518	3,44
The desire to prove and confirm skills	533	3,73
Contribution of the organization	533	3,53
Possibility of further improvement	532	3,73
Achievement of objectives	529	3,90
Respect from co-workers	531	3,52
Respect from superiors	531	3,60
Ability to work autonomously	530	3,71
Good relationship with superiors	530	3,49
The ability to influence important decisions and behaviour of others	532	3,13
Recognition for work done	400	3,87
Job security	369	3,69

**Figure 2.** Secondary assessment factors of motivation to work (own source)

Figure 2 shows the mean of motivation factors in the judgment of respondents. Top rated factors of employee motivation are: (i) the possibility of promotion, (ii) the objectives and (iii) good working conditions. Factor motivation direct financial rewards is ranked only fourth in importance.

As we do not have the normal distribution of data, the correlation between the factors of motivation is checked by Spearman correlation coefficient, which is a measure of linear association between the variables. We can argue, with a confidence level sig. = 0.000, for  $\alpha = 0.05$ , that there is a very strong connection between the following pairs of variables:

- contribution to the organization and a sense of achievement and success, with a correlation coefficient of 0.668

- respect from co-workers and respect from their superiors, with the correlation coefficient 0.666
- respect from working colleague and a good relationship with superiors, with the correlation coefficient 0.638
- respect from co-workers and a sense of achievement and success, with a correlation coefficient 0.632
- respect from co-workers and contribution to the organization, with a correlation coefficient of 0.600
- independence in work and good relationship with superiors, with the correlation coefficient 0.623
- possibility of further development and achievement of goals, with the correlation coefficient 0.601.

For other variables correlation is weak or not significant.

### 4.3. Test hypothesis

In order to verify or discredit the hypothesis of this work it is necessary to conduct statistical tests. Due to the fact that the data do not follow a normal distribution, it is necessary to use non-parametric tests as proof of the hypothesis:

#### Hypothesis 1.

Salary is the main motivating factor for employment in the public administration and the main motivating factor for a better, more intensive and quality work.

#### Hypothesis 2.

There are differences in motivational factors with respect to the place of work in public administration.

To test **H1** Wilcoxonov rank sum test for two dependent sample was selected. We test assessment statement: "To what extent is the salary motivating factor for employment in public administration?" and "How much is the difference in height between the salaries of the civil service and managerial job motivating factor for the desire for advancement in public administration?", as opposed to zero hypothesis which states that the median total population differences of perception equals 0. with the confidence level sig. = 0.009, for  $\alpha = 0.05$ , we

can reject the null hypothesis and with the high level of reliability accept H1.

In proving the second hypothesis of this study was used Kruskal - Wallis test, which is based on the ranks of observations from the sample. The null hypothesis of the test is based on the assumption that middle population for all groups of population is equivalent. To test H0 respondents were divided according to the place of work in public administration, so we have the respondents from 10 ministries and one fund. By testing the hypothesis it is wanted to demonstrate that different populations, with respect to the place of work in public administration, evaluate differently motivational factors. With a high level of reliability at  $\alpha = 0.05$ , we can conclude that there is a statistically significant difference in the evaluation of motivational factors among a group of respondents and for the following factors:

- good working conditions, at a confidence level sig.  $\sim 0.000$
- opportunities for advancement at the level of reliability sig. = 0.005
- sense of achievement and success, at the level of reliability sig.  $\sim 0.000$
- desire to prove and confirm skills at the level of reliability sig. = 0.029
- contribution to the organization, at the level of reliability sig.  $\sim 0.000$
- enjoyment at work, at the level of reliability sig.  $\sim 0.000$
- possibility of further improvement at the level of reliability sig.  $\sim 0.000$
- achievement of the goals at the level of reliability sig.  $\sim 0.000$
- respect from work colleagues, at the level of reliability sig.  $\sim 0.000$
- respect from superiors, at the level of reliability sig.  $\sim 0.000$
- independence in work, at the level of reliability sig.  $\sim 0.000$
- a good relationship with superiors, in the confidence level sig.  $\sim 0.000$
- the ability to influence important decisions and behaviour of others, at the level of reliability sig.  $\sim 0.000$
- recognition of the work done at the level of reliability sig.  $\sim 0.000$
- job security, at the level of reliability sig.  $\sim 0.000$

By confirming these motivational factors H0 is rejected and H1 confirmed, ie, it was

confirmed that there are key factors that are different between the two groups of respondents, given the place of work in public administration. For other factors, there is no statistically significant coefficient to be able to say the same.

## 5. CONCLUSION

This paper analyzes the factors of success motivation in public administration. The system of motivation is extremely important and in managerial theory great attention is given to ways of encouraging employees to better results. Key reasons related to the interest of introducing a system of employee motivation are reflected in the improvement of productivity, efficiency and creativity of work, improving the quality of working life in organizations and to strengthen the competitive ability and success of the organization. The management of the organization should know the answers to following questions which are crucial for understanding of motivation: why some people work a lot and well, while others are doing as little as possible, how as a manager I can influence the behaviour and performance of my employees and why people change, starting being late for work, absent, less working, etc.

Empirical research was conducted on 534 employees of public services in the Republic of Croatia, selected at random. Mean score of respondents indicate that the best rated factors of motivation of employees in the public sector: (i) the possibility of promotion, (ii) the objectives and (iii) good working conditions. Factor direct financial award is only ranked as the fourth most important.

The first hypothesis of this study states: H1 Height salary is the main motivating factor for employment in the public administration and the main motivating factor for a better, more intense and more quality work. The hypothesis was tested Wilconoxonov-test them, and confirmed by the confidence level sig. = 0.009.

Second hypothesis of this paper states: H2 There are differences in motivational factors with respect to the place of work in public administration. The hypothesis was tested by Kruskal - Wallis-test which demonstrated that different populations differently value motivational factors. Respondents were divided according to the place of work in public

administration, so there were respondents from 10 ministries and one public fund. With high confidence level it can be concluded that there is a statistically significant difference in the evaluation of motivational factors among a group of respondents for the following factors: (i) good working conditions, (ii) the possibility of promotion, (iii) a sense of achievement and success, (iv) the desirability for proof and validation of skills, (v) the contribution of the organization, (vi) the enjoyment at work, (vii) the possibility of further training, (viii) achieving the goals, (ix) respect from co-workers, (x) respect from superiors, (xi) autonomy in work, (xii) a good relationship with superiors, (xiii) the ability to influence important decisions and

behaviour of others, (xiv) recognition for work done and (xv) job security.

The conclusion from this study is that the amount of salary is the main motivating factor for employment in public administration, but that after employment other motivational factors are becoming essential such as advancement opportunities, achievement of goals and good working conditions. Second hypothesis proved that every organization, and even part of the organization should take into account the motivational factors of employees in public administration, since this study confirmed that there are significant differences in motivational factors with respect to the place of work in public administration.

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