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HOW CORPORATIONS MOTIVATE THEIR EMPLOYEES – HRVATSKI TELEKOM EXAMPLE

Summary: Management and development of human resources is becoming increasingly important due to the new position and role of man in all social processes, as well as their management. Motivation and employee satisfaction are the basis of modern management occupations of human resources because only the construction of quality motivational system can help organization to increase its competitive ability and value. Big corporations are increasingly looking upon motivation and motivation techniques in order to retain their employees and to increase competitiveness of the company. Their managers need to know who their employees are, what are their habits, what kind is their behavior in the company, whether they are willing to work in teams, their features and capabilities. Based on the answers to these questions, managers need to know which of the motivational techniques apply to individual employee in order to achieve the best result.

This paper describes different motivation theories and shows the theoretical framework of human resource management through motivation and compensation programs based on practical example. As a practical example, Hrvatski Telekom (HT) was chosen due to its compliance with the basic principles of human resource management including motivating employees which results in company success on Croatian telecommunication market.

Keywords: motivation, motivational techniques, motivational strategies, material and non-material compensation, Hrvatski Telekom

1. INTRODUCTION

Competitive forces that are present on today's market are increasing every day. There are no more companies that can rely on the fact that they don't have competition. Therefore,

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managers have to demand organizational excellence in their companies on all levels – in production, in service and with their employees in order to be better, smarter and cheaper in relation to their competitors. This can be achieved by human resources management which uses different tools and techniques.

Motivation can be one of the tools with which companies can increase their competition on the market. Employee's motivation can be crucial for survival or dissolution of the company. Motivation can be extremely significant factor for increasing productivity and improving employees' performance and for supporting companies' strategy. The current concepts of motivation system, motivational techniques and strategies are becoming scarce and insufficiently flexible, so it is necessary to develop and introduce new, that will lead to high motivation and employee satisfaction. Today only few companies are considering human capital as being their main asset that is capable in bringing success in their business. If the employees are not satisfied with their job and are not motivated to fulfill their everyday work tasks companies have problems in reaching business success.

In the first part of the paper different motivation theories will be presented and we will examine different motivation tools and techniques companies can use in order to motivate their employees. In the second part of paper we will present compensation tools that are used in one of the Croatian telecommunication companies and will show how they influence the people working in Hrvatski Telekom. Based on research results and comparison with theory we will be giving proposals on how to neutralize potential motivation problems and to increase employees' motivation, their work efforts and effectiveness.

2. MOTIVATION

Baldoni in his work mentioned Dwight Eisenhower's statement that *motivation is the art of getting people to do what you want them to do because they want to do it*.¹ This statement speaks about what motivation is and it shows intensity, direction and persistence which person is showing in order to achieve certain goal.² Torrington *et. al* defined motivation as *desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement*.³ Motivation explains why people behave the way they behave and is the driving force of the individual. It also encourages people to put effort into achieving their goals. Motivation is a very complex and dynamic concept based on the needs, aspirations, preferences and values of employees, different for each individual employee, and different for the same employee in different situations and stages of personal development. Glasser⁴ stated that the purposes of the innate are identical for all people and desires are different. What drives us to conduct the internal imbalance caused by unmet needs? It is important that the manager knows the behavior of the members of his organization. Only in this

1 Baldoni, J., *Great Motivation Secrets of Great Leaders*, New York: McGraw-Hill, 2004, p. 17.

2 Langton, N., Robbins S. P., *Organizational Behavior Concepts Controversies Applications*, 4th ed., Toronto: Pearson Education, 2000.

3 Torrington, D., Hall, L., Taylor, S., Atkinson, C., *Fundamentals of Human Resource Management*, Pearson Education Limited, 2009, p. 276.

4 Glasser, W., *Choice Theory: A New Psychology of Personal Freedom*, New York: HarperCollins Publishers, 1999.

way managers will be able to assign tasks according to employees' abilities. Satisfied and capable employee is one step to the realization of the objectives of an organization. To predict a behavior, a manager needs to know something about the goals of employees and of the actions which the employee must take to fulfill them. George and Jones⁵ stated that there are three main elements of work motivation – direction of person's behavior in organization, person's level of efforts and person's level of persistence when facing obstacles. Bahtijarević-Šiber⁶ mentioned four factors that are influencing motivation in organization: individual characteristics of employees, characteristics of organization, characteristics of job and society.

Motivational theories are the result of years of research psychology, economy, sociology and other social sciences. Each theory is focused on a particular set of issues important to business relationships. Earlier theories of motivation focused on what runs individual. Later theories have focused on the process of motivation or understanding how motivation works, and how to use this knowledge in best way. Theories of motivation can be divided into two categories: the theory of content needs and process theory.⁷ Both categories have important implications for managers, who by the nature of their work participate in the motivational process. Figure 1 summarizes the main features of the theory content needs and process theories of motivation from the management perspective in companies.

Figure 1 Managerial perspective of content and process theories of motivation

Theory base	Theory explanation	Theories	Management implementation
Content	Oriented to factors within the person who encourages, directs, maintains or stop a behavior.	Maslow's Hierarchy of Needs	Managers need to be aware of differences in terms of needs, desires and goals of each person because each individual is unique in many ways.
		Alderfer – ERG model	
		Herzberg's motivation-hygiene theory and dual-factor theory	
		McClelland – Theory of Needs	
Processes	Describes, explains and analyzes what leads to stimulation, guidance, maintenance or stopping a behavior.	Vroom's expectation theory	Managers need to understand motivation process and how each individual makes decisions based on their own preferences, awards and achievements.
		Adams equity theory	
		Skinner's enhancement theory	
		Locke's goal theory	

Source: Gibson, J. L., Ivancevich, J. M., Donnelly, J. H., Konopaske, R., *Organizations – Behavior, Structure, Processes*, 14th ed., New York: McGraw-Hill, 2012, p. 128.

5 George, J. M., Jones, G. R., *Understanding and Managing Organizational Behavior*, 5th ed., Boston: Pearson Prentice Hall, 2007.

6 Bahtijarević-Šiber, F., *Management ljudskih potencijala*, Golden Marketing, Zagreb, 1999.

7 Gibson, J. L.; Ivancevich, J. M.; Donnelly, J. H.; Konopaske, R., *Organizations – Behavior, Structure, Processes*, 14th ed., New York: McGraw-Hill, 2012.

Bahtijarević-Šiber⁸ stated that besides content and process theories of motivation there is also third category and that is the reinforcement theory. Reinforcement is oriented to external factors that can boost specific patterns of behavior of individuals or groups.

Human resources management as a business function combines the activities and tasks related to the people; their acquisition, choice, education, encouraging success in work and other activities aimed at the development of employees. Fostering the success of the work includes the activities of motivation. Motivation is important human resource management function in companies for retaining talented workers so they would perform better for organization. It is very important activity companies need to address in order to gain and retain competitive advantage and therefore it became important function which helps companies to achieve its goal, gives companies power to increase effectiveness in almost all areas of their business and helps them in achieving its organizational strategies.⁹

Employee motivation is often treated as a problem of individual workers. If company wants to improve the motivation, it is important to realize that the problem is not in employees, but in the organization. Companies therefore should work to improve the quality of working life and improve employee satisfaction by responding to their needs. The main objectives of effective quality of working life are working conditions improvement (mainly from the perspective of employees) and greater organizational efficiency (mainly from the perspective of the organization). High quality of work life is essential for organizations so they would be able to attract new and retain existing employees. Quality of working life allows developing flexible, loyal and motivated employees, thus increasing the competitiveness of enterprises.¹⁰

3. COMPENSATION SYSTEMS – LITERATURE OVERVIEW

In the recent years' research on compensation systems have increased since employment and other organizational outcomes are analyzed at the level of the firm rather than the individual. Compensations are the total fees that employees receive for their work in the company. These fees can be financial or non-financial, that is in money, goods and various services. Some are related to results of work, and some to belonging to the company. Fees related to results of work are concerned with the results of the individual, his team and company itself. Fees related to membership in the company come from the fact that the individual is employed in the enterprise. These fees can occur as salaries, bonuses and benefits. Per the survey conducted by Moj posao portal,¹¹ salary is the most important form of compensation and is defined as the sum of money which the employer must pay to an employee for work performed at a specific time for the company. Salary consist of five basic components: base salary, incentive pay, supplements, fees and share of profit. Key factors that affect the amount of wages are the

8 Bahtijarević-Šiber, F., *op. cit.* in note 6.

9 Kleiman, L. S., *Human Resource Management*, Cincinnati, OH: South-Western College Publishing, 2000.

10 Watson, I.; Buchanan, J.; Campbell, I.; Briggs, C., *Fragmented Futures: New Challenges in Working Life*, Sydney: Federation Press, 2003.

11 Moj Posao, *Novac je u današnje vrijeme najbolji motivator za rad*, URL=<http://www.moj-posao.net/Press-centar/Details/9777/Novac-je-u-danasnje-vrijeme-najbolji-motivator-za-rad/31/> (Accessed on February 10, 2016).

value of the labor force, the relationship between supply and demand, the impact of unions, the influence of the state, performance and business success of the company. The first four components affect the basic salary, allowances and benefits, and the performance and success of the company influence the incentive and share in company profits. Motivational system in companies includes tangible and intangible compensation, and the goal is to attract and retain quality people, employees who solve tasks and responsibilities in a satisfactory manner and must develop innovative and creative activities to achieve the objectives related to the development of company.

In order for motivation system to secure three main organizational behavior types (attracting people, employees have to solve taken tasks, developing innovative and creative actions) it has to be combined from tangible and intangible motivation factors. This could help in meeting different and diverse human needs. Adequate material reward is the foundation on which the structure of wide motivational incentives should be created in order to increase the overall motivational potential and attractiveness of the labor situation. Although motivation is very complex and has no single answer it can be divided in two major groups of motivation techniques – tangible or financial compensation and intangible or non-financial compensation.

Material compensation is one of the most important characteristics on which company's motivation systems is based and is under direct company's influence. Tangible or financial compensation should ensure and improving the financial situation of employees. The principle reward for performing work is salary although many employees however offer also reward packages of which wages and salaries are only a part of.¹² There are two types of financial compensation: direct financial gains that individual gets in "cash" and indirect financial gains including all financial rewards that are not included in direct compensation and understood to form part of the social contract between the employer and employee such as benefits, leaves, retirement plans, education, and employee services as can be seen in Table 1.

Table 1: Direct and indirect financial compensation

		Direct financial compensation	Indirect financial compensation
Level	Individual	Equitable wages and salaries Market adjustment or cost of living Performance bonuses Fair Commissions	Scholarships and tuition Specialties Paid days off Company car Management benefits
	Company	Bonuses related to the gain of the organizational unit or enterprise Profit share Share property	Pension insurance Health care Unemployment benefits Education Vacation Christmas bonus

Source: Bahtijarević-Šiber, F.; Borović, S.; Buble, M.; Dujanić, M.; Kapustić, S., Organizacijska teorija, Informator, Zagreb, 1991, p. 115.

The first group includes direct remuneration for the work, while the indirect financial compensation does not depend on work performance and success. Companies have to take nu-

12 Pitts, C., *Motivating Your Organization*, McGraw-Hill International, 1995.

merous things in mind before deciding which payment compensation system is the best for organization. Torrington *et al.* concluded that *managers are required to weigh up the advantages and disadvantages of each payment system and decide where to put the emphasis on.*¹³

Intangible compensation has an increasing significance. Therefore, a number of strategies such as job design, management style, participation, management by objectives, flexible working hours and more has been developed to motivate employees. Job design is trying to do work interesting, diverse and challenging. Job rotation helps employees gain an appreciation for the company's goals, increases their understanding of different company functions, develops a network of contacts and improves problem-solving and decision-making skills. Motivation potential best activates work enrichment in which the business grows vertically including in it more diverse tasks and skills, responsibility and autonomy of action. On-material aspect of reward system generally has a greater effect as a motivational factor for highly educated employees, due to the fact that the employees of the downstream and simpler jobs are more focused on the amount of salary and the satisfaction of basic needs. Omazić, Vlahov and Klindžić found that many of non-material motivating strategies can be *grouped into a broad framework of the employee empowerment, which is becoming a strong trend, the dominant concerns of contemporary managers aimed at increasing organizational flexibility and efficiency.*¹⁴

Another motivation tool can be also management by objectives. This is a system in which people at each level of the organization set goals in a process that flows from top to bottom, so employees at all levels are contributing to the organization's overall goals. For management by objectives Pringle¹⁵ (1988) stated that they are form of participative management while Drucker¹⁶ (1961) said that they are based on process of determining the tasks and self-control. Noe *et al.*¹⁷ (2010) concluded that these objectives are becoming standards for evaluation of each employee's work and performances in company. To employee motivation there are very important other intangible motivational strategies, such as the recognition of success, feedback and organizational culture of the company. Security and continuity of employment, recognition, promotion at work, greater informality and social equality, elimination of formal, functional and status barriers in communication also has motivating effects. 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 enterprises.

Employee motivation is a very complex task which was placed in front of managers in the company. Since the employees with all their feelings, ideas and wishes of the most valuable capital of the company, it is difficult to monitor the intensity of the changes taking place in terms of motivation. Understanding what makes employees happy and encourages them to successfully perform their tasks is crucial to be able to establish an adequate system for

13 Torrington, D., *et al.*, *op. cit.* in note 3, p. 154.

14 Omazić, M. A.; Klindžić, M.; Vlahov, R. D., *The Role of Material and Non-Material Rewards in Reducing Barriers to Change Acceptance*, International Proceedings of Economics Development & Research; Vol. 2, 2011, p. 12.

15 Pringle, Ch. D., *The Ethics of MBO*, in: DuBose, P. B. (ed.) *Readings in Management*, Englewood Cliffs, Prentice-Hall, 1988, pp. 63–73.

16 Drucker, P., *Praksa rukovođenja*, Zagreb, Panorama, 1961.

17 Noe R.; Hollenbeck J.; Gerhart B.; Wright P., *Fundamentals of Human Resource Management*, 4th ed., New York: McGraw-Hill/Irwin, 2000.

monitoring the performance of employees at work and an appropriate system of reward and punishment must be fair and well-developed. The right combination of financial and non-financial rewards can motivate employees and strengthen their commitment to the company. Thompson¹⁸ stated that total reward system describes the strategy of rewarding that brings components such as learning and development together with the aspect of the working environment. In the overall system of rewards financial (salary, bonuses and other benefits) and non-financial rewards (related to learning, development and work experience) are deemed worthy. Micander¹⁹ (2010) stated that purpose of reaching and having total reward is maximizing positive impact which wide range of rewards can have on employee's motivation, their job engagement and organizational commitments. The components of the total reward can be described as in the following Table 2.

Table 2: The components of total reward system

Transactional rewards	Base pay	Total remuneration	Total reward
	Contingent pay		
	Employee benefits		
Relational rewards	Learning and development	Non-Financial/Intrinsic rewards	
	The work experience		

Source: Armstrong, M., Brown, D., *Strategic Reward*, Great Britan: Kogan Page Limited, 2006, p. 22.

Well-developed reward system includes a detailed analysis of the current system, analyzing and monitoring the needs and behavior of employees, defining strategies and models of remuneration, analysis and comparison with the system of remuneration of other companies, evaluation of compensatory programs and finally the implementation of the motivation system. Armstrong and Brown concluded that if there is a wish to achieve internal consistency, the total reward strategies should be *horizontally integrated with human resource activities and vertically integrated with business strategies*.²⁰

Pepitone and Bruce²¹ (1999) pointed out that three most used and most well-known ways to stimulate motivation are: fear, stimulation and opportunity for personal development and growth. In his research Kokemuller found that companies increasingly *believe that a "carrot", or positive reinforcement or reward, is much more impacting to employee performance than a "stick", or punishment*²² in which case employees may temporarily react to unexpected or undesired punishment by increasing production or performance. However, fear, anxiety and frustration can ultimately cause employee burnout and contribute to a negative work culture, which also inhibit long-term benefits.

18 Thompson, P., *Total Reward*, Chartered Institute of Personnel Development (CIPD), London, 2002.

19 Micander C., *The impact of a reward system on employee motivation in Motonet-Espoo*, URL=<http://www.theseus.fi/bitstream/handle/10024/16956/carolina-mikander.pdf> (Accessed on February 20, 2016).

20 Armstrong, M., Brown, D., *Strategic Reward*, Great Britan: Kogan Page Limited, 2006, p. 23.

21 Pepitone, J. S., Bruce, A., *Motivating employees*, New York: McGraw-Hill, 1999.

22 Kokemuller, N., *The Role of Rewards & Punishment as Deterrents*, URL=<http://yourbusiness.azcentral.com/role-rewards-punishment-deterrents-17196.html>.

4. RESEARCH METHODOLOGY

The paper aims to identify different motivation and motivation techniques in one of the most successful Croatian companies. In order to explore different motivation techniques a short research was done in HT. Research was conducted using online questionnaire that was filled by HT employees in Osijek. Our sample consisted of 62 employees making 1.4% of total 4.500 employees that are employed in HT in whole Croatia and 12% of 500 employees in Osijek. From those we interviewed, 48 were men (77%) and 14 women (23%). They are working in different departments (sales, IT, finance, logistics, marketing, technical services, HR...) and on different positions (managers, regular employees...). Most of the respondents are persons aged 46 to 55 years (37% of total respondents), while the second largest component are young people 18–25 years old who have just graduated from college or are still studying (24%), but thanks to the program Club of Excellence and many years of experience in HT which they gained working as students, they get the chance to prove themselves as the permanent employees of HT Group in various departments. Those employees, who have five or less years of employment, make 34% of the sample. It also demonstrates a policy of rejuvenating the company and the withdrawal of young people who are thirsty for knowledge and learning, and show a desire for further progress. Sixteen persons of the total number have between 21 and 30 years of service (26%) and fourteen persons who have more than 30 years of experience, make 23% of the total number of respondents.

Interviews were done during August and September 2014 with usage of Google forms tool. For research we used questionnaire consisting of three parts. First part of questionnaire was about demographics of employees we interviewed. In second part we asked about material and non-material motivation tools the company is using and their importance for employees. In the last part of questionnaire, we analyzed current status in company relating to the satisfaction and expectations of employees. In our research, we tested motivation of employees and motivation techniques that are being used in big corporation such HT is. We looked upon different material and non-material motivation compensation and their influence on employees.

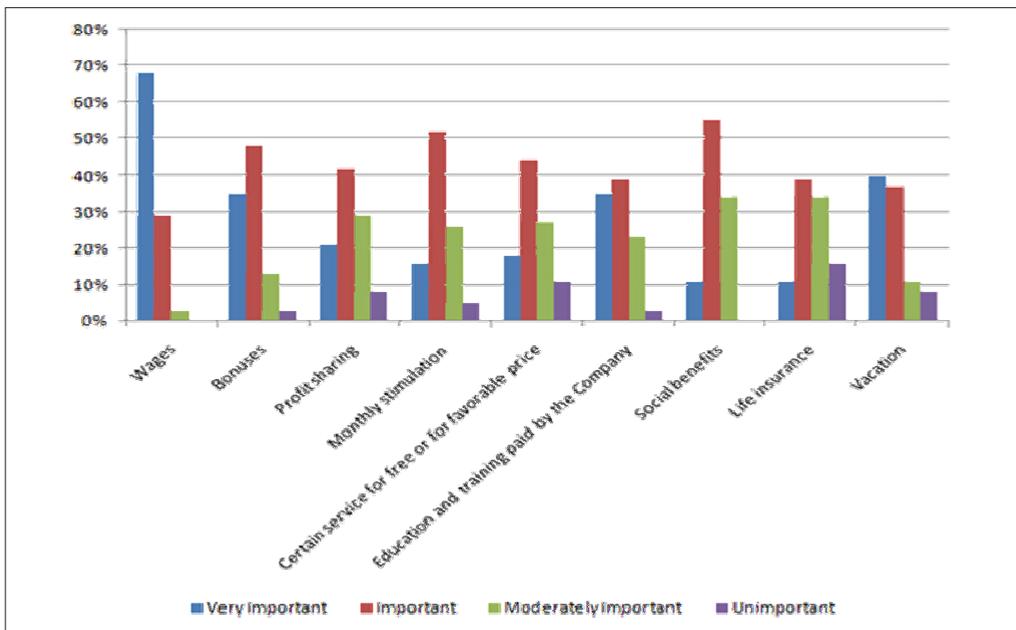
5. RESEARCH RESULTS AND DISCUSSION

Motivation is the most challenging area of human resources management and many companies are using different tools to motivate people. In our research, we examined motivation tools and techniques that are being used in Hrvatski Telekom (HT) leading and largest telecommunication services provider in Croatia. HT is one of the most desirable employers in the last 10 years. Company is characterized by low level debt, highly developed technological infrastructure which facilitates further development of services and their human and expert potentials as guarantee for further growth. They rightfully carry the title of one of the most powerful economic entities and key drivers of the Croatian economy. Some of the factors that make HT strong and competitive are widespread infrastructure, a wide range of services, focus on the customers, tracking and creating trends and their employees. The goal of HT is to offer create work environment that will enable fulfilment of each employee's potential, while at the

same time developing competitiveness on the market. By investing in employee development they preserve and increase professional relevance and competitiveness of the company, as well as each employee's. In such stimulating environment, each of their employees is personally responsible for their own development. In order to encourage motivation in HT, performance management system that connects personal goals with the goals of the company was implemented and this system is the basis for employee development. Recognizing and fostering quality of employees is a great asset to the company and its successful operation. HT is one of the few companies in Croatia in which it is possible to develop careers in two directions; professional and leadership, depending on employee's preferences and abilities that they show. In this way HT became more competitive in the market.

In our research, we have analyzed the importance of available material and immaterial compensation, and how it impacts on the company employees in current turbulent times. HT is using monetary and non-monetary compensation with its employees in order to motivate them to be better and to give company competitive advantage. (Figure 2 and 3)

Figure 2: Importance of material compensation for employee motivation

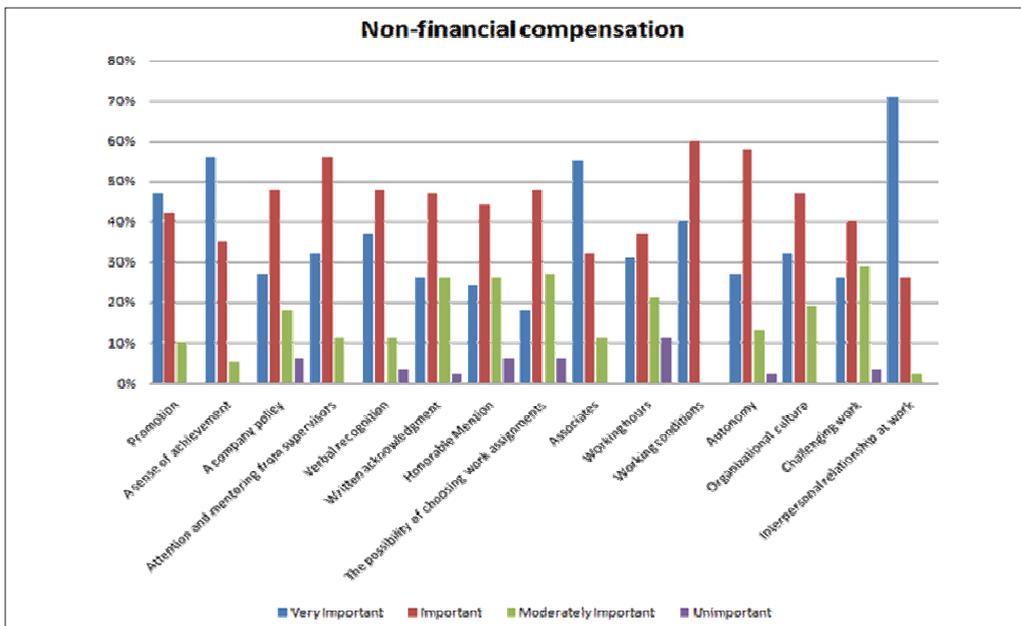


Previous figure shows that in addition to the salary, which is certainly obliged to compensate employees, extremely important is to have a paid vacation, and quite important to them that for their work they receive financial bonuses. Bonuses are awarded on the basis of belonging to the company, but also on the performance of the employee. Performance management system is based on monitoring the achievement of long-term strategic, but also short-term objectives of the company by linking company objectives with individual objectives of each employee. The elements of the performance evaluation are effect in achieving individual goals,

the existing level of competence (focus on the result, relation to customers, team work) and adherence to company values (T-Spirit). In addition, most employees believe that it is important that there have monthly stimulation (52%), social benefits (55%), free or cheaper use of certain services that company offers (44%), to receive a share of the profits (42%) and that training and education is paid by the company (39%). Holidays are extremely important motivating factor for 42% of respondents. It is important to state that collective agreement allows each employee the option of deciding whether he or she wants the employer to pay the HRK 3,000 gross in the form of monthly payment in the “HT voluntary pension fund” or as a reimbursement for taking the annual vacation. Life insurance and free use of certain services is irrelevantly marked by 16% and 11% of employees.

In terms of the importance of paid education for employee motivation total 74% of interviewed employees stated that training paid by the company is extremely important motivating factor and important factor. Therefore, as part of its motivation program, HT encourages life-long-learning of its employees because company sees this as additional benefit for creating its competitive advantage through motivated and educated employees. This includes projects such as HT Academy, T-Trainers, “Training according to your choice”, “Quarterly team workshops” and internal seminars such as “Knowledge on Thursdays” and “Closer to the customer”. Furthermore, the experience of using program “RasT”, a systematic career development program for all employees, has shown to be an excellent route to identifying individual potential and development needs. As a result, they have been able to offer potential for further development to employees who demonstrate high standards of performance. These employees have access to the opportunity to learn through expanding their experience, participating in knowledge sharing, gaining experience in an international training context, continuing further professional education.

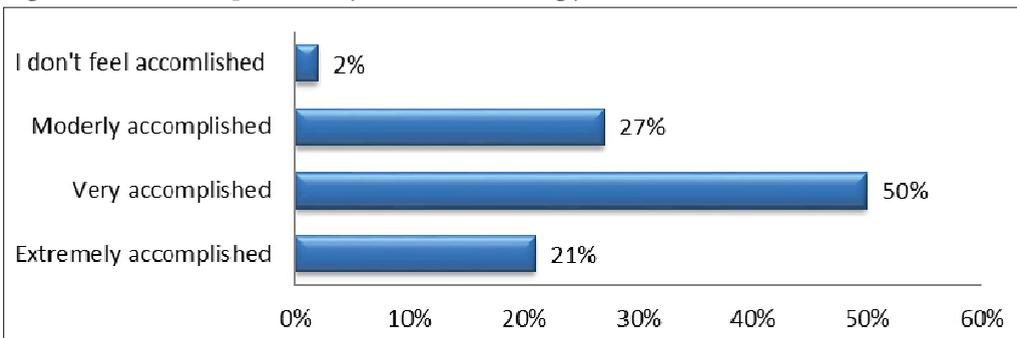
Figure 3: Importance of immaterial compensation for employee motivation



Previous figure shows that interpersonal relations are the most important intangible motivator. Most of the respondents (71%) consider that interpersonal relationships at work are most important and 26% that they are important for motivation. Employees and their relationships are part of the corporate culture in HT and therefore company encourages teamwork - always and everywhere. Several times a year HT organize meetings, entertainment, sports and similar events to allow employees at all levels to further connect with each other and strengthen the team spirit and cooperation. This way the Company creates a working environment in which is pleasure to work and it contribute to the overall success of a company. In addition to this, most employees believe that associate's, the opportunities for advancement and a sense of achievement are extremely important for motivation. It is not uncommon for an intern who started working in HT straight after college to grow into a successful manager. However, everybody does not have to be a manager in order to have a successful career in HT. Their employees have numerous opportunities for professional or project based career. Only condition put before them is that they have to *advance their knowledge, skills and effort invested in the company's operations*. (HT, 2016) Company often gives written and verbal praise to all employees who achieve their goals, and also participate in achieving the objectives of the company. Other intangible compensation that employees are ranked as important are: attention and mentoring from supervisors, recognition (written, verbal and public), company policy, working conditions, autonomy, the ability to choose tasks. One of the intangible motivators HT is using award and recognitions. Company recognizes their champions – people who are distinguished by their professional and human qualities, performing demanding tasks on a daily basis. Traditionally, technical functions of HT declare their champions once a year, thus demonstrating how the company recognizes and appreciates people who, with their knowledge and relationship with customers, serve as a role model for all the others.

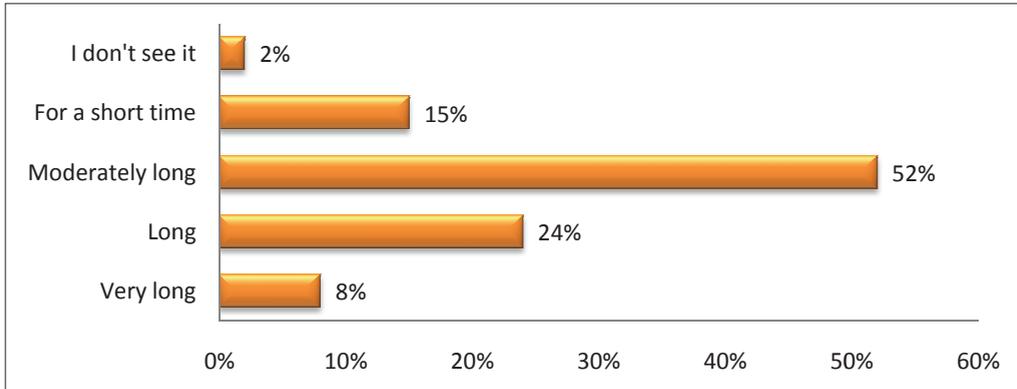
As part of research we looked upon how many employees are related to their company, how they feel and how they see their future in it. We have looked about their feelings about coming to work, about accomplishment of doing work, about their future in the company, etc. (Figures 4 and 5)

Figure 4: How accomplished do you feel while doing your work?



When asked how accomplished do they feel in terms of content, filled, half of the respondents (50%) answered a lot, and 21% of them feel extremely accomplished. It is a very good indicator that employees are satisfied. Moderately content feels 27%, and one employee isn't accomplished at all.

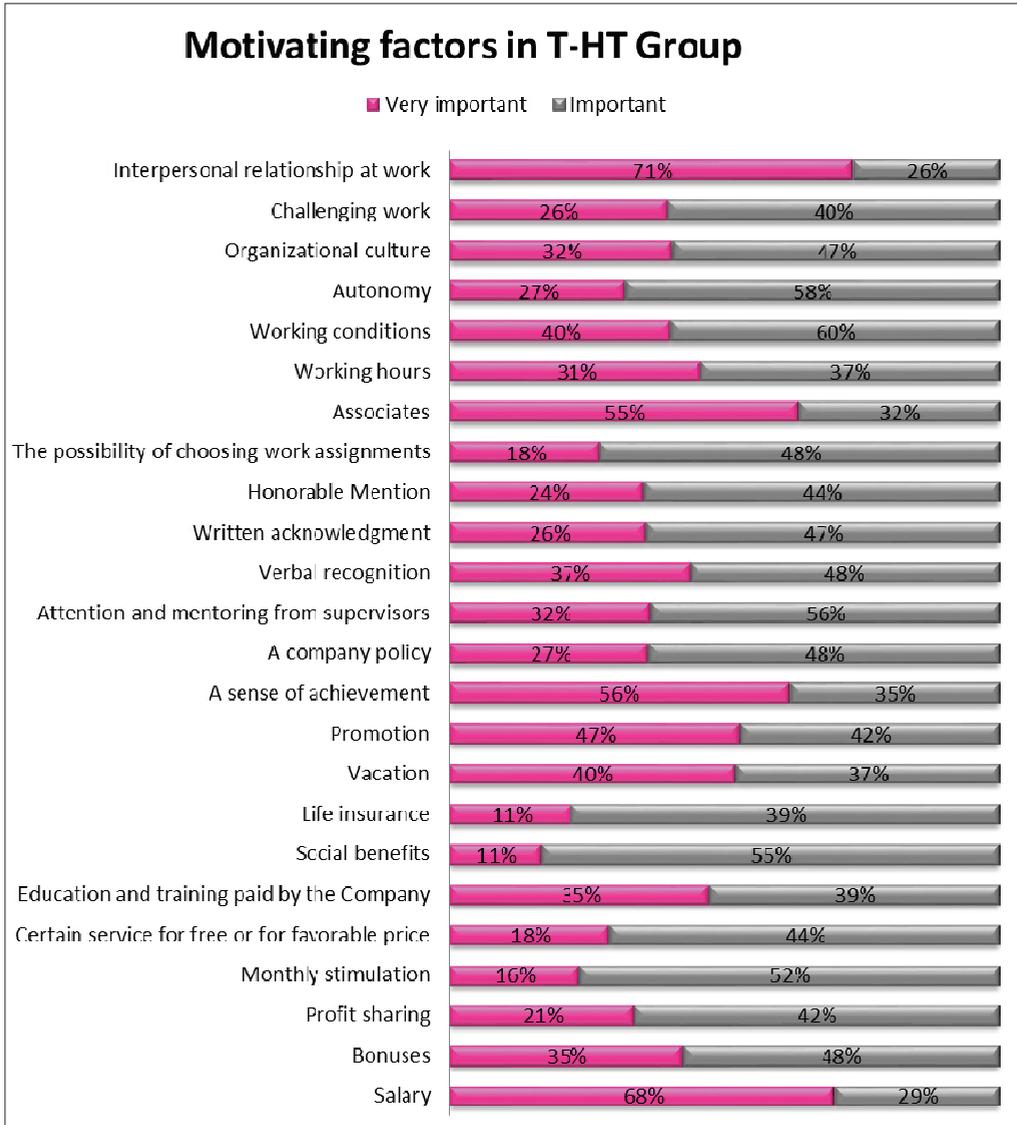
Figure 5: How do you see your future in the company?



When asked how long employees they see themselves in the company, majority of respondents said moderately (52%), while 15% said they see themselves for a short time. What is interesting is to see that some respondents said that they see their future as very long (8%) and long (24%) despite the announcements of HT on outsourcing, because of long-term economic crisis and continuing impairment Croatian telecommunications market, in order to create foundation for future growth and business expansion. It is important to emphasize that most of the employees doesn't or rarely thinking about changing their job. Some do (11% often and 26% moderately) probably regarding transformation plans that HT has. Especially since in today's market conditions many companies try to reduce cost by release their employees, therefore in some way a part of the employee is forced to think about it.

During research employees were asked what motivates them the most and what they see as a bright spot in the business. Most of the responses were based on their own satisfaction with the job done, praise by superiors, improving their own skills and competence thanks to a challenging job, and most of them relating to customer satisfaction after the provided service and relationships with colleagues, superiors and the team. (Figure 6)

Figure 6: Motivating factors in HT Group



Research tested all tangible and intangible motivators and the results shows that employees consider salary, good working conditions, relationships with colleagues and superiors and a sense of achievement are the most important motivators. A good working atmosphere, positive interpersonal relationships and team spirit are the most common response of the employees in this surveyed. The environment where they are surrounded by colleagues with whom there is a good and constructive dialogue, where each other mutually encourage and motivate, where they can rely on good associates and assist each other, that is what makes a satisfied em-

ployee. Even when it comes to difficult and complicated tasks, and when the company is going through difficult times and the situation as it is now, when discussing the firings, knowledge about how they go together through it has a more positive effect on the morale and motivation of employees. The second most frequently cited motivator refers to the satisfaction of well-done job and the sense of achievement. Successful, high-quality, accurate and in time done task and every step to improvement, even the smallest one in the employee leaves a good feeling and at the same time encourages further efforts and work. Working with people and satisfaction and recognition from users after provided service mean a lot and is closely related to the sense of achievement. The realization that employees are helping people, connecting users around the world and that these same users expect excellence of them, encourages employees to pull out every ounce of energy to meet their needs. In our research, 66% of interviewed employees stated that challenging work is important and very important to them, but in the question about what motivates them most, large portion of the respondents replied that these are challenges that they face every day in carrying out their tasks. The fact is that working in a company that has a wide range of activities and includes a variety of interesting tasks that need to be implemented in an environment that is constantly changing, that through challenging job employees upgrading their skills, overcome obstacles and constantly learning new things that can then be applied, create a highly motivating work atmosphere.

As it was stated by Osterloh and Frey (2000) intrinsic motivation is important for the companies that need to generate and transfer knowledge and where this knowledge is important source for sustaining competitive advantage. HT is doing similar they are motivating their employees with different knowledge transfer programs and with this creating competitive advantage on telecommunication market. Since motivated employee is essential for company which wants to increase productivity and increase its sales by satisfying customers it is challenge of HT managers to create and sustain their employee's motivation. In HT managers are trying to reduce job dissatisfaction and are using motivating factors as work itself, praises, employee recognition. Dobre (2013) stated that in cases where employees are feeling appreciated for their efforts and are included in decision making process; their motivation will lead to better company's productivity and increased competitiveness. This is recognized by HT managers themselves since the pace of changes and innovation are great motivators for their employees so they try to offer them as many as possible opportunities, modern education and working conditions. With this they will have satisfied and motivated workers which will on the other hand increase their productivity and make company better on the market. Another confirmation of their motivation activities towards employees in order to increase their market appearance is reward "Poslodavac partner" which HT received two years in a row (2014, 2015). The reward is given for achieving 75% of standard in five key areas of employee management: strategy, recruitment and selection, work, motivation and remuneration, training and development and the relationship with employees (T-portal, 2015).

According to the research results, we can see that the motivation and compensation program in HT is quite harmonized with the guidelines that theory requires. However, there are some reasons that affect the decline in employee motivation so the goal is to give proposals on how to neutralize these problems and to increase motivation. Based on research we can propose following measures that would help in increasing employees motivation: reducing the negative impact of the changes occurring in the company; salaries adjustment to match the responsibilities and job description; assigning measurable and reasonable goals to em-

employees and focus more on leading them in order to achieve company goals; giving employees the opportunity to participate in the organization process in their department in cooperation with their superiors; reducing competitiveness within the company in order to enhance communication and increase efficiency; and to equalize opportunities for all employees in the organization (promotion, benefits...). These measures can help in motivation increasing and also in creating positive spirit in company and that can result in better success of the company on the market.

6. CONCLUSION

Well-designed compensation and motivation system should help company to obtain the appropriate personnel who will carry its development and progress. It is very important that the system be attractive to employees, which should result in better working motivation and therefore better company results. In theory there is conclusion that motivation can have significant influence and can be great supporter for implementing and reaching business strategy can increase organization productivity through improvement of employee's performance. Motivational techniques are used to make employees more engaged in carrying out tasks assigned to them. Motivational techniques vary from individual to individual. Managers need to know who their employees are, what their work habits, what has the behavior of the company, whether they are ready to teamwork, their features and capabilities. Based on these findings, managers decide which of motivational techniques apply to individual employees. Furthermore, motivation can allow companies to create competitive advantage in changing market – local, domestic or even global. It increases employee's loyalty to the company, improve employees' skill set and give them willingness to fulfill company's goals.

In our research we looked upon motivation of employees and motivation techniques that are applied in Hrvatski Telekom. HT truly believes that competent people, knowledge and motivation are their greatest strengths. To ensure growth, development and improve competitiveness they expect of the employees' education and expertise, cooperation and communication, and personal and professional development. Given that the area of telecommunications is constantly changing they especially appreciate workers who are ready to take responsibility, which are open to the further development of their knowledge, follow news in the telecommunications industry, and orientation towards users is their priority, like the company's. We found in our research that for HT people are important asset if not the most important and they are source of company's competitive advantage. So HT should continue with its efforts to motivate and satisfy those employees that are willing to work effectively and efficiently in order to achieve company's goals and with that maintain and increase competitiveness. With managing motivation in company it is possible to increase productivity, sales, service level and all other outputs that are important for company. With this company will be better, nicer, cheaper and more attractive to buyers i.e. will be more competitive. Other companies in Croatian telecommunications sector can hardly compete with HT in terms of motivation since wages in HT are higher; there are better working conditions, more benefits than other competitors can offer. In addition, HT employees are continuously educated and perfected in order to not only contribute to the competitiveness of company, but they are also more competitive in

the labor market. Although HT works on employees' motivation there are some issues which can be solved by improving motivation process within company using proposed measures that will result with better company position on market.

Further research should be conducted in order to compare motivation techniques within same industry (in H1 Telekom, Vipnet, etc.) and also with order industries in order to see if the motivation techniques used in HT are the motivation techniques that give results. Also connection between motivation and competitiveness of the company should be researched as it was found that in some cases motivation of employees can increase company competitiveness on the market.

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KAKO KORPORACIJE MOTIVIRAJU SVOJE ZAPOSLENIKE – PRIMJER HRVATSKOG TELEKOMA

Sažetak:

Upravljanje ljudskim potencijalima i njihov razvoj postaju sve važnijima zbog novog mjesta i uloge čovjeka u svim društvenim procesima, kao i u njihovu upravljanju. Motivacija i zadovoljstvo zaposlenika postaju temeljem zanimanja suvremenog menadžmenta ljudskih potencijala jer jedino se izgradnjom kvalitetnog motivacijskog sustava može pomoći organizaciji da poveća svoju konkurentsku sposobnost i vrijednost. Upravo to povećanje konkurentnosti smatra se veoma bitnim u današnjem poslovnom svijetu te je stoga prijeko potrebno poznavati pojam, tehnike i učinke motivacije. Motivacijske tehnike koriste se kako bi se zaposlenici više angažirali u obavljanju zadataka koji su im dodijeljeni. Menadžeri trebaju znati tko su njihovi zaposlenici, koje su njihove radne navike, kakvo im je ponašanje u tvrtki, jesu li spremni na timski rad, njihove mogućnosti i sposobnosti. Na temelju dobivenih odgovora na ova pitanja, menadžeri trebaju znati koju od motivacijskih tehnika primijeniti na pojedine zaposlenike kako bi se postigao najbolji rezultat.

Rad istražuje različite teorije motivacije i pokazuje teorijski okvir upravljanja ljudskim potencijalima uz pomoć motivacije i kompenzacijskih programa koji je prikazan na praktičnom primjeru. Hrvatski Telekom izabran je kao praktičan primjer zbog njihova praćenja osnovnih načela upravljanja ljudskim potencijalima, što uključuje i motivaciju zaposlenih koja je u konačnici rezultirala uspjesima tvrtke na hrvatskom telekomunikacijskom tržištu.

Ključne riječi: motivacija, motivacijske tehnike, motivacijske strategije materijalne i nematerijalne kompenzacije, Hrvatski Telekom

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