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WORK MOTIVATION

AMONG EMPLOYEES OF ARMENIAN EXECUTIVE AGENCIES

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Abstract

The present study focuses on work motivation among public officials in Armenian executive agencies. Many scholars emphasized the extreme importance of studying motivation as long as nowadays managers deal with increasingly diverse workforce. These characteristics can be important variables that reinforce or alleviate other forces that shape organizational behavior, especially in government agencies. Workforce motivation and government performance are closely related - the ability of governments to function effectively and efficiently is related directly to the motivation of its work force.

The current study is concentrated on the attitudes of the public employees toward their job and how they are changed with different incentives used. Various researches have found that public employees give low rating to extrinsic motivation such as financial rewards and are mainly motivated by intrinsic motives such as need for personal growth, self-advancement, recognition and praise from peers and managers. The aim of the research was to explore whether this is true for nowadays-Armenian reality when political and economic changes have occurred during the transition phase to democratic governance and there are changes in the perceptions of the work environment as well. For that, exploratory study has been undertaken in Armenian executive agencies. It was supposed to assess the influence of motivational factors on officials' attitude toward their work and explore whether extrinsic or intrinsic motives are prevailing in their job satisfaction, commitment to organization, and turnover, especially in transition period with changing supporting environment.

The study has found that the most prevailing influence on work motivation among officials of Armenian executive agencies have such intrinsic motives as possibility of personal growth and development, promotion opportunities and recognition from peers and supervisor. They have positive effects on job satisfaction and commitment to organizations. The results supported the proposed hypotheses that intrinsic needs for recognition, self-advancement, and self-realization are dominant over the extrinsic needs for material security and physical comfort and their presence positively influence employees attitude toward their job.

LIST OF ABBREVIATIONS

- NSS National Statistical Service
- RA Republic of Armenia
- USA United States of America

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Introduction

The question of what motivates employees to work has set a practical and theoretical agenda for scientists since the start of the 20th century. Motivation is a tough subject to analyze. It is seated in human emotions and can be initiated by a wide variety of factors, depending on individual and the circumstances. Many scholars emphasized the extreme difficulty to define the concept of motivation due to complexity of human behavior (Selde and Brewer, 2000). As it was emphasized by various researches, in order to understand motivation one must understand human nature, which can be very complex. An understanding and appreciation of this is a prerequisite to effective employee motivation in the workplace.

The idea of studying motivation is extremely important as long as nowadays managers deal with increasingly diverse workforce. They must be prepared to work with various types of employees – with different cultural and ethnic backgrounds, age and gender, education and marital status, with physical impairments, etc. These characteristics can be important variables that reinforce or alleviate other forces that shape organizational behavior, especially in government agencies. As Carnevale (1998) emphasizes, it is possible to "make government work better by strengthening management control of human resource activities" (p.247).

Workforce motivation and government performance are closely related. As Berkley and Rouse (2000) mention, the ability of governments to function effectively and efficiently is related directly to the motivation of its work force. The present study focuses on work motivation among public officials in Armenian executive agencies. It seems especially appropriate for Armenia, since the country is in a period of democratic establishment, when political and economic changes have occurred during the transition phase to democratic governance. During this period one can observe some changes in the importance of values and changes in the perceptions of the work environment while the information about work motivation of Armenian officials is scarce. The study seems necessary for understanding the best approaches and incentives that can be used for improving and facilitating the performance among high officials in Armenian executive agencies. It could help to develop suggestions of what kind of work framework is necessary to create for more efficient government performance which will be a great contribution to democratic processes in Armenia.

Major concepts and theories

Theories of motivation to work have passed through many stages of development. There are continuing publications of new and alternative motivation models in addition to the existing ones. Among most important traditional approaches was the classical or "scientific" management theory, which portrayed working people as making rational economic calculations. Later, researchers found that behavior at work could not be explained by reference to the pure desire to earn as much money as possible. The first reaction was not to abandon belief in the primacy of money, but to look for intervening variables. As Maslow (1943), one of the classics of motivation theory states, "motivation theory should be human-centered rather than animal-centered" (p. 370).

Over the years, numerous theories have been proposed attempting to capture the various sources of motivation stimulating individual behavior. There were many attempts to explain how people are motivated to work, but for our study it is reasonable to consider the following theories that are classified as *content* ("what motivates the individual") and *process* ("how one gets motivated") theories according to a dominant source of motivation (Halachmi and Krogt 1998, 568).

Content theories emphasize specific factors (needs/drives) within the individual, i.e. intrinsic motivators. Needs theories were developed based on the assumption that basic requirements govern much of people's behavior. The focus was on the search for satisfaction of human needs. Major contributors in this field are Abraham Maslow and Frederick Herzberg. Maslow offered his list of need categories, which are put in certain hierarchy and are prioritized. Maslow (1943, 1968) created the hierarchy of needs based on two conclusions. First, he states that "the universal human needs are either of an attraction/desire nature or of an avoidance nature" (as quoted in Ford, 1992, p.29). The second conclusion is that "human are wanting animals." After they achieve the satisfaction of one need, they aim at another need. According to this approach, the needs at the bottom must be fulfilled prior to those on top. Once that level of need is satisfied it is no longer a motivator, and the person is motivated by the next level up the hierarchy. The needs at the lower levels of the pyramid – physical comfort and security – are addressed by extrinsic compensation, but the higher, personal needs of social acceptance, self-esteem, and self-fulfillment are addressed by intrinsic compensation. Employees seek to have their intrinsic needs fulfilled in the workplace.

Fords (1992) explores another classic "two-factor" theory by Herzberg that theorized that human beings needed their "hygiene factors" dealt with adequately, before they would work at all (p.157). The Motivation-Hygiene theory developed by him believes that employees work for two reasons: "one for the positive satisfaction that psychological growth provides ("motivation") and the other to avoid physical deprivation and... discomfort...("hygiene")" (Ford 1992, p. 157). This theory focuses on key factors in motivation and satisfaction such as achievement, recognition, work itself, and advancement. Herzberg highlighted the fact that satisfaction and dissatisfaction are distinct concepts and produced by different factors. Their presence increases satisfaction, but their absence does not lead to dissatisfaction. For example, unfulfilled hygiene factors, which include company policy and administration, supervision, salary, interpersonal relations and working conditions, result in dissatisfaction (Ford 1992, p.158). Fulfilled hygiene needs result in a lack of dissatisfaction, but not satisfaction. Similar picture is with motivation needs. Fulfilled motivation needs results in satisfaction, while unfulfilled motivator needs result in a lack of satisfaction, but not dissatisfaction. Therefore, according to Herzberg's theory, workers can be simultaneously satisfied and dissatisfied. Main emphasis, according to this approach should be focused on employees' efforts on providing more enriched jobs. Herzberg's major goal was to achieve understanding of the attitude of workers to their jobs. Factors that are associated with the need to avoid deprivation cause an individual to take action and can be labeled as motivating factors. Herzberg recommended that managers should put their energies into providing avenues for the satisfaction of workers' personal needs in order to get the best from them. A similar argument was also endorsed by other theorists, so that a general message to emerge from needs-based research is that employees' motivation will be greater to the extent that they are allowed to self-actualize, grow, and progress as individuals.

McClelland was the first scientist, as Ford (1992) emphasized, who tried to combine all major motivational factors. His needs theory emphasized the importance of needs for achievement, power and affiliation and focused attention on giving people the opportunity to satisfy these needs. As he explains, at any point in life the strongest of these needs can become dominant and determine individual's behavior.

Thus, content theories concentrate on needs and state that the higher, personal needs of employees are addressed by intrinsic compensation. However, they fail to explain certain individual factors such as cognitive antecedents.

Process theories are rather based on direction controlled by the individual. They anticipate consequences of certain work behaviors. Among them are expectancy theories (e.g. Atkinson,

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1957, 1964; Vroom, 1964), whose goal was to understand motivation in the "context of achievement-related tasks", i.e. when individuals believe that the behaviors they engage in will lead to certain outcomes such as pay, praise, etc (Ford 1992, p.162). Expectancy theory argues that a certain amount of effort will lead to a certain level of performance, which leads to desired outcomes or rewards. It emphasizes the importance of employees believing that they could improve their effort, which lead to improved performance, and that this improvement would be recognized and lead to a reward, which employees did desire. Thus, the theory predicts a relationship between an action/effort and outcomes. According to it, the managers need to find out the desired outcome an employee is seeking and help the employee to locate necessary efforts to achieve it.

Another assumption that concentrates on the process is equity theory (Adams, 1963; 1965), which remains, according to Ford (1992), "one of a handful of major theories" (p.160). It determines what is fair and unfair treatment, how people perceive them, and consequences of these perceptions. The theory emphasizes a fair balance between contributions (inputs such as education, seniority, skill, effort, job performance, loyalty) and outcomes (pay, privileges, job satisfaction, recognition and opportunity). According to this theory it is expected that the ratio of output and input of one person should be equal to the ratio of output and input of another. Individuals compare perceived personal output/input ratios with those of others, and inequity can lead to a psychological tension, and, thus, to motivation. Equity theory, as Ford (1992) describes, is a "tool for understanding the ubiquitous problem of how employees will react motivationally to different kinds of compensation situations" (p.160).

In addition, among process theories seems necessary to highlight the importance of the rewards systems as important motivators. As Halachmi and Krogt (1998) explain, both – monetary and nonmonetary – rewards are extremely important in the employee's contribution to

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the organization. As they say, "nonmonetary rewards such as recognition or job security may have no cash value to employees...yet they may be as important to employees as those rewards that contribute to their net worth" (Halachmi and Krogt 1958, 575).

Although there remain many other theories that are not described here, the main idea was to stress the immense interest that the motivation at work initiated among various scientists. Ford (1992) emphasizes that for the last two decades there were considerable achievements in the field of motivation. Motivation, as he says, "reemerged as a potentially powerful and useful construct" (p.78). If previously motivation theories viewed humans as machine-like mechanisms that reacted to internal and external forces, now the view is focused "on motivational qualities associated with incremental and transformational change processes" (p.6). He states that "the concept of motivation became more closely associated with "cool" decision making and judgment rather than "hot" emotions and desires" (p.173).

In spite of enormous research, the subject of motivation is not yet clearly understood and often poorly practiced. The problem is that there is no general agreement about the use of concept of *motivation*. Rather it represents a "diversity of concept labels" (Ford 1992).

The current literature and research in the field of organizational development has generally defined motivating work as that which provides the satisfaction of doing something interesting and challenging, of performing work that has value. According to the Public Administration Dictionary (1998), motivation is "the reason(s) why a person works at a particular job and for a particular organization." As it further states, it has subjective and objective aspects. Subjective side is a "situation in the individual," which is called a need or a drive. Objective side is an "object outside the individual," which may be called an incentive or goal. The incentive can be of an intrinsic type, such as when employees fulfill their own need for positive reinforcement just from the fact of having performed well. Work involvement, identification with organization, fulfillment of needs for personal self-advancement, respect from peers and supervisor, job challenge, accountability – are all elements of intrinsic compensation. However, most incentives are of an extrinsic type. They fulfill the need for positive reinforcement with such rewards as pay, bonuses, travel, time off etc. Both types of incentives play extremely important role in the fulfilment of organizational goals. When the natures of the need and the incentive are such that obtaining the incentive satisfies the need, Public Administration Dictionary (1988) explains, the situation can be called *motivating*.

On the basis of the literature review a general model of work motivation is developed which shows that both intrinsic and extrinsic motives are determinants of job involvement, and organizational commitment, performance, job satisfaction, and turnover are outcomes of their presence/absence.

Motivation, Attitudes, and Behavior

Many researches proved that employee attitudes towards their jobs and following work performance are tools for an assessment of presence or absence of motivation. It could be seen as a "psychological contract" that takes place between employees and organization when they constitute an exchange relationship. Barnard (1938) and Homans (1961) explain it as an attempt to achieve a balance between the contributions employees make to the organization and the encouragement they obtain from the organization (as quoted in Halachmi and Krogt, 1998). The basic challenge, which managers and organizations face today, is to manage these "psychological contracts" based upon employees' behavior.

Some scientists tried to transform the Maslow's motivation theory into theory concerned with behavior. For instance, Skinner (1969) observed that on an individual level, an incentive would embark on behavior, which will produce a result. He states that "if the consequences of the behavior are positive to the individual who created the behavior (that is to say if they are considered desirable because they fulfill some need), the relationship between the behavior and the consequences will have generated a situation that fulfills the individual's need for positive reinforcement" (Skinner as quoted in McCoy 1992, p. 33) (Figure 1).

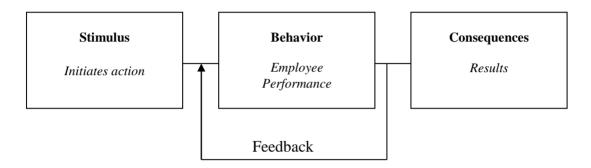


Figure 1. Skinner's diagram

This figure highlights how fulfillment of needs can be transformed into positive results. However, as it was previously described, the reward system is also very important in the employees' performance improvement. Another diagram that has a purpose to link employees' performance with an established reward system is BBIC (behavior-based incentive compensation) Fishbone diagram portrayed by McCoy (1992, 17) (Figure 2).

Intrinsic Incentives

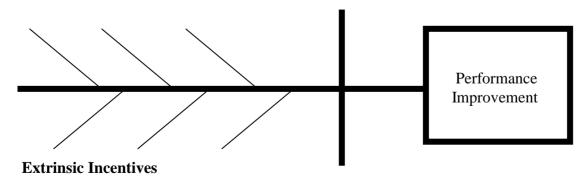


Figure 2. Fishbone diagram

The reward system is used to encourage employees to take actions. It brings together the balance of two elements: organizational needs and individual needs. The diagram shows that if both (intrinsic and extrinsic) elements will be provided in the organization to its employees then the expected outcome will be performance improvement.

Research by the Hay Group, compensation-consulting firm (USA), in turn, indicates that employee attitudes are indicators of motivation. They found that job involvement, identification with organization, respect, and pay are major motivational elements in the workplace. These are elements that fulfill the basic human needs. When incentives are used or not used that affects employees' attitude toward the work. Changes in attitudes lead to changes in behavior, and changes in behavior can result in a change in performance. This thought can be best represented by the diagram (Figure 3).

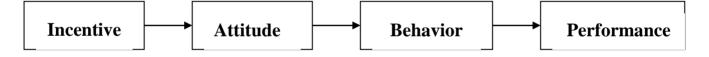


Figure 3. Incentive-Performance chain diagram

Thus, an incentive drives performance. It is in essence an agreement established prior to the performance that promises a reward to employees for a specific action.

Necessity of present study

The current study is concentrated on the attitudes of the public employees toward their job and how they are changed with different incentives used. As McCoy (1992) explains, "different levels of employees have different intrinsic and extrinsic needs. The needs of executives are not likely to be the same as those of production workers" (p.35). There is an

indication from various surveys that the blue-collar and white-collar workers do not attach the same importance to financial incentives. This is probably more due to differing value system of the two, rather than the importance each attaches to the money as such.

McCoy (1992) states that "most of the [public employees] are in their positions because they have a drive and desire that goes beyond basic compensation" (p. 36). He affirms that public employees' intrinsic needs "outweigh their current extrinsic needs" (p.36). Kilpatrick, Cummings, and Jennings (1964), Rainey (1982 and 1997) found that public employees give low rating to financial reward. There is also evidence that public-service motivation in the governmental sector is positively related to organizational commitment. They have a "greater interest in altruistic or ideological goals such as helping others or doing something worthwhile for society and less interest in financial rewards than do their private-sector counterparts" (Rainey 1982, 1997). Research done by Crewson (1997) has proved that public employees place greater value on helping others and being useful to society and do not place greater value on promotions and job security than do those in the private sector. Public-sector employees rate intrinsic rewards higher than extrinsic. They are less likely to be interested in economic rewards than private-sector employees and more likely than are private-sector employees to perceive intrinsic service rewards as important. As McCoy (1992) further asserts, "most of these people are in their positions because they have a drive and desire that goes beyond basic compensation. It would be fair to generalize that their intrinsic needs outweigh their current extrinsic needs" (p.36).

The aim of current research was to examine the intrinsic and extrinsic motives of the average executive in the Armenian public agencies and to test above-mentioned theories to see whether they work in reality.

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Thus, the following questions are becoming important:

First, are financial rewards an important factor in executive agency employee's attitude toward their job? That is, do the public employees redefine their inputs to the achievement of the organizational goals through the prism of salary amount or forces other than material rewards drive them? From an extrinsic standpoint, the employees could improve their standard of living through an increase in financial compensation. This opportunity will give the employees a reason to modify their performance. But the extrinsic element is a budget issue, and Armenian senior management would like to provide it to their employees but is constrained by budget limitations. The salary level for public officials in Armenia is 17000-20000 ADM¹, while, according to the data obtained from the National Statistical Service, the poverty line in Armenia equals 12300 ADM for the year 2001, i.e. the life standards of public employees come near the poverty level. In the light of this, it is interesting to observe what is the major driving force for Armenian public officials if their material needs are not met.

Second, because working conditions are observed by vast majority of scholars and management of the Ministries as well as a very important factor that increases work productivity and satisfaction with job the next query is: Do working conditions affect public servants' attitude toward the job? If yes, how significant is the influence of working environment on the satisfaction with the job?

Third, is the possibility of future career development a decisive factor for Armenian public officials to remain in job positions and, if yes, how it is reflected in their attitude toward the job? In other words, are public officials motivated by the prospects of their personal growth and promotional opportunities or other motivational factors take priority over them? Given that

¹ This sum is equivalent to 30-35 USD for the year 2003, and this is an increase from the 2002, when minimal government salary was 12,700 ADM (about 22 USD).

Herzberg proved that employees' motivation will be greater to the extent that they are allowed to self-actualize, grow, and progress as individuals, it appeared necessary to explore this relationship.

Forth, since recognition from peers and consideration from supervisors are regarded by majority of researches (e.g. Rainey 1982, Wiscombe 2002) as key factors for job satisfaction², how influential are these social rewards for Armenian public officials in executive agencies in the process of reaching job satisfaction? Are peers' attitudes and treatment from the supervisor powerful factors in this process and how fair this treatment is?

Fifth, as long as for a long Soviet-time period, Ministries were considered as very influential agencies, it seemed important to reveal whether this assumption is still present during the establishment of democratic institutions. That is to say, is social relevance in spite of everything a driving force for getting into and remaining in the executive agencies?

As far as, organizational commitment is viewed by many as a good predictor of employees behavior and as a precondition for successful social organization, the *sixth* question was at the focus of study - which are crucial motivational factors that determine commitment of public employees to the organization? This question is particularly important for organizations with limited resources for providing material rewards since they cannot rely entirely on them.

Therefore, the basic hypothesis of the study is that the intrinsic needs for recognition, self-advancement, and self-realization are dominant over the extrinsic needs for material security and physical comfort and their presence positively influence employees attitude toward their job. In addition, extra-hypothesis is that there would be difference among these impacts between different categories of employees and across Ministries.

 $^{^{2}}$ During in-depth interviews, the top management of executive agencies also stressed the significance of good interpersonal relations, which, as they said, sometimes is the only drive that attracts people to their workplaces.

Based on these questions and hypotheses, exploratory study has been undertaken in Armenian executive agencies. It was supposed to assess the influence of motivational factors on officials' attitude toward their work and explore whether extrinsic or intrinsic motives are prevailing in their job satisfaction, commitment to organization, and turnover, especially in transition period with changing supporting environment.

Research Design

A self-report questionnaire³ was administered to officials that work in the departments of Armenian executive agencies. Data was gathered from two purposively chosen ministries: Ministry of Health of RA and Ministry of State Property of RA. These Ministries were chosen because they have dissimilar characteristics.

Ministry of Health of RA exists since early Soviet times and performs mainly functions that it used to carry out before. This Ministry has insufficient budget, and that is one of the main reasons of its failures. In its activities, it depends largely on foreign aid. In addition, it could be characterized by low turnover rate.

Contrary to the previous one, Ministry of State Property has been formed recently, in 1992, and could be characterized by often changing functions. It is expanding in its activities and even tries to enlarge its budget by using alternative methods of providing certain array of paid

³ English version of the questionnaire is provided in the Appendix A.

services to the public. Management of the Ministry realizes fully that it is hard to keep people on the basis of pure enthusiasm and tries to develop in this manner resources for the bonuses⁴.

A purposive sample of 107 individuals from 2 different organizations was requested to participate in the study. The sample included all accessible employees⁵ from all existing departments from both Ministries who occupied both managerial and non-managerial, positions. However, it excluded direct service providing staff such as assistants, secretaries, lawyers, public relation specialists, etc. as long as they are not considered as civil servants. The Ministry of Health has 12 departments and 140 employees working in the agency. The Ministry of State Property, in its turn, consists of 8 departments and 117 employees. The questionnaires were distributed among the personnel of all departments while considering the stratification by positions. 98 respondents agreed to complete a 5-page survey instrument (91.5% response rate)⁶. Followed by completion of interviews, all the collected data was codified and analyzed through SPSS program by running cross-tabulation, and performing Chi-square, Pearson's r correlation, and T-Test analyses.

A systematic approach to the development of the questionnaire was used. First, the content of the instrument was generated in qualitative pilot survey in the Ministries. The pilot study was undertaken in both Ministries in order to reveal which incentives are used in executive agencies for motivating employees. For that, in-depth interviews were completed with 6 top

⁴ This data was collected during in-depth interviews with the top management of both Ministries. Management of Ministry of State Property brought as an example the practice in Singapore, where public servants are allowed to earn some money in addition to the state subsidy.

⁵ All employees that were on sick leave or business trip could not participate in the survey due to the time limitations.

⁶ See Appendix B.

managers in both Ministries (Health and State Property). Among interviewees were Deputy Ministers and heads of the departments (see Appendix C).

The pilot revealed those measures that were taken later as a basis for the selfadministered instrument design and has shown that some previously considered hypotheses must be dropped as irrelevant. If beforehand one of the proposed hypotheses expected to find out the relationship between motivational factors and work performance, after the interviews it became evident that Ministries lack the stable system of work evaluation, which made the assessment of performance rather impossible. In addition, such notion as *bonus* is inapplicable to these executive agencies as long as they are budgetary organizations and do not have enough funds for making additional benefits available.

Then, the scales published in the research literature⁷ were used for the questionnaire. The basic version of the questionnaire was written in English. During the period of creation the questionnaire items were reviewed by the team of colleagues in order to achieve validity, and modified or supplemented by additional items. Next, the items were translated and back translated into Armenian by independent language experts and questionnaire was pretested on the group of people whose mother tongue was Armenian.

Respondents were asked to indicate on a 5-point Likert scale to what extent they agreed with statements provided in the questionnaire. Furthermore, respondents were requested to provide basic demographic information as a way of determining any spurious effects deriving from gender, race, education, experience, and framework of taken Ministries. Those items that had the highest proportions of missing answers were deleted. Next, items that were variations of a same idea were compared and only the items that performed best on tests of validity were

⁷ The majority of the measures were taken from a variety of measures provided in John D. Cook et al. (1989). <u>The</u> <u>Experience of Work: A Compendium and Review of 249 Measures and their Use.</u>

retained. For that, correlation analysis was performed among different variables included in this study. The results showed whether the hypothesized outline of relationships is true, and whether the relationships point in the expected direction (positive or negative).

Both for practical and theoretical reasons it was also relevant to explore the issue of whether or not a pattern of relationships is equal between different categories of employees (testing of extra hypotheses). Thus, all motivational measures were compared with demographic ones in order to see if there are differences in responses among various groups of gender, education, age. For that, cross-tabulation, Chi-square⁸, and T-Test analyses were used where applicable.

Findings

Sample characteristics

Before going any further, it is appropriate to present the demographic data about the sample. The majority of the respondents (84.7%) occupied a non-managerial position in the Ministries. Most respondents (64.3%) were female (out of 98), and the mean age of interviewees was 33.85 years with standard deviation of 9.72 (with minimal age of 21 and maximum of 56). The mean number of years working experience was from 1 to 5 years with standard deviation of .9. The highest education obtained is advanced education (15.3%), and the most of respondents are people with University/Institute education (77.6).

Descriptive statistics

As survey has shown, 58.2% (57 out of 98) of public employees are satisfied with their jobs. 8.2% (8 out of 98) have even strongly agreed with this statement provided in the

⁸ However, we should note that splitting the sample into two or more categories would result in relatively small sub samples and Chi-square is applicable when in each cell the count is more than 5.

questionnaire. 27.6% (27 out of 98) of public employees stated that they are not satisfied with their jobs. Among those who are not satisfied, 3 out of 15 (20%) were those who occupied managerial positions, and 30 out of 83 (36.1%) those with non-managerial positions. In addition, it was interesting to see the difference by age and gender in response categories for this question. Out of 63 women, 41 (65.1%) confirmed satisfaction with their job, and among 35 males 24 (68.6%) agreed with it. The most percentage of responses of dissatisfaction with the job came from the 21-30-age category – 18 out of total 33 disagreed with the statement.

The survey has also shown that most of the Armenian public employees are not satisfied with the amount of salary they are paid; thus, 34.7% (32 out of 92) disagreed with the statement that the salary level is satisfactory for the job they do. Moreover, 52 officials (56.5%) even strongly disagreed with it. If we break these responses by position categories, all 15 respondents that occupy managerial positions and 69 out of 77 non-managerial staff disagreed with the statement. Overall, the mode for the answers is "strongly disagree." 91 respondents out of all (99.2%) agreed that the pay they receive does not satisfy their needs. Opinions about the fairness of reward distribution slightly differed among "yes" and "no" categories. 52.9% (46 out of 87)⁹ of respondents agreed that the benefits were distributed unjustly (8 out of 46 have occupied managerial and 38 non-managerial positions). Only 5 out of 93 interviewees (5.1%) confirmed the statement that the way the pay is handled in their organization makes it worthwhile for a person to work especially hard – the rest 88 (89.85) disagreed with it.

On the question about the satisfaction with the amount of personal growth and development, the responses were as follows: 64 out of all interviewees (65.3%) answered that they are satisfied with it, while 34 of all (34.6%) disagreed with the statement.

⁹ There are 11 missing values that includes such unforeseen responses as "there are no rewards" and "don't know."

Another question about the availability of chances to learn new skills in the agencies has shown similar results: 71 out of all (73.2%) confirmed their satisfaction and the most of these responses fell into the 21-30 age category (36 out of 98).

Strangely, the results of next query are in contradiction with the previous two: satisfaction with the amount of personal advancement and availability of chances to learn new skills. They have shown that 61 out of all (62.2%) respondents do not see good prospects for the future within the organization and most of them (27 out of 61) are in 21-30 age category. That is, even though they can obtain certain level of personal development and advancement in these agencies, the majority, especially the youngest employees, do not attach themselves to these organizations and can simply use them as facilitators for other job opportunities.

While examining satisfaction with physical work conditions, it was found that slightly more than half of all respondents (53%) are not satisfied with them. The mode for the answers is 3 (3 = unsatisfied) with standard deviation .93.

For the opinions on the importance of social rewards, opinions were divided in the following way: 91 out of all respondents (92.9%) are satisfied by the respect they receive from the colleagues (52 – very satisfied, 39 – satisfied). 7 employees (7.1%) were unsatisfied, and there was no response such as "very unsatisfied." 76.5 % of officials (75 of all) consider themselves as "team players," and 88.8% (87 of all) are satisfied with the friendliness of the people they work with.

Descriptive statistics for the satisfaction with the degree of respect and fair treatment received from the employer are as follows: 87 officials are contented with the management from their supervisor, which makes 89.8% of all responses and only 10 are not pleased with it (2 are "very unsatisfied").

On the inquiry about social relevance, more than half of the respondents - 58 of all (59.2%) - disagreed that a Ministry is an influential place to work. Among those who agreed 8 officials (8.2%) occupied managerial position and 32 (32.7%) - non-managerial. In addition, less than half (49%) – 48 respondents of 98 - stated that came to work in Ministry in order to develop new personal connections. 41 officials of all (41.8%) stated that they would take their present job again if they had to choose again. 36 respondents (36.7%) indicated that they frequently think of quitting the job, and 66 of all (67.3%) agreed that they would change their job easily, if they feel that it is not proper for them. Moreover, 54 (55.1%) of employees disagreed with the fact that they have no other work opportunities otherwise they would change it.

No more than 29.6% of respondents (29 of all) indicated that they would leave the organization with a slight increase in pay. 22.4 % (22 of all) agreed that they would leave it, if they were offered slightly more freedom. More than half of employees, 55.1% (54 of all) pointed out that they would do so if they would be offered slightly more status, and 24.5% (24 of all) would leave the agency just to work with people who are a little friendlier.

When asked what they expect the most while performing their duties, 37.8% (37 of all) indicated that they expect material reward, 75.5% (74 of all) - recognition from peers, 73.5% (72 of all) - recognition from supervisor, 32.7% (32 of all) - expect nothing in return, and 94.9% (93 of all) of respondents – stated that they simply feel good themselves.

Results of correlation tests

Before all proposed relationships were tested, first a correlation analysis was conducted (Pearson Product-Moment correlation test) among all variables included in this study that provide continuous data. The results show that the hypothesized pattern of relationships largely holds true, and that the relationships point in the expected direction (Table 1).

Table 1. Results of Pearson Product-Moment correlation test on all data

Research Questions	Overall data (by both Ministries)		
(correlated variables)	Statistical Significance (P)	Pearson Correlation (r value)	
1. Financial rewards/Job satisfaction	.188	. 138	
2. Future career development/ Remaining in organization	.383	006	
3. Possibility of personal growth and development/Job satisfaction	.006*	. 278	
4. Working conditions/Job satisfaction	.000	. 423	
5. Recognition from peers/ Job satisfaction	.036	. 212	
6. Treatment by supervisor/ Job satisfaction	.009	. 263	
7. Social relevance/Remaining in organization	.347	096	
8. Opportunity to develop new connections/ Remaining in organization	.000	. 360	
9. Financial rewards/Commitment to organization	.937	008	
10. Future career development/ Commitment to organization	.000	. 367	
11. Possibility of personal growth and development/ Commitment to organization	.054	. 195	
12. Working conditions/ Commitment to organization	.031	. 218	
13. Recognition from peers/ Commitment to organization	.000	. 392	
14. Treatment by supervisor/ Commitment to organization	.015	. 246	
15. Fairness of treatment/Job satisfaction	.063	. 200	
* Highlighted are those values, that show statistical	· · · · · · · · · · · · · · · · · · ·		

* Highlighted are those values that show statistical significance.

Correlation tests that have been done with overall gathered data have shown that relationships between variables are:

- Statistically *super* significant (e.g. working conditions/job satisfaction, opportunity to develop new connections/ remaining in organization, commitment to organization/future career development and recognition from peers);
- Statistically significant (e.g. job satisfaction/possibility of personal growth and development and treatment by supervisor and peers, commitment to organization/working conditions and treatment by supervisor;
- Not statistically significant (Job satisfaction/financial rewards and fairness of treatment, remaining in organization/future career development and social relevance, commitment to organization/financial rewards and possibility of personal growth and development.

The analysis was also done by different agencies in order to reveal whether there are some spurious effects that organizational framework could impose. The results are presented in Table 2.

Descenth Ouestiens	Statistical Significance by		
Research Questions (correlated variables)	Ministry of State Property N=55	Ministry of Health N=43	
1. Financial rewards/Job satisfaction	.400	.289	
2. Future career development/ Remaining in organization	.463	.238	
3. Possibility of personal growth and development/Job satisfaction	.081	.022*	
4. Working conditions/Job satisfaction	.001	.006	
5. Recognition from peers/ Job satisfaction	.518	.010	
6. Treatment by supervisor/ Job satisfaction	.048	.000	
7. Social relevance/Remaining in organization	.513	.679	
8. Opportunity to develop new connections/ Remaining in organization	.048	.007	
9. Financial rewards/Commitment to organization	.892	.685	
10. Future career development/ Commitment to organization	.017	.003	
11. Possibility of personal growth and development/ Commitment to organization	.527	.015	
12. Working conditions/ Commitment to organization	.160	.094	
13. Recognition from peers/ Commitment to organization	.012	.001	
14. Treatment by supervisor/ Commitment to organization	.128	.036	
15. Fairness of treatment/Job satisfaction	.022	.709	

Table 2. Results of Pearson Product-Moment correlation test on data by Ministries

* Highlighted are those values that show statistical significance.

As it could be seen from the Table 2, there are some differences in the results of correlation tests across Ministries, which will be discussed in the next section.

Discussion

As far as material reward has been accepted by various researches as an important motivational factor, which makes some contribution to people's performance at work and is expressed through their attitude toward the job, this study tried to explore the relationship between material rewards and public employees' satisfaction with the job (research question#1). For this purpose, rewards were defined as payments to the employees on monthly basis for the job they perform. While testing relationship between financial rewards and satisfaction with the job, it was found that there is no statistical significant difference (see Table1). It applies also to the relationships among these variables by different Ministries. This finding fully supports the idea expressed by many (McCoy 1992, Rainey 1982 and 1997, Kilpatrick, Cummings, and Jennings 1964) that public officials are not preoccupied with the material stance and are motivated by some other factors. However, one should note that, taking into consideration the specifics of post-Soviet influence, there is a possibility of spurious effects, which could not be measured during this study, caused by the fact that many officials could simply be ashamed to admit the importance of pay or by the existence of such a factor as corruption, even though the survey guaranteed full anonymity.

As second research question proposes, there should be some association between physical working conditions and job satisfaction. The study has found statistical super significance when correlation was done between responses about satisfaction with working conditions and overall job satisfaction (p=. 000). The picture was almost similar when the analysis was done across

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different Ministries. In both of them statistical significance was revealed. That supports the thought of importance of work setting for the improving job performance and achieving satisfaction with the work. This importance was also stressed by the top management of executive agencies that explained that good working conditions attract employees to their workplaces and improves their performance.

As it has been highlighted above, satisfaction of workers' personal needs for selfdevelopment (intrinsic motivation) influences largely attitude of employees toward their job (research question#3). Intrinsic motivation is defined here as the extent to which a person wants to work well in his job for achieving satisfaction and was measured by the possibilities for selfadvancement (1) and promotion opportunities (2). The study supported the idea of Herzberg's and Maslow's theories about the importance of intrinsic motivation and explored causality of it. It has shown that statistically significant relationship was found amongst possibility of personal growth and development (1) and job satisfaction (see Table 1). However, the difference across Ministries has been revealed. For the responses gathered from the Ministry of Health the relationship is statistically significant (p=. 022), while responses from the Ministry of State Property have shown no statistical significance (see Table2). The expected explanation for that would be that employees are not provided with fewer possibilities for self-advancement in the latter than in the former.

As it was explained above, employees' motivation will be greater to the extent that they are allowed to go forward in their career (2). Therefore, the next purpose of the survey was to find whether this is a critical factor that keeps Armenian public officials at their workplaces as long as their material needs are not met. The likelihood of future career improvement was compared with numbers of years officials spent in the organizations. The test has shown that there is no statistically significant relationship between promotion opportunities and the numbers of years employees served in the agencies (see Table 1). Even more, the test revealed that this relationship points in the negative direction, i.e. the more years are spent within Ministries the more doubtful officials become about their career development. That could be explained by the fact that employees are not provided with promotion opportunities or simply do not see at all their future within these organizations. That negative relationship could also be explained by the difference of responses by age categories. The majority of interviewees, who stated that they do not see good prospects within these organization fall under 21-30 age category, i.e. the youngest employees do not attach themselves to these organizations and purely could use them as facilitators for other job opportunities.

Research question #4 had an aim to explain if social rewards (conceptualized as recognition and social support from colleagues and supervisor) are very important for public officials for the satisfaction with their job. Relationship between recognition from peers and job satisfaction is statistically significant when checked with all responses (see Table 1), which stressed once more the importance of praise and recognition for public officials. Meanwhile in the Ministry of State Property statistical significance was not found (p=. 518), which makes quite a big difference with the results from the Ministry of Health (p=. 010). The only explanation here could be that most of the respondents from the Ministry of State Property were young employees $(52.7\% \text{ in } 21-30 \text{ age category})^{10}$ that do not pay much attention to this factor than do people with length of service. Moreover, when frequencies were run on feelings towards colleagues, the mode of answers was 3 on the scale from 1 to 5 (where 1 was "they are the best" and 5 – "I do

¹⁰ Contrary to the Ministry of State Property, most of the respondents from Ministry of Health were over 31 yera (58.1%).

not care for them), and the largest responses were as follows: 15.3% (15 out of 98) admitted that their co-workers are the best ones, and 21.4% (21 out of 98) preferred the moderate response – 3.

Job satisfaction correlates with treatment received from immediate supervisor even more strongly (p=. 009), and the picture is similar across the agencies as well. That explains that social rewards are extremely important for public employees and are positively associated with the job satisfaction.

Some researches suggest that, compared with private employees, public employees are more concerned with status than with money and are less oriented towards financial gains (Warwick 1975, Rainey 1982). Moreover, the existing view in Armenia is that, compared with private managers, public managers rely less on an incentive system linked to pay and more on social relevance, i.e. working in executive agencies is viewed by public as acquiring influential opportunities. The test of research question #5 has revealed that such variable as remaining in agencies correlates super significantly with opportunity to develop new connections while working there (p=. 000). However, the test has shown that correlation between number of working years and perception of Ministry as a very influential place to work in is not statistically significant (see Table 1) and, moreover, points in negative direction. That could mean that public officials do enter the Ministries for developing future connections, but after years of working discontinue viewing Ministry as a powerful apparatus, contrary to the Soviet-time perception of them as such.

For the research question #6, organizational commitment was defined as the strength of officials' identification with organization and involvement in it. It has been measured by the enthusiasm to work hard for the agency and an inclination to remain its member. The goal was to find out what are associations between different motivational factors (intrinsic and extrinsic)

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and loyalty to the organization. As test has found, commitment to the organization is significantly correlated neither with financial rewards officials received nor with possibility of personal growth and development they have in these agencies (see Table 1). Strangely, another picture takes place when the test was done by ministries separately. There is a noteworthy difference when comparing across agencies. The Ministry of State Property has shown no statistically significant difference and the value of p is rather big, whereas in the Ministry of Health the last correlation is statistically significant (see Table 2), which could imply that in latter officials have more chances to advance or the personnel in this agency, which is characterized by low turnover, simply used to work here for years and perceive it as a best place to work in.

Devotion to the organization is, however, super significantly correlated with possibilities of promotion opportunities (p=. 000) and recognition from peers (p=. 000) and supervisor (p=. 015). It also significantly correlates with satisfaction with working conditions (see Table 1). All these positive significant correlations prove the importance of intrinsic motivational factors for officials being committed to their organizations.

Pearson Product-Moment correlation test has also revealed that there is no statistical significance between fairness of treatment in organizations and job satisfaction (see Table 1) when the analysis was done amongst all data from both agencies. However, it has shown that in the Ministry of State Property officials do relate these two variables and there was statistical significance (p=. 022, r= .323), i.e. employees of latter perceive the importance of just management and impacts their attitude toward the job.

Conclusion

Overall, the survey has disclosed that the most prevailing influence on work motivation among officials of Armenian executive agencies have such intrinsic motives as possibility of personal growth and development, promotion opportunities and recognition from peers and supervisor. They have positive effects on job satisfaction and commitment to organizations. The results supported the proposed hypotheses that intrinsic needs for recognition, self-advancement, and self-realization are dominant over the extrinsic needs for material security and physical comfort and their presence positively influence employees attitude toward their job. They supported the theories proposed by Maslow, Herzberg, McClelland, etc. about the extreme importance and priority of intrinsic motivation and proved that these theories hold true in our reality as well. They also sustained the results of Rainey's (1982) research about the exceptionality of public organizations where employees do not attach much of importance to such aspects of work as pay. The study revealed that public officials in Armenia as well do not link job satisfaction with the pay they receive and base their work on other inherent motivational factors. However, it explored the importance of one such extrinsic motive as working conditions and proved once more the significance of satisfactory working settings as one of the basic needs for physical comfort and security, for achieving the best performance results.

In addition, survey has shown that organizational framework and demographic characteristics also play an important role in the work motivation among employees as long as quite a few differences were revealed when analysis was done across agencies and different categories of officials.

Another important finding of the research is that public officials still view the Ministries as a place where they could develop influential connections, and that could be the reason for

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them to join these organizations and stay in them. Good working conditions and fair treatment by supervisor also play an important role in establishment of strong bonds with the organizations, which was stressed by several top managers of studied executive agencies from their practical viewpoint. However, further study is needed so that to understand the association between public interests as important motivational factors for the officials and their commitment to the organizations.

Policy Recommendations

Although many scholars stress the idea that financial gains are not a decisive motivational factor for public officials and current survey has supported this fact, this is rather a controversial issue. Even if many studies, according to Pfeffer (1998), propose that "this form of reward undermines teamwork, encourages a short-time focus, and leads people to believe that pay is not related to performance at all but to having the "right relationships and an ingratiating personality" (p.112), others (Lawler 1973, Perry 2001) state that pay often can serve as a "proxy for other incentives, because it can indicate successful achievement, recognition by the organization, and other valued outcomes," and it provides incentives for employees to enter and remain in the organization (Lawler as quoted in Rainey 1991, p.129). The importance of material reward should not be underestimated. Pay can still strongly influence other motivational factors of public officials and that reality should be taken into consideration. Therefore, several possible techniques can be used. First, civil service system should offer well-developed benefit program, which could help to improve material stance of public officials and make possible for them to concentrate on successful accomplishment of their tasks. In addition, it is a good idea for public

managers to locate funds for material bonuses and awards for encouraging excellent performance of employees.

Given that the study proved the importance of working conditions in the process of enhancement of work performance, the management of public agencies should wholly acknowledge the need of providing best possible working environment to its employees with the purpose of attaining top results of their functioning.

In light of significant influence that such motivational factor as possibility of personal growth and development play for job satisfaction and commitment to organization, it is advised to provide more opportunities for employees for their self-advancement and promotion. Public managers should be aware that neglect of these factors could lead to dissatisfaction with the job, and as a consequence, to high turnover rate.

Another policy recommendation is to develop stable system of appreciation of best employees as long as the study explicitly demonstrated how much public officials value recognition and praise from peers and managers. This is vital especially taking into consideration the budget constrains and could be implemented by the variety of means, for instance awarding deed documents, offering business trips, granting extra-vacation days, etc.

As long as during this study it became evident that assessment of work performance of public officials is impractical task, it is suggested to implement, as soon as possible, regular evaluation procedures and a sound performance appraisal system, which would allow not only public managers but also workforce to review their own job performance and gain sense of selfachievement, which also plays an important role in employees work motivation. The implementation of these recommendations will contribute to the establishment of positive organizational framework of public agencies where officials will be highly motivated and endeavor to accomplish the best possible results.

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Appendix A

Research Instrument (English version)

1. What is your current position?

managerial _____ non-managerial _____

2. How long have you been working in this organization?

Less than 1 ____1-5 ____6-10 ____More than 10

3. Assume you were offered a position with another organization. Would you leave you present organization under any of the following conditions?

	YES	NO	Don't know/Can't say
With a slight increase in pay			
With slightly more freedom to be professionally creative			
With slightly more status			
To work with people who are a little friendlier			

- 4. How do your feelings about your future with this organization influence your overall attitude toward your job?
 - Very unfavorably
 - Unfavorably
 - No influence
 - Favorably
 - Very favorably
- 5. How do your physical working conditions influence your overall attitude toward your job?
 - Very unfavorably
 - Unfavorably
 - No influence
 - Favorably
 - Very favorably

- 6. The physical working conditions make working here:
 - Very unpleasant
 - Unpleasant
 - Neither pleasant nor unpleasant
 - Pleasant
 - Very pleasant

7. Could you, please, indicate your opinion on the following statements

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know/Can't say
I am satisfied with the chances I have to					
learn new skills					
I am satisfied with the respect I receive					
from the people I work with					
I am satisfied with the friendliness of					
the people I work with					
I am satisfied with my physical working					
conditions					
I am satisfied with the degree of respect					
and fair treatment I receive from my					
supervisor					
I am satisfied with the amount of					
guidance I receive from my supervisor.					
I am satisfied with the amount of					
personal growth and development I get					
in doing my job					

 How do you generally feel about the employees you work with? (Scale from 1 to 7, where 1 is "they are the best" and 5 – "I do not care for them")

1				2					3				4				5	i		
L	_	L			<u> </u>	<u> </u>	<u> </u>	<u> </u>	L	<u> </u>		<u> </u>					L	L'		l

- 9. A ministry is a very influential place to work
 - Strongly agree
 - Agree
 - Disagree
 - Strongly disagree
 - Don't know/Can't say

10. Please	, choose the ans	swer that best reflects	your opinion
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	Strongly agree	Agree	Disagree	Strongly disagree	Don't know/Can't
		_			say
I have an opportunity to develop					
my own special abilities					
I am very much involved in my					
job					
I remain in this organization					
because I have good prospects					
for the future within this					
organization					
I am given a lot of freedom to					
decide how I do my own work					
Generally speaking, I am very					
satisfied with this job					
I always receive feedback about					
my job from my supervisor					
I came here to have an					
opportunity to develop future					
connections					
In my work I like to achieve					
something for my organization					
not just for myself					
I will change my job easily if I					
feel that it is not proper for me.					

11. Do you think that rewards are fairly distributed in your organization?

Yes No

12. Please, state whether you strongly agree, agree, disagree, or strongly disagree with the following statements

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know/Can't
	_				say
For the job I do, I think the					
amount of money I get is good					
My needs are satisfied with the					
pay I receive					
The way the pay is handled in					
your organization makes it					
worthwhile for a person to work					
especially hard					
I avoid trying to influence those					

around me to see things my way			
I consider myself a "team			
<u>player"</u>			
I have no choice otherwise I			
would change my job			
If I had to choose again between			
taking my present job or not I			
would certainly take it			
I frequently think of quitting this			
job			

13. When you perform your duties well what do you expect the most.

	Yes	No	Don't know/Can't say
Material reward			
Recognition from peers			
Recognition from supervisor			
I feel good myself			
Expect nothing			

14. What is the highest education you have obtained?

- ____Primary school (4 years)
- _____Incomplete secondary school

_____Secondary school 8 10 (circle one)

- _____University, college, technical school
- ____Completed university degree
- _____Advanced education

15. How old are you? _____

16. Gender: Female Male

Appendix B

List of Sampled Ministries

No	Name of Ministry	Number of public officials interviewed
1	Ministry of Health	43
2	Ministry of State Property	55
	Total	98

Appendix C

List of Top Managers Interviewed During the Pilot Study

Ministry of State Property

A. Hakobyan – Deputy Minister	October, 2002
G. Arakelyan – Head of the Department	October, 2002
M. Grigoryan – Head of the Department	October, 2002

Ministry of Health

T. Hakobyan - Deputy Minister	October 2002
V. Poghosyan – Head of the Department	October 2002
R. Yuzbashyan – Head of the Division	October 2002

Appendix D

Descriptive Tables

Satisfaction with the job

	Count	Percent
Strongly agree	8	8.2
Agree	57	58.2
Disagree	27	27.6
Strongly disagree	6	6
Total	98	100
Mode - Agree		

Satisfaction with the salary amount

	Count	Percent
Strongly agree	0	
Agree	8	8.8
Disagree	32	34.7
Strongly disagree	52	56.5
Total	92	100
Mode – Strongly disagree, Missing - 6		

Rewards are fairly distributed in organization

	Count	Percent
Yes	41	47.1
No	46	52.9
Total	87	100
Mode – No, Missing - 11		

The way the pay is handled in your organization makes it worthwhile for a person to work especially hard.

	Count	Percent
Strongly agree	2	2
Agree	3	3.1
Disagree	34	34.7
Strongly disagree	54	55.1
Can't say	5	5.1
Total	98	100
Mode – Strongly disagree		

Satisfaction with the possibilities for personal growth

	Count	Percent
Strongly agree	16	16.3
Agree	48	49
Disagree	17	17.3
Strongly disagree	17	17.3
Total	98	100
Mode – Agree		

Satisfaction with availability to learn new skills

	Count	Percent
very satisfied	20	20.6
satisfied	51	52.6
unsatisfied	16	16.5
very unsatisfied	10	10.3
Total	97	100
Mode –satisfied, Missing - 1		

Satisfaction with working conditions

	Count	Percent
very satisfied	13	13.3
satisfied	33	33.7
unsatisfied	35	35.7
very unsatisfied	17	17.3
Total	98	100
Mode –unsatisfied		

Satisfaction with the respect from peers

	Count	Percent
very satisfied	52	53.1
satisfied	39	39.8
unsatisfied	7	7.1
very unsatisfied		
Total	98	100
Mode – very satisfied		

Satisfaction with the respect and treatment from supervisor

	Count	Percent
very satisfied	50	51
satisfied	38	38.8
unsatisfied	8	8.2
very unsatisfied	2	2
Total	98	100
Mode – very satisfied		

Ministry is an influential place to work

	Count	Percent
Strongly agree	2	2
Agree	38	38.8
Disagree	45	45.9
Strongly disagree	13	13.3
Total	98	100
Mode – Disagree		

I came to work in Ministry in order to develop new personal connections

	Count	Percent
Strongly agree	8	8.2
Agree	40	40.8
Disagree	39	39.8
Strongly disagree	11	11.2
Total	98	100
Mode – Agree		

Leaving the organization

With slight increase in pay

	Count	Percent
Yes	29	29.6
No	69	70.4
Total	98	100
Mode – No		

With slightly more freedom

	Count	Percent
Yes	22	22.4
No	76	77.6
Total	98	100
Mode – No		

With slightly more status

	Count	Percent
Yes	54	55.1
No	44	44.9
Total	98	100
Mode – Yes		

To work with people who are a little friendlier

	Count	Percent
Yes	24	24.5
No	74	75.5
Total	98	100
Mode – No, Missing - 11		