

# Motivation Factors Impacting the Civil Servant Performance in Local Public Administration in Kosovo

Naim Ismajli

AAB University, Prishtinë, Kosovo

Ibrahim Krasniqi

University for Business and Technology, Prishtinë, Kosovo

Ermira Qosja

European University, Tirana, Albania

Motivation is defined as the willingness to exert high level of effort to reach organizational goals, conditioned by the ability of these efforts to satisfy some individual needs. As motivating factors are: wage increase in career, work place safety, work contracts, working conditions, organizational culture, leadership in working organizations, the level of responsibility at work, and rewards. All these factors have different scale in motivating employee performance. Based on the theory of many authors in the field of human resources, the conclusion is that the salary is one of the most important motivating factors for employee performance level. Research questions are: Which is unsatisfactory level within worker's salary? What is the salary structure? What is actual legal framework? The paper used combined methodology: collection of primary data, secondary data, and interviews, with the objective to draw scientific conclusions of this research. The purpose of this research is to come out with recommendations for institutions to develop policies, help human resource and executives managers at all levels, but also for its employees to develop policies and apply procedures which will enable management technology to increase the salary management system as a key influential factor for higher performance level within public sector in Kosovo.

*Keywords:* public administration, salaries, performance measurement, Kosovo

Efficient and professional public administration prepared to respond to citizens' demands is the common aspiration of all the institutions of the Republic of Kosovo. To achieve this goal, of special importance is the establishment of standards that contribute not merely to increasing the effectiveness and quality of operations

---

**Corresponding author:** Naim Ismajli, Ph.D. candidate, assistant lecturer, AAB University, Prishtinë, Kosovo; research fields: local public administration, public management, human resource management, e-governance, performance management, and public-private partnerships. E-mail: naimismajli@yahoo.com.

Ibrahim Krasniqi, Ph.D., professor, University for Business and Technology, Prishtinë, Kosovo; research fields: strategic management, public policy and public administration, public policy and public management, resource management, energy policy, human resource management, e-governance, quality management and innovation, public-private partnerships, environmental economics, and project management. E-mail: ibrakrasniqi@gmail.com.

Ermira Qosja, Ph.D., assistant professor, European University, Tirana, Albania; research fields: strategic management, public administration, public management, policy analysis, human resource management, performance management, and public-private partnerships. E-mail: info@uet.edu.al.

but also, more generally, the quality of working life of employees in the state administration. Establishment of such standards for the management of human resources is particularly important not only because it presents powerful device for measuring the fulfillment of the employed, but they are also the basis for upgrading and further development of human resources, which possess the institution.

The implementation of these standards by the institutions and by other public sector organizations will contribute not only to improving the work of the institution, but also generally to the professional development of the employees. However, their implementation will strengthen the role of human resource units, which represents an important step to professional public service as the best way toward European integration processes. Performance management is essentially an incentive system for employees and their superiors, but at the same time, provides a check at all hierarchical levels, if applied well and found the support of the leaders of the institution.

Through proper motivation, it is usually aimed to achieve increase of performance and satisfaction of employee that keeps up “morality” under the civil servants. Different techniques for staff performance management are aimed at identifying gaps and eliminating weaknesses with focus on performance increase. This as well intended to maintain high level of motivation of staff and their focus on the objectives of the institution.

Human resources include all members of an organization/institution starting from the top managers to the lowest levels of the institution. In this sense, they are effective leaders, who understand how important and valuable human resources are and take concrete steps to ensure that their organization supports and fully utilizes its human resources, ensuring a great advantage in competition with others in this way.

Contemporary theories about the management and the nature of organizational effectiveness provide a positive treatment of such important resources, and it gives courage to the people to work with desire and achieve the best possible results. However, it is difficult to achieve in practice what usually is described and aimed in advance or in the theory.

Many executives tend to run more through rules, procedures, and paperwork than with and through people. It is important that they have a highly developed sense of human perception, to understand the feelings of the staff, their needs, and what they expect. In first line, you have to understand that here are people to be managed, so they should be treated in human terms. Sincere concern for people and their welfare is the most valuable approach of encouraging them to achieve good results.

### **Literature Review**

Based on the theories of many authors in the field of human resources (Graham & Bennett, 1998; Banfield & Kay, 2012; Robbins & Decenzo, 2011; Bahtijarovic, 1999), presented in scientific literature: scientific papers, scientific journal articles, reports of international institutions [United Nations Development Program (UNDP), World Bank, Human rights, etc.] that explore human resources comes out of the conclusion that salary is one of the most important motivating factors for the level of performance of employees within institution.

Motivation is defined as the willingness to exert high levels of effort to reach organizational goals, conditioned by the ability of these efforts to satisfy some individual needs (Robbins & Decenzo, 2012, p. 407), as motivating factors are: salary, advancement in career, workplace safety, work contracts, working conditions, organizational culture, leadership in working organizations, the level of responsibility at work (degrees), bonuses, etc.

All these factors have different scale of reflections on the motivation and performance of employees. Any of those depends on the reasons that attract people or their needs.

According to Maslow, there are general types of needs (physiological, safety, love, and esteem) that must be satisfied before a person can act unselfishly. He called these needs “deficiency needs”. As long as we are motivated to satisfy these cravings, we are moving toward growth, toward self-actualization. Satisfying needs is healthy, blocking gratification makes us sick or evil. In other words, we are all “needs junkies” with cravings that must be satisfied and should be satisfied. Else, we become sick.

According to Maslow, when the deficiency needs are not met: At once other (and higher) needs emerge, and these, rather than physiological hungers, dominate the organism. And when these in turn are satisfied, again new (and still higher) needs emerge, and so on. As one desire is satisfied, another pops up to take its place (see Figure 1).

### **Physiological Needs**

Physiological needs are the very basic needs such as air, water, food, sleep, sex, etc. When these are not satisfied, we may feel sickness, irritation, pain, discomfort, etc. These feelings motivate us to alleviate them as soon as possible to establish homeostasis. Once they are alleviated, we may think about other things.

### **Safety Needs**

Safety needs have to do with establishing stability and consistency in a chaotic world. These needs are mostly psychological in nature. We need the security of a home and family. However, if a family is dysfunction, i.e., a woman has an abusive husband, the woman cannot move to the next level because she is constantly concerned for her safety. Love and belongingness have to wait until she is no longer cringing in fear.

Many people in our society cry out for law and order because they do not feel safe enough to go for a walk in their neighborhood. Many people, particularly those in inner cities, unfortunately, are stuck at this level. In addition, safety needs sometimes motivate people to be religious. Religions comfort us with the promise of a safe secure place after we die and leave the insecurity of this world.

### **Love and Belongingness Needs**

Love and belongingness are next on the ladder. Humans have a desire to belong to groups: clubs, work groups, religious groups, family, gangs, etc. We need to feel loved (non-sexual) by others, to be accepted by others. Performers appreciate applause. We need to be needed. Beer commercials, in addition to playing on sex, also often show how beer makes for camaraderie. When was the last time you saw a beer commercial with someone drinking beer alone?

### **Esteem Needs**

There are two types of esteem needs. First is self-esteem which results from competence or mastery of a task. Second, there is the attention and recognition that comes from others. This is similar to the belongingness level, however, wanting admiration has to do with the need for power. People who have all of their lower needs satisfied often drive very expensive cars, because it raises their level of esteem by doing so. “Hey, look what I can afford”.

### **Self-Actualization**

The need for self-actualization is the “desire to become more and more what one is, to become everything that one is capable of becoming”. People who have everything can maximize their potential. They can seek

knowledge, peace, esthetic experiences, self-fulfillment, oneness with God, etc. It is usually middle-class to upper-class students who take up environmental causes, join the Peace Corps, go off to a monastery, etc.



Figure 1. Motivation model. Source: Abraham Maslow (1970).

This research focuses on salary as motivational factors in the performance of civil servants in public local administration. A big commitment and a challenge to organizations and institutions are setting the wage level which will be paid to the employees in the organization. The high fee, characterized by budget deficit causes problems in financial sustainability in the organization, as well as lower payments does not cause satisfaction by employees and demotivate civil servants to work better. As the final result, we will have lower performance level in organizations and institutions. Payment rates to be selected for employee salary depend on two factors category: external factors and internal factors.

Internal factors can be noted: volume of work, nature of work, expertise required, the level of accountability, the level of safety in the workplace, and the organization's ability to pay.

While external factors can be determined as the level of unemployment in the country and region and the requirements for consumer basket consumption, if the consumption basket has high cost and the unemployment rate is greater than wage level, it should be increased constantly and this should be negotiated with worker unions.

Most payment systems in organizations or public institutions are where the employee is given a fixed monthly salary which is based on fixed timetable. Differences in capacity and competence are also to explain the different levels of salary. Performance-based payments are the best way to motivate the establishment of individual performance with the performance of organization. Payment based on performance should be based on the objectives set as benchmarks (evaluation) and depending on the level of achievement made.

This methodology of payment requires setting standards with clear and measurable targets in quality and quantity, as well as preparation for their assessment expert. Performance-based salary is one of the most advanced ways to motivate workers for this kind of payment which should be set in advance performance metrics (Bondia & Blau, 1971).

Hourly wage rate or job level and performance value is a challenge that will not answer to the salary as motivational factors (Robbins & DeCenzo, 2011). Other motivation is possibility to work from home and her very large application brings question marks for salary comparing with the hours. Flexible work hour is also an important factor with salary structure study.

### **The Purpose of the Research—Wages as Motivational Factors for the Employee Performance Increase**

A big commitment and challenge to organizations and institutions is setting the wage level which has to be paid to the employees in the organization, high fee characterized by budget deficit causes problems in financial sustainability in the organization.

Wages refers to “the total emolument paid to a worker for performing services...”. In other words, wage is the payment made to labor for his contribution to the attainment of the goals of an organization (Eniaiyejuni, 2005).

Eniaiyejuni (2005) listed three dimensions of wages as follows:

- (1) Money wage: The amount of money received by the employee at the end of the working period or the amount received by the employee per unit of output;
- (2) Real wage: The quantity of goods or services the money can buy;
- (3) Average wage: This takes into consideration the total wage bill and how it translates to hourly or daily rate for each employer.

According to this point of view, determinants of wages and salaries are as follows:

- (1) The labour market situation: The wages and salaries payable are premised on market forces that is the demand and supply situation;
- (2) The prevailing wage rate: the going rate in a particular labour market or industry.

Those problems are almost everywhere reflected in transition countries and therefore this has pushed the authors toward this research that includes many key points. To verify that the salary is the motivating factor in the performance of civil servants in the public administration, they investigates satisfactory level of worker’s with their wage, salary structure, legal framework, and procedure for determining the salary of civil servants in local public administration. For this research, they used combined methods: first, collecting source data, primary and secondary, and parallel to these interviews, with the objective to draw scientific conclusions of this research.

The purpose of this research is to issue recommendations for institutions to develop policies, local government, human resources managers, executives managers at all levels, but also for its employees to develop policies, to build systems, and procedures apply which will enable technology management as perfect salary management system as key factors, with clear target for the highest level of performance of public administration employees.

Social and economic development of a country plays an important role in welfare which aims to fill out the social and economic needs, health and regenerative members of the society. Wages as a concept represent compensation or income able to express them in front of certain laws or mutual agreement for a business process or service.

It should express a lot of benefits in exchange for the contribution to the employee and therefore organizations should be complementary. There exist many global organizations that care about the payment calculation and the manner of its application by the employers, in order for it to express the value of the work.

In this regard, two prominent economists Mare J. Wallace and Charles H. Fay have evidenced the fact that “Justice is achieved when it is given in return equivalent investment made” (Wallace & Fay, 1988). Basis for determining the salary premium is “equal pay for equal work”.

Salary is the main motivating factor for employees. Determination of such compensation should be based on competition in the labor market, financial sustainability potential, and be competitive to attract new employees. Performance evaluation is a process or technique by which the relative value or the validity of a job can be determined in a systematic and transparent way, even if additional requirements for objectivity.

### **Employee Motivation From Managers**

We typically assume that people are primarily motivated by external factors (extrinsic motivation). In other words, people will work better or be more committed if they receive significant material gains, such as a large paycheque or more holiday time.

Research has shown, however, that many of our assumptions about economic-based motivation are untrue. In fact, employees are often more motivated as a result of internal factors (intrinsic motivation). Employees’ pride in workmanship or their ability to help customers is often much more of a motivating factor than money or self-interest.

Despite this fact, it is important to note that extrinsic and intrinsic rewards complement each other, and anyone is not sufficient without the other. Each becomes an issue when it is insufficient or unfair. For example, pay will become more important when employees are short of money or when unfairness is perceived. Intrinsic rewards are what keep employees motivated while they perform their daily tasks and duties.

Everyone is different when it comes to motivation. While some people are motivated by the potential to earn rewards, others are motivated primarily by their desire to avoid unpleasant consequences. It takes time and good listening skills to determine how to best motivate each employee.

There is no doubt that figuring out how to motivate employees remains a complex and challenging dilemma. The following tips on motivation which the authors think may be helpful are as follows:

- (1) No one can cause anyone to do anything, the motivation comes from within;
- (2) We can create circumstances in which people motivate themselves;
- (3) You have got to walk the talk;
- (4) If you listen long enough, people will tell you what motivates them;
- (5) Some people are motivated more by rewards and some people are motivated more by (fear of) consequences;
- (6) If you watch long enough, people will show you how to motivate them;
- (7) You can waste a lot of time giving rewards to people who are not motivated by them;
- (8) The managerial golden rule: “Do unto others as they would like to be done unto!”.

Currently, the level of wages in public institutions is not acceptable because when comparing the needs and consumer basket with salary is a great disproportion.

Once monthly salary does not cover the monthly family costs, the optional solution is that people try to find the secondary solution that might affect the work performance, so this phenomenon impacts demotivating employees and lose the will to have the maximum commitment in the organization where they work.

Based on the law of the Republic of Kosovo No. 03/L-149, the salaries of civil servants are regulated through the specific Regulation No. 05/2012 on the classification of jobs and payments scales in the public services.

According to this regulation, as criteria for job classification and salary grade are: responsibility at work, the complexity of the task at work, interpersonal communication skills, qualification, and professional experience.

This regulation is certain levels as functional categories, with coefficient salary grades, as well as progressive steps to increase the salary.

We can determine four levels as functional category: senior management level, management level, professional level, and administrative level.

(1) Senior management level represents important functions in determining strategic objectives of the institution, requires high organizational skills, communication, experience, and preparation for senior management, and consists of three degrees, each grade by five steps;

(2) Managing directors present level positions of leadership level to sector level. This leader characterized by these specificities: responsibility for decision-making, policy-making, allocation within the institution's objectives, professional assessment of the policies and performance of workers, the ability to work by motivational team communication, supervision, control, etc., and consists of four degrees and 12 steps;

(3) Presenting professional level and professional positions in the institution which includes assistance in the development of policies, their implementation and professional services (engineer, accountant, information technology, etc.), and consists of three degrees and 12 steps;

(4) Administrative level includes administrative and technical functions in relevant areas of civil service, and consists of four degrees and 12 steps.

### **Work Methodology**

This research is based on data collection and usage of information from different theoretical resource books, scientific papers that address areas of special emphasis on human resources: performance, in particular the salary motivation as the main motivational impact factor on the employee performance. During this research, the authors have used other sources relevant to this paper, such as laws and other normative acts including:

(1) Law on Local Self Government, No. 2008/03-L040 dated June 15, 2008; Law on Civil Service of the Republic of Kosovo No. 03/L-149 dated June 14, 2010; Law on Salaries of Civil Servants of the Republic of Kosovo No. 03/L-147 dated June 14, 2010; the Labor Law No. 03/L-212 dated November 1, 2010;

(2) Secondary legislation: regulation on standards of internal organization and systematization of jobs in the state administration No. 09/2012;

(3) Rules for the classification of jobs in the service servants No. 05/2012;

(4) Regulation on the job description No. 03/2010 that regulates this area, official reports from the institutions: Statistical Office; Report 2011, UNDP; Report 2011, World Bank; report in 2011, provided for salary and its level.

One other primary source of information and data was interviews with civil servants in local public administration.

The interview was structured mainly from basic questions with the possibility of sub-questions. There were 10 basic questions:

(1) Which salary level you have?

(2) How much are you satisfied with this level of the salary?

- (3) How familiar are you about the law on the new wage for civil servants?
- (4) Will you think job classification according to the rules have positive impacts in your salary?
- (5) Are you satisfied with the job?
- (6) Have you been advanced in career and evaluated the advancement process?
- (7) Have you had assessment of performance and what do you think about it?
- (8) What are prohibitions applied to work and how?
- (9) Are you paid for overtime hours (royalty) and do you like this practice?
- (10) What motivates you more in your work?

In total, there were interviewed 32 administration officials within local government level (see Figure 2).

The structure of hierarchic position of the respondents was:

- (1) Eight respondents were senior managers;
- (2) Eight respondents were managers;
- (3) Eight respondents were professional level employees;
- (4) Eight respondents were from the administrative level.

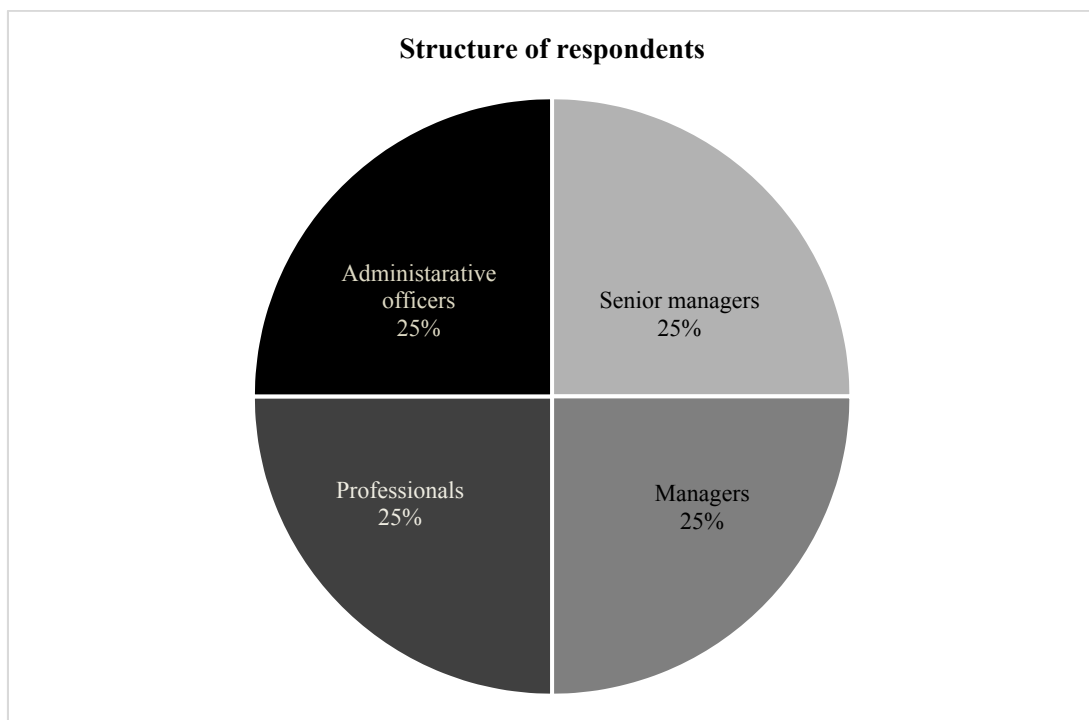


Figure 2. Structure of respondents' interviewed during research.

After processing the data from the interviews, following results were in the place:

The lowest salary of the respondents was 216 euros (gross), the highest salary from respondents was 930 euros (gross), while the average of the respondents was 345 euros (gross).

With the salary level to some degree is satisfied employees of the senior management level and management level while professional level employees and administrative are dissatisfied.

About the knowledge for the new wage law and regulation of job classification and salary grades, only 10% of respondents were aware and almost 80% of them expressed skeptical opinion about positive changes.

In their statement to their work place conditions, two highest managerial levels in 70% of cases appreciated their work, and for other two levels, only 40% of them considered those conditions acceptable.

Regarding the statement what motivates them mostly to bring and increase performance in their work, in general, salary was mentioned as the most appropriate measure for motivation. However, high managerial levels they do consider that rewards and advancement in career are important factors motivating them through their work.

### **Result Discussion**

Based on the theory derived from the literature, books, scientific works, magazines, and thesis that motivational factors have a direct impact on the establishment and development of performance seems to be indeed realistic. According to a large number of data collected and analyzed, it seems to be a direct link between motivation and performance improvement.

A greater commitment and a challenge to organizations and institutions are setting the wage level which allows space for correcting pay of employees in the organization. This has positive impact within institution as well as on the advancement, stability, and performance increase.

This conclusion that derives from the literature and theories presented in books and scientific papers, as well as the results of this research with interviews with employees fully supports the idea that better salaries impact higher performance by employees.

Under the applicable legal framework and its applicability wage levels, wage system and its structure are not satisfying civil servants in the public administration at local level.

Thereof is usual that if people are not satisfied with their wages, they lack motivation and this mostly expressed to professional and administrative levels of employees and a bit less concerns high-level managers in local government administration.

Low wage incentives as motivational factors have significant impact on the performance of civil servants in local public administration.

The lack of motivation has negative impacts not just on low performance in the sector, but also this increases the opportunity for corruption under public sector servants.

Finally, numerous and frequent departures of experts and professionals from the public administration are leaving the sector and requesting better financial support in private sector. This makes difficulties to build professional and independent public service at local and central level while it is difficult to have continuity.

### **Recommendations**

While it is true that money is not everything when it comes to employee satisfaction, fair and equitable remuneration practices are essential to positive employee relations and employee retention. If you want your paycheque to reflect employee performance, you should make sure that you have outlined clear expectations and goals for employees.

You can also compensate your employees through non-monetary means. These rewards can range from formal benefits (such as health and dental insurance) to more informal perks (such as flex time or sick child leave). First and foremost, rewards must be meaningful to each employee. Because everyone is unique, you might have to tailor rewards depending on personal preferences. Therefore, according to the findings of this paper, below are recommendations in order to improve overall situation in the local administration.

- (1) Change and amendment of the Law on Salaries of Civil Servants where local officials should be involved in discussions and debates while they know better problems in the field;
- (2) Preparing and issuing guidelines and other legal acts that enable the implementation of the new amended law on civil servants salaries;
- (3) To develop training modules for managers. Managing human resources and other managers for the implementation of the Law on Salaries for Civil Servants is crucial for improvement of the situation;
- (4) To increase the level of existing minimal and lower salaries to the level where the average salary covers the cost of monthly expenditure, by analyzing all the influencing factors;
- (5) Analyzing the level of grades and salaries analyzed compared with the scope of work and level of performance;
- (6) To apply for alternative employment: part-time, distance work, purchase services from specialized companies, depending on the need for the services and works.

### **Conclusions**

Your remuneration strategy is an important ingredient in your overall human resource strategy. A good compensation plan can increase employee satisfaction and motivation, resulting in increased production and employee retention rates. This can have a spin-off effect, resulting in positive public relations and customer satisfaction.

Although an employee's paycheque is a component of most compensation plans, it is worth noting that compensation is not only measured monetarily. A mix of benefits and perks can also be used to remunerate your employees. By linking rewards to employee performance, you can increase employee motivation and achieve winning results.

### **References**

- Armstrong, M. (2014). *A handbook of human resource management practice* (13th ed.). London: Kogan Page.
- Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *Academy of Management Journal*, 37(3), 670-687.
- Bahtijarovic, F. (1999). *Management of human potentials*. Zagreb: Golden Marketing.
- Banfield, P., & Kay, R. (2012). *Introduction to human resource management*. Oxford: Oxford University Press.
- Bondia, P., & Blau, G. (1971). Motivation factors in new era of administration. *International Journal of Human Resource Management*, 1(2), 271-288.
- Eniaiyejuni, B. O. (2005). *Management of industrial relations in Nigeria*. Lagos, Nigeria: Concept Publication.
- Graham, H. T., & Bennett, R. (1998). *Human resources management*. Great Britain: Financial Times Management.
- Laursen, K., & Foss, N. J. (2003). New human resource management practices complementarities and the impact on innovation performance. *Cambridge Journal of Economics*, 27(2), 243-263.
- Mello, J. A. (2014). *Strategic human resource management* (2nd ed.). Towson University, Cengage Learning.
- Pinnington, A., Macklin, R., & Campbell, T. (Eds.). (2011). Human resource management: Ethics and employment. *Journal of Business Ethics*, 98(1), 171-182.
- Robbins, S. P., & Decenzo, D. A. (2011). *Fundamentals of management*. Tirana: Toena.
- Robbins, S. P., & Decenzo, D. A. (2012). *Fundamentals of management: Essential concepts and applications* (6th ed.). Taiwan: Prentice Hall.
- Torrington, D., Hall, L., & Taylor, S. (2014). *Human resource management* (9th ed.). Edinburgh: Pearson.
- Wallace, M. J., & Fay, C. H. (1988). *Compensation theory and practice* (2nd ed.). Boston, M.A.: PWS-Kent Pub. Co.