

Ljerka Tomljenović

Polytechnic of Rijeka
Croatia
E-mail: ljerka.tomljenovic@veleri.hr

Saša Hirnig

Polytechnic of Rijeka
Croatia
E-mail: sasa.hirnig@veleri.hr

Alen Softić

Polytechnic of Rijeka
Croatia
E-mail: alen.softic1991@gmail.com

SPECIFICITIES OF SATISFACTION AND MOTIVATION OF EMPLOYEES IN THE STATE- OWNED ENTERPRISES: THE CASE OF CROATIAN STATE-OWNED RAILWAY FIRM

Original scientific paper

UDK: 331.101.3:330.526.34

JEL classification: M54, L32

DOI: 10.17818/DIEM/2022/1.3

Accepted for publishing: July 8, 2021

Abstract

In modern business circumstances in all types of organizations it is imperative to have motivated employees and use their full potential for the benefit of the organization. According to previous research, motivation and productivity are positively correlated, but employee motivation in state-owned enterprises differs from the private sector. Organizational characteristics of state-owned enterprises such as rigid structure, hierarchical authority, emphasizing the status quo, the absence of specific organizational goals, can have negative effects on job satisfaction and employee motivation. The empirical part of this paper consists of the results of a survey of employee attitudes related to satisfaction and motivation in their workplaces. Motivational factors are examined on a sample of 134 employees of the one of the Croatian state-owned railway firm. The aim of this paper is to further clarify the specificities of motivational factors in state-owned enterprises and to provide some guidelines that will help the management structure in managing human resources in state-owned enterprises.

Keywords: *satisfaction, motivation, state-owned enterprises (SOEs)*

1. INTRODUCTION

State-owned enterprises (SOEs) have certain specifics in relation to private companies. From the perspective of economic efficiency, research shows that state-owned enterprises tend to have lower productivity and profitability compared to private companies (Abramov, et al., 2017, p. 129). Productivity is considered a prerequisite for organizational profitability, and is directly related to employee motivation in their workplace. From an organizational perspective, state-owned

enterprises are characterized by rigid structures, hierarchical systems, undefined or unclear operational objectives (...) all of which are considered factors that are negatively related to employee satisfaction and work motivation. It can be assumed that the study of motivation in these companies could help management structures to undertake activities that will positively affect employee motivation, and thus productivity and organizational efficiency.

The aim of this research is to try further clarify the specificities of motivational factors in state-owned enterprises (case study of Croatian state-owned railway firm) and to provide some guidelines that will help the management structure in managing human resources in this organizations.

2. THEORETICAL OVERVIEW

Employee motivation is perceived as one of the key factors in high-quality work performed. A motivated person is someone who feels an impetus or inspiration to act in a certain manner or towards a goal (Ryan and Deci, 2000, p. 54). Numerous theories have tried to explain people's behavior in terms of motivational factors, what drives people to a particular behavior. The general conclusion is that people differ not only in the level of motivation they have for an activity but also in the predominant intrinsic or extrinsic factors that influence it. Given the different contexts, it becomes clear that it is not possible to identify operational motivational practices that will be equally successful regardless of the specifics of the organizational systems in which they are applied.

Work motivation

The simplest explanation of motivation is that which describes it as the search for what a person lacks or needs to meet needs. According to Robbins (2003) work motivation may be defined as the individual's willingness to exert high levels of effort toward organisational goals, conditioned by the individual's ability to satisfy some need.

Nowadays, one of the key areas of interest of managers, but also the dominant problem is the issue of employee interests and motivation to work. Today's employees potentially have increasing intellectual abilities due to the high availability of information, formal and non-formal education. A special managerial challenge is how to motivate employees to use these skills as much as possible in performing quality work. Motivation and management are two inseparable concepts. It can be said that the approach to motivation and the mode of motivation are determined by the management and its team (Buble et al., 2014, p. 190).

Job satisfaction

Spector (1997, p. 2) defined job satisfaction as what the employees feel about their job and other aspects from their job. Job satisfaction is a measurement to assess how satisfied and dissatisfied employees with their work are. Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important.

In organizations, job satisfaction is broadly viewed as employee attitudes toward their working conditions and working environments (Fiorilla & Nappo, 2014; Joung et al., 2015; Randeree & Chaudhry, 2012) and positive emotional response to their jobs and work performance (Bigliardi et al., 2012; Chatzoudes et al., 2015; Dierendonck, 2015). (cited in Ismail and Razak, 2016, p. 30)

Job satisfaction is an integral part of the quality of individual work because the attitude of employees and their behavior depends on how they will do their job, which leads to the fact that satisfaction affects the development and success of the company. As motivation and satisfaction are highly related research variables, employee motivation to perform a particular job and job satisfaction are often explored at the same time. It is important for management to know

appropriate techniques for measuring employee motivation and satisfaction (especially psychological techniques based on self-description) (Grigoroudis et al., 2019, p. 427).

State-owned enterprises - SOEs

Definition of SOEs often varies across countries. OECD defines SOEs like enterprises where the state has significant control through full, majority, or significant minority ownership. (OECD, 2005). In EU documents SOEs are those companies where, for various reasons, the state exercises control. SOE often combine commercial and non-commercial objectives. (European Commission, 2016).

The key features of SOEs are state ownership, state funding, primary goals that are not profit-oriented but primarily focused on providing services to society, monopoly in many cases, different levels of autonomy etc. Common reasons for setting up state-owned companies can be the following: starting companies in industries that require large investments that are not profitable for the private sector; providing services to the public such as electricity and other energy sources, water, transportation at lower prices; avoiding the concentration of economic power; ensuring the sustainability of strategic sectors in national economies; increasing employment and reducing regional disparities; ensuring the controlled use of natural resources and more etc.

In general, key disadvantages of SOEs are low productivity, negative work attitude by workers, delayed decision-making, high centralization of decision-making, inefficient management, too much political interference and control, neglect of negative financial results etc. More effective human resource management activities in SOEs can have a positive impact on their productivity, but also on other disadvantages.

In according to Stureson, McIntyre and Jones (2015) SOEs must attract and encourage meritorious people to join them. (cited in Kim and Ali, 2017, p. 4) The perception that SOEs are hierarchical and bureaucratic, where job promotions are based more on personal connections and seniority rather than performance may discourage talented people to join their ranks. Therefore, performance-based competitive salary and benefits packages must be designed to attract talented people. In addition to increased benefits, SOEs must invest in and encourage consistent job training of its employees to upgrade their skills and expertise (Budiman, Lin, and Singham 2009). (cited in Kim and Ali, 2017, p. 5) Employee performance should then be evaluated fairly and regularly with incentives for higher performance. Finally, while laying off consistently underperforming employees may be unpopular and difficult at times, SOE's management must make those difficult decisions to develop a competitive and effective work culture (Budiman, Lin, and Singham 2009). (cited in Kim and Ali, 2017, p. 5) Owing to fundamentally different approaches to recruitment, training and development, employee performance management and remuneration, the state-owned enterprise had far less effective HRM than its private sector counterpart, and could learn a great deal from how the privately owned organisation respond to the challenges presented by deregulation. The findings suggest that firm effectiveness depends significantly on the HRM function, and that the performance of state-owned enterprises tends to suffer as a result of interference in HRM processes by their government owners. (Sutiyono, 2007, p. 377)

It can be seen that the importance of HRM activities was recognized by one of state-owned railway companies in Croatia. In their plans, they emphasize that the main goal of HRM in the firm is to create conditions that will enable employees to fully use their knowledge, skills, abilities and competencies, increase work satisfaction and motivation to improve work performance and productivity. They tend to apply some organizational, educational and motivational procedures with the aim of reducing labor costs and increasing work efficiency. Given the unfavorable age and qualification structure of employees, the current activities are focused on the employment of trainees and workers of younger age, with secondary and higher education. In addition, special attention is paid to the implementation of measures and activities aimed at continuous professional development (Internal documents of Croatian railway firm, 2021).

Following, the results of the empirical research of employee motivation and satisfaction conducted among 134 employees in Croatian state-owned railway firm will be presented.

3. RESEARCH METHODOLOGY AND RESULTS

The aim of this research was to investigate the motivation and satisfaction of employees on the example of a state-owned enterprise – one of the Croatian state-owned railway firm. This is a quantitative study where the data were gathered by using the questionnaire method. The unit of analysis is the individuals who responded to the questionnaire, and the study is cross-sectional.

3.1. Research Methodology

This is a quantitative study where the data were gathered by using the questionnaire method. The unit of analysis is the individuals who responded to the questionnaire, and the study is cross-sectional. The method used in the research was a survey conducted as on-line questionnaire. Employees voluntarily completed a survey that was published on their intranet in October 2020. 134 respondents completed the survey, which is 2.7% of all employees.

The survey questionnaire consisted of a total of 28 questions; the first part consisted of sociodemographic variables, the second part referred to statements that examined employee work motivation, the third part related to statements that examined employee job satisfaction in the current job. It should be noted that the questionnaire was more accessible to employees who use a computer on a daily basis compared to employees in technical operational jobs.

Research instrument

Various theoretical concepts and research used to design the instrument for measuring motivation and satisfaction of employees in this research (adapted from Rožman, 2017), considering the specifics of state-owned companies. *Work motivation* has 7 items adapted from job motivation literature and *job satisfaction* has 8 items from job satisfaction literature (see Table 1). The statements were rated on a Likert scale of 5 grades, with 1 representing the lowest rating (total disagreement with the statement), and 5 was the highest rating (total agreement with the statement).

Table 1 Research instrument

| Variables codes | Source |
|-----------------|--|
| M1 | - |
| M2 | Rad and Yarmohammadian (2006) |
| M3 | Shacklock and Brunetto (2011); Moore (2007) |
| M4 | Peeters and Emmerik (2008); StamoV-Roßnagel and Biemann (2012) |
| M5 | Specificities of SOE |
| M6 | Claes and Heymans (2008) |
| M7 | Rad and Yarmohammadian (2006) |
| S1 | Groot and Brink (1999) |
| S2 | Groot and Brink (1999) |
| S3 | Groot and Brink (1999) |
| S4 | Robson et al. (2006); Henkens and Leenders (2010) |
| S5 | Bakan and Buyukbese (2013) |
| S6 | Groot and Brink (1999) |
| S7 | Kosteas (2010) |
| S8 | Kosteas (2010) |

Source: adapted from Rožman et al. (2017, p. 18)

Reliability of the measurement scale

Cronbach's alpha for the *job satisfaction* was 0,883 and for *work motivation* was 0,864 indicating high reliability of the sub-scales. Additionally, the Cronbach's alpha coefficient for the entire scale was 0,920.

Data analysis

The XLSTAT was used to perform all statistical procedures. Frequency analysis was used to indicate sociodemographic profile of the respondents. Descriptive analysis was used for summary statistics for the scale variables. With *t* statistic the study compares the levels of satisfaction and work motivation as perceived by employees' in independent sociodemographics groups. Correlation analysis was used to test relationships between selected variables.

3.2. Research Results

Sample characteristics

Amongst the respondents, 61% were male and 39% were female. In terms of age in years, 67% of the respondents were aged above 35 years. Approximately 43% of the respondents had been employed in the surveyed firm for more than 20 years. More than 75% of the respondents were in possession of a university diploma. Furthermore, approximately 88% ($n = 118$) of the respondents had a full-time job contract. 34% of the respondents occupied technical positions within railway firm, whilst 40% occupied administrative positions and 25% held management positions.

Table 2 Sociodemographic profile of the respondents

| Variable | Categories | N | % |
|--------------------------|----------------------|-----|------|
| Gender | Male | 82 | 61.2 |
| | Female | 52 | 38.8 |
| Age | 18 - 24 | 7 | 5.3 |
| | 25 - 34 | 37 | 27.7 |
| | 35 - 44 | 35 | 26.1 |
| | 45 - 54 | 27 | 20.1 |
| | 55 - 65 | 28 | 20.8 |
| Education | Primary school | 1 | 0.7 |
| | High school | 28 | 20.9 |
| | Bachelor's degree | 84 | 62.7 |
| | Master's degree | 21 | 15.7 |
| Job category | Administrative staff | 54 | 40.3 |
| | Management staff | 34 | 25.4 |
| | Technical staff | 46 | 34.3 |
| Length of service in SOE | 0 - 10 | 53 | 39.6 |
| | 10 - 20 | 24 | 17.9 |
| | 20 - 30 | 21 | 15.7 |
| | 30 - 40 | 36 | 26.8 |
| Type of contract | Fixed-term contract | 118 | 88.1 |
| | Permanent contract | 16 | 11.9 |

Source: research.

The results of descriptive statistic – work motivation and job satisfaction of the employees in one of the Croatian state-owned railway firm

A descriptive analysis of the explored variables of work motivation and job satisfaction can be found in the table 4.

In the scope of work motivation, the highest average ratings were given to statements related to stability and security of employee workplace (M5; 3,74), general motivation statement (M1; 3,56) and statement about working hours (M3; 3,44). The lowest rating received statements referring to salary motivation (M2; 2,93) and possibility of further advancement (M7; 3,00).

In the scope of job satisfaction, the highest average ratings were given to general statement about job satisfaction (S1; 3,70), satisfaction with leadership (S6; 3,58) and with working conditions in the workplace (S3; 3,45). The lowest ratings are given to the statements about possibilities of advancement (S8; 2,77) and use of professional potential (S7; 2,78).

Table 3 Descriptive analysis – work motivation and job satisfaction of employees

| Variables (statements) | Mean | Mod | St. deviation | Coeff. of skewness |
|--|------|-----|---------------|--------------------|
| M1 Are you generally motivated for the job you do? | 3.56 | 4 | 1.140 | -0.488 |
| M2 Does the amount of salary motivate you to do your job? | 2.93 | 3 | 1.134 | -0.008 |
| M3 Does organization of working hours motivate you? | 3.44 | 4 | 1.107 | -0.403 |
| M4 Is the possibility of further advancement an additional motivation for you to work? | 3.00 | 4 | 1.354 | -0.018 |
| M5 Are the stability and security of your job motivating enough to stay in that job? | 3.74 | 4 | 1.023 | -0.794 |
| M6 Is the possibility of additional education a motivation for you to do the job? | 3.33 | 4 | 1.232 | -0.275 |
| M7 Are cash benefits a motivation for you to do the job? | 3.11 | 4 | 1.401 | -0.268 |
| Work motivation | 3.30 | | | |
| S1 Are you satisfied with your current job? | 3.70 | 4 | 1.026 | -0.473 |
| S2 Are you satisfied with the interpersonal relationships in your workplace and in the company? | 3.32 | 4 | 1.167 | -0.364 |
| S3 Are you satisfied with the work environment in the workplace? | 3.45 | 4 | 1.186 | -0.463 |
| S4 Are you satisfied with the organization of work in the company? | 2.66 | 3 | 1.075 | -0.043 |
| S5 Are you satisfied with the amount of income? | 2.93 | 3 | 1.121 | -0.143 |
| S6 Are you satisfied with the attitude of the manager (your superior) towards you? | 3.58 | 4 | 1.258 | -0.705 |
| S7 Do you think that your professional potentials have been sufficiently used in your workplace? | 2.78 | 3 | 1.165 | -0.001 |
| S8 Do you think you can expect promotion at your job in line with your education? | 2.77 | 3 | 1.307 | 0.157 |
| Job satisfaction | 3.15 | | | |

Source: research.

Below, the average ratings of the investigated variables will be compared with the ratings awarded by the managerial staff and compared to grades from administrative and technical staff. Statistical significance of the difference in ratings will be provided.

In area of work motivation managerial staff have given statistically significant higher grades to general motivation for work motivation (M1), salary motivation (M2) and advancement motivation (M4). All variables of job satisfaction, except satisfaction with the use of professional potential, were statistically significantly higher rated by managerial staff.

Table 4 Descriptive analysis – work motivation and job satisfaction of employees and t-test for independent samples (managerial staff and other staff)

| Variables (statements) | Managerial staff (Mean, N=34) | Technical and administrative staff (Mean, N=100) | t-test | sig (2-tailed) |
|--|-------------------------------|--|--------|----------------|
| M1 Are you generally motivated for the job you do? | 4.03 | 3.40 | 2.853 | 0.005 |
| M2 Does the amount of salary motivate you to do your job? | 3.41 | 2.76 | 2.977 | 0.003 |
| M3 Does organization of working hours motivate you? | 3.58 | 3.39 | 0.901 | 0.369 |
| M4 Is the possibility of further advancement an additional motivation for you to work? | 3.41 | 2.86 | 2.077 | 0.039 |
| M5 Are the stability and security of your job motivating enough to stay in that job? | 3.97 | 3.67 | 1.485 | 0.139 |
| M6 Is the possibility of additional education a motivation for you to do the job? | 3.38 | 3.32 | 0.254 | 0.799 |
| M7 Are cash benefits a motivation for you to do the job? | 3.05 | 3.13 | -0.254 | 0.799 |
| Work motivation – composit variable | 3.54 | 3.02 | -3.163 | 0.002 |
| S1 Are you satisfied with your current job? | 4.17 | 3.54 | 3.233 | 0.001 |
| S2 Are you satisfied with the interpersonal relationships in your workplace and in the company? | 3.67 | 3.20 | 2.081 | 0.039 |
| S3 Are you satisfied with the work environment in the workplace? | 3.85 | 3.31 | 2.356 | 0.019 |
| S4 Are you satisfied with the organization of work in the company? | 3.00 | 2.55 | 2.146 | 0.033 |
| S5 Are you satisfied with the amount of income? | 3.41 | 2.76 | 3.075 | 0.002 |
| S6 Are you satisfied with the attitude of the manager (your superior) towards you? | 4.02 | 3.43 | 2.492 | 0.013 |
| S7 Do you think that your professional potentials have been sufficiently used in your workplace? | 2.97 | 2.72 | 1.104 | 0.271 |
| S8 Do you think you can expect promotion at your job in line with your education? | 3.20 | 2.63 | 2.297 | 0.023 |
| Job satisfaction – composit variable | 3.55 | 3.21 | -1.973 | 0,051 |

Source: research.

In the table 6 the average ratings of the investigated variables will be compared considering age, gender and length of service in the surveyed firm. Only statistically significant differences are shown. In accordance with length of service in firm employees with more than 20 years length are generally more motivated on their workplaces and they higher rated use of their professional potential in a firm. In accordance with gender, male employees are more motivated with opportunity for promotion than female employees. Also, male employees are more satisfied with work environment and they higher rated use of their professional potential in a firm in comparison to female employees. In accordance with age employees older than 35 years are more motivated with job stability and security, they are generally more satisfied with their current job, and they higher rated use of their professional potential in a firm in comparison to younger employees.

Table 5 Descriptive analysis – work motivation and job satisfaction of employees and t-test for independent samples (length of service / age / gender – only significant differences)

| Variables (statements) | length of service < 20 (N=77) | length of service > 20 (N=57) | t-test | sig (2-tailed) |
|---|-------------------------------|-------------------------------|--------|----------------|
| M1 <i>Are you generally motivated for the job you do?</i> | 3,38 | 3,81 | -2,190 | 0,030 |
| S7 <i>Do you think that your professional potentials have been sufficiently used in your workplace?</i> | 2,55 | 3,07 | -2,572 | 0,011 |
| Variables (statements) | Male (N=82) | Female (N=52) | t-test | sig (2-tai) |
| M4 <i>Is the possibility of further advancement an additional motivation for you to work?</i> | 3,17 | 2,71 | 1,920 | 0,050 |
| S3 <i>Are you satisfied with the work environment in the workplace?</i> | 3,61 | 3,15 | 1,978 | 0,032 |
| S7 <i>Do you think that your professional potentials have been sufficiently used in your workplace?</i> | 2,99 | 2,48 | 2,506 | 0,013 |
| Variables (statements) | Age < 35 (N=43) | Age > 35 (N=91) | t-test | sig (2-tailed) |
| M5 <i>Are the stability and security of your job motivating enough to stay in that job?</i> | 3,00 | 3,84 | 4,103 | 0,000 |
| S1 <i>Are you satisfied with your current job?</i> | 3,39 | 3,86 | -2,536 | 0,012 |
| S7 <i>Do you think that your professional potentials have been sufficiently used in your workplace?</i> | 2,36 | 3,00 | -3,065 | 0,003 |

Source: research.

In conclusion, the results of the descriptive statistics indicate that employees in one of the Croatian state-owned railway firm are on average motivated and satisfied on their workplaces. Extrinsic motivational factors (e.g. job stability and security, working hours, work environment) have a higher grade than intrinsic (e. g. advancement, use of professional potential). There are significant differences in the assessment of individual motivation and job satisfaction between employees in a managerial position and other employees. Employees in managerial positions rated most variables of job satisfaction and some variables of work motivation with significantly higher ratings. Also, there are significant differences in the assessment of some variables of individual motivation and job satisfaction depending on age, gender and length of service. Older employees, male employees and employees with longer length of service are in some aspects more motivated and satisfied than younger, female and employees with shorter length of service.

Results of correlation between selected variables

Correlation can be described as compliance in the variation of the value of two (or more) variables. It designates the correlation between variables. The following table shows the correlation between general work motivation variable (M1), general job satisfaction variable (S1) and other variables. The correlation of general work motivation with job stability and security ($r=0,663$, $p=0,000$); with work organization satisfaction ($r=0,645$, $p=0,000$) and with leadership satisfaction ($r=0,641$, $p=0,000$) is significant and high, but with income satisfaction ($r=0,350$, $p=0,000$) and salary motivation ($r=0,351$, $p=0,000$) there is a weak correlation.

Table 6 Correlation between variables

| | S1 | M1 |
|----|-------|-------|
| S1 | 1 | 0,645 |
| S2 | 0,671 | 0,587 |
| S3 | 0,562 | 0,502 |
| S4 | 0,624 | 0,645 |
| S5 | 0,503 | 0,350 |
| S6 | 0,630 | 0,641 |
| S7 | 0,536 | 0,459 |
| S8 | 0,437 | 0,539 |
| M1 | 0,645 | 1 |
| M2 | 0,497 | 0,503 |
| M3 | 0,573 | 0,494 |
| M4 | 0,362 | 0,492 |
| M5 | 0,600 | 0,663 |
| M6 | 0,300 | 0,427 |
| M7 | 0,222 | 0,351 |

Significance level $p=0.000$

Source: research.

The correlation of general job satisfaction with interpersonal relationships satisfaction ($r=0,671$, $p=0,000$); with work organization satisfaction ($r=0,624$, $p=0,000$) and with leadership satisfaction ($r=0,630$, $p=0,000$) is significant and high, but with cash benefits motivation ($r=0,222$, $p=0,000$) and additional education opportunities ($r=0,300$, $p=0,000$) there is a weak correlation.

It can be concluded that extrinsic motivational factors (except salary) dominate in creation of sense of motivation and satisfaction of employees in one of the Croatian state-owned railway firm. General attitude towards motivation and job satisfaction are the strongest connected with job stability and security, work organization, leadership and interpersonal relationships satisfaction. The salary and other compensations indicate low correlation with motivation and satisfaction of employees in surveyed Croatian state-owned railway firm.

Results comparison

The most research results in this paper can be compared with some other empirical literature's finding. For example, in according to Manolopoulos (2008, p. 80) findings show that the public sector in Greece is more likely to provide extrinsic than intrinsic rewards, however the latter seems to be related to better organisational outcomes. Both individuals' ability and demographic characteristics are core determinants of employees' motivational preferences. In according to Soedarsono et al. (1998, p. 394) the survey indicates that there are differing views between management and nonmanagement subjects at high-tech SOE in Indonesia. These differences include perceived opportunities for career advancement (promotion), satisfaction with their employer, feelings of prestige, satisfaction with salary, and attitudes on completing the job. These differences suggest that there is a meaningful distinction in the motivation of the two subjectgroups. Govender (2010) researched factors influencing job satisfaction of managers at SOE. The findings show that the factors influencing job satisfaction are affected by a manager's gender, age, ethnicity and job grade.

4. CONCLUSION

The study of employee motivation and satisfaction in all types of organizational systems is always a current research area. State-owned enterprises are organizational systems that are often attributed to low productivity and lack of enthusiasm among employees. Creating effective measures to

encourage employee motivation in SOEs can certainly have a positive impact on their productivity, but also on other SOEs disadvantages.

The results of the empirical part of this paper are comparable with the previous findings. The average level of motivation and employee satisfaction with the primary influence of extrinsic motivational factors is found in Croatian state-owned railway firm. It is obvious that there is a perspective for further development of motivational mechanisms that will encourage intrinsic motivation, especially in younger and more educated employees for whom extrinsic motivational factors are not crucial for a higher level of motivation and job satisfaction. Some attention should be paid also to the gender differences in the assessment of motivation and job satisfaction. The results of the correlation analysis show that salary or financial compensation does not necessarily have to be highly correlated with employee satisfaction and motivation. This means that regardless of the limitations in financial motivation in SOEs, other effective motivational mechanisms can be implemented. In addition to the extrinsic motivational variables already identified, it is necessary to create mechanisms based on intrinsic incentives such as providing opportunities for professional and personal development and advancement, creating jobs that will be perceived as interesting and challenging, education related to employee needs, encouraging initiative and creativity, etc.

The results of managerial efforts towards increasing employee motivation and satisfaction in SOEs will not yield results overnight. A comprehensive process that would certainly yield results should combine the efficiency of internal human resource management activities with special emphasis on the development and monitoring of motivational mechanisms in SOE with the support of national macro policies and regulations.

In according to Roufan (2018) excellent corporate culture will play a more important role in people's enthusiasm, initiative, orientation and creativity in their work. Therefore, employee motivation and satisfaction should be viewed also in the context of existing organizational values in SOEs and, if necessary, plan changes in organizational culture. This is another additional open area for future research.

REFERENCES

- Abramov, A. et al. (2017). State ownership and efficiency characteristics. *Russian Journal of Economics* 3, pp. 129-157. <https://doi.org/10.1016/j.ruje.2017.06.002>
- Buble et al. (2014). The relationship between managers' leadership styles and motivation. *Management, Vol. 19, 1*, pp. 161-193
- European Commission (2016). *State-Owned Enterprises in the EU: Lessons Learnt and Ways Forward in a Post-Crisis Context*, Institutional paper 031. https://ec.europa.eu/info/publications/economy-finance/state-owned-enterprises-eu-lessons-learnt-and-ways-forward-post-crisis-context_en [accessed 15.04.2021].
- Govender, D. (2010). *Factors influencing job satisfaction of managers at State Owned Enterprises*. Gordon Institute of Business Science, University of Pretoria.
- Grigoroudis et al. (2019). Practical application of MSQ and MUSA methodology in determining critical job satisfaction factors of seasonal employees in summer destination luxury resort. *Tourism Management* 74, pp. 426-437. <https://doi.org/10.1016/j.tourman.2019.04.020>
- Ismail, A. and Abd Razak M.R. (2016). A study on Job satisfaction as a Determinant of Job Motivation. *Acta Universitatis Danubius, vol 12, no 13*, pp. 30-44.
- Kim, C.J. and Ali, Z. (2017). Efficient Management of State-Owned Enterprises: Challenges and Opportunities. *ADB Institute – Policy brief No, 2017-4*.
- Manolopoulos, D. (2008). An evaluation of employee motivation in the extended public sector in Greece. *Employee Relations, Vol. 30 No. 1*, pp. 63-85. <https://doi.org/10.1108/01425450810835428>
- OECD (2005). *OECD Comparative Report on Corporate Governance of State-owned Enterprise*. <https://www.oecd.org/daf/ca/oecd-guidelines-corporate-governance-soes-2005.htm> [accessed 28.04.2021]. <https://doi.org/10.1787/9789264009431-en>

- Robbins, S. P. (2003). *Essentials of organisational behaviour*. 7th ed. New Jersey: Pearson Education.
- Rožman, B., Treven, S., Čančer, V. (2017). Motivation and Satisfaction of Employees in the Workplace. *Business Systems Research*, Vol. 8, No. 2, pp. 14-25. <https://doi.org/10.1515/bsrj-2017-0013>
- Ruofan, Z. (2018). Research on the Problems of Human Resource Management in State-owned Enterprises and Reform ideas. In *Proceedings of International Conference on Education, Psychology, and Management Science* (ICEPMS 2018). Francis Academic Press – UK, pp. 886 -892.
- Ryan, R. and Deci, E. (2000). Intrinsic and Extrinsic Motivations: Classic Definitions and New Directions. *Contemporary Educational Psychology* 25(1), pp. 54–67. <https://doi.org/10.1006/ceps.1999.1020>
- Soedarsono et al. (1998). Productivity improvement at a high-tech state-owned industry-an Indonesian case study of employee motivation. *IEEE Transactions on Engineering Management*, vol. 45, no. 4, pp. 388-395. <https://doi.org/10.1109/17.728580>
- Spector, P. E. (1997). *Job Satisfaction: Application, Assessment Cause and Consequences*. California: SAGE Publication. <https://doi.org/10.4135/9781452231549>
- Sutiyono, W (2007). Human resource management in state-owned and private enterprises in Indonesia. *Bulletin of Indonesian Economic Studies* 43(3), pp. 377-394. <https://doi.org/10.1080/00074910701727621>