

Employees' Motivation in the North Macedonian Energy Sector

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Abstract

Objective: This paper investigates the factors that enhance employee motivation within North Macedonia's three largest energy companies (ESM, MEPSO, and EVN Macedonia) and examines how these factors vary in relevance according to employee age.

Method: A qualitative approach was employed, involving the creation and distribution of a questionnaire to employees across these companies.

Results: The findings indicate that both intrinsic and extrinsic factors contribute positively to employee motivation, though their influence varies among the companies. Additionally, the significance and perceived value of these motivational factors are shown to differ according to employees' age groups.

Originality: This is the first study to evaluate employee motivation specifically within the Macedonian energy sector.

Keywords: motivation, intrinsic factors, extrinsic factors, ESM, MEPSO, EVN Macedonia

JEL classification: M52, M54

1. Introduction

Çinar et al. (2011) define motivation as the process of encouraging individuals to take action toward achieving a specific goal. Managers need to understand what drives employees to set suitable job assignments and incentives, which in turn enhances organizational performance, productivity, and overall success. As Nicu (2012) observes, motivated employees tend to be productive and contribute to profitability. An employee is considered motivated when they have the desire to engage in a task. In this context, Suárez and Vizcaíno (2024) note that while new definitions of motivation continue to emerge, a straightforward one characterizes motivation as the impulse to accomplish something. Recognizing employees as an organization's most valuable asset highlights the importance of understanding what drives motivation in the workplace. However, these motivations are complex and multidimensional, presenting challenges for both researchers and managers in identifying and effectively applying them in practice.

This focus on motivation is particularly relevant for North Macedonia's energy sector, given the sector's essential role in the economy and its influence on individual livelihoods. Changes like liberalization, increased competition, and ongoing development affect the work environment and job roles in this sector. These shifts may lead to job displacement for some workers and challenges in adapting to new roles and responsibilities. As a result, energy companies must prioritize skill development, talent retention, and enhanced talent management to attract and retain top talent.

Identifying key motivation factors can significantly enhance employee motivation, organizational efficiency, and growth. Therefore, this study targets employees from North Macedonia's three largest energy companies—ESM, MEPSO, and EVN Macedonia—and investigates both intrinsic and extrinsic motivation factors. Six primary factors will be analyzed:

- Extrinsic factors: Salary increase, promotion, and job security
- Intrinsic factors: Job satisfaction, empowerment, and recognition

This research will also explore whether motivation factors differ across various age groups among the employees.

2. Literature Review

Most researchers distinguish between intrinsic and extrinsic motivational factors and discuss their effectiveness based on workers' demographic characteristics. However, there is no consensus in the literature on which factors are most influential in motivating employees.

a. Intrinsic Motivation

Intrinsic motivation involves engaging in an activity because it is inherently interesting or enjoyable (Ryan & Deci, 2000; Çınar et al., 2011). For instance, Bruno (2013) explains that intrinsic motivation arises from within the individual or their behavior. Ridwan et al. (2024) further define intrinsic motivation as including elements like challenge and enjoyment. Job satisfaction, commonly seen as a one-dimensional construct (e.g., Porter, 1961), reflects the pleasure or contentment associated with one's work; the more an employee enjoys their job, the higher their job satisfaction (Tarak, 2012). Creating a sense of satisfaction among employees is a crucial task for management, as it fosters confidence, loyalty, and improved output quality (Tietjen & Myers, 1998). Abdullah et al. (2024) emphasize that employee job satisfaction is vital to organizational success. Additionally, empowerment and recognition play significant roles in boosting motivation (Manzoor, 2012; Inceoglu et al., 2012). Manzoor also found that as organizations improve empowerment and recognition, employee motivation, organizational performance, and success all increase. Benabou and Tirole (2003) argue that empowering employees enhances intrinsic motivation, while Messmer (2004) highlights the importance of effective employee recognition programs in retaining and motivating staff.

b. Extrinsic Motivation

Extrinsic motivation refers to performing an activity for an external outcome, such as a reward or avoiding a punishment (Levin et al., 2012). In other words, extrinsic motivation is driven by achieving separable outcomes (Ryan & Deci, 2000; Çınar et al., 2011). Ridwan et al. (2024) categorize extrinsic motivation as including compensation and other external motivators. Regarding the relationship between salary and age, Inceoglu et al. (2012) note that material rewards become less motivating as employees age. Qayyum (2012) suggests that performance-based promotions are effective, as companies aim to avoid retaining low performers. Inceoglu et al. further found that job security is less motivating for older employees than for younger ones.

Age

The importance employees place on various motivational factors often varies by age. For example, Qayyum (2012) found that employees aged 20-30 prioritize higher salaries, and those aged 20-40 prefer seniority-based promotions. Tarak (2012) concluded that age

affects motivation levels, with Inceoglu et al. (2012) noting that older employees tend to value intrinsic motivators more highly.

c. Dominance of Extrinsic and Intrinsic Factors

The literature lacks a clear consensus on which factors are more influential in motivating employees. Çınar et al. (2011) found that while both intrinsic and extrinsic factors impact motivation, intrinsic factors often have a stronger effect. Centers and Bugental (1966) observed that intrinsic factors are more valued at higher occupational levels, while Cruz et al. (2009) noted that intrinsic motivation significantly influences knowledge transfer more than extrinsic motivation. Conversely, Wiley (1997) found in a 1992 survey that modern workers value extrinsic factors more than they did in the past. Weiner (1980) suggested that extrinsic incentives might actually reduce intrinsic motivation and performance. Similarly, Manolopoulos (2008) concluded that extrinsic rewards had a greater impact than intrinsic ones on Greek public sector employees' preferences.

d. Summary

The literature generally distinguishes between intrinsic and extrinsic motivational factors and describes the impact of each. Some researchers emphasize the importance of intrinsic factors, while others highlight the role of extrinsic factors.

3. Methodology

This study uses a case study approach with a questionnaire as the primary data collection method. The questionnaire was designed to identify key motivational factors in North Macedonia's energy sector and to suggest improvements in employee motivation. Simple random sampling was used to ensure generalizability, giving each potential participant an equal chance to be included. The research was conducted in the first half of 2014, with questionnaires distributed via email to employees in the three largest energy companies in North Macedonia (ESM, MEPSO, and EVN Macedonia). To ensure diverse representation, 30 employees were purposively selected from each company, covering non-executive levels and varying age and educational backgrounds.

Considering the significance of both intrinsic and extrinsic factors, the following research questions were formulated:

Research Question 1: Are extrinsic factors more effective in motivating employees at ESM, MEPSO, and EVN Macedonia compared to intrinsic factors?

Research Question 2: Are intrinsic motivational factors more valued by older employees compared to younger employees?

4. Findings

After designing the questionnaire and data collection, the analysis of the data follows. In order to meet the aims and objectives of the study, the analysis of the data is conducted with the statistical software Statistical Package for Social Sciences (SPSS). In order to test the research questions, and to explore and to perceive employees answers, descriptive statistics was conducted and presented in details, with table and charts. Based on a comparative case study of the three largest energy companies in North Macedonia (ESM, MEPSO and EVN

Macedonia), 100% response rate was obtained to 90 questionnaires, with 30 questionnaires from each company.

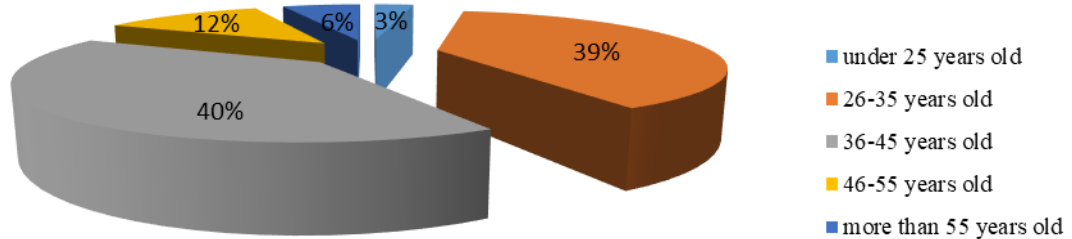


Figure 1. Age structure of the respondents

Source: Data collected by authors

Figure 1 above shows the age structure of respondents, whereas most of them (40%) are between 36 and 45 years of age. About 39% are between 26 and 35 years old, while 3% are quite young works (under 25 years old).

Regarding the current work position, Figure 2 shows that majority of respondents (64%) reported bottom level management, while (36%) reported middle level management.

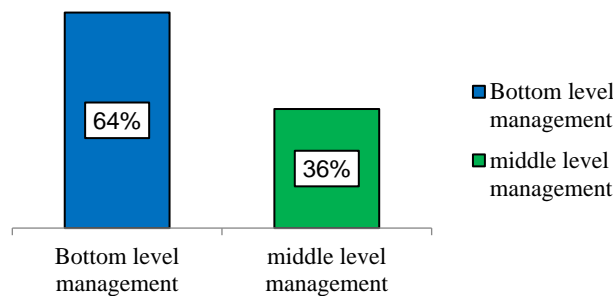


Figure 2. Work position of the respondents

Source: Data collected by authors

As regards the gender structure of respondents, both genders were equally represented, while concerning the level of education the majority of respondents have bachelor degree (BA), as presented in Figure 3.

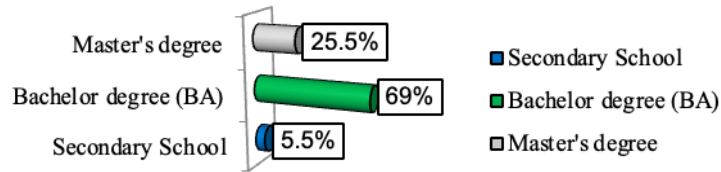


Figure 3. Level of education

Source: Data collected by authors

The analysis in Figure 4 below illustrates the results of testing the research question whether the extrinsic factors are more effective on employee’s motivation than intrinsic factors, comparing the employees working at ESM, MEPSO and EVN Macedonia. Namely, the results confirm the expectations that extrinsic factors are more effective on employee’s motivation only in MEPSO, as Wiley (1997) concludes. Additionally, this verify the conclusions of Weiner (1980) and Manolopoulos (2008) that extrinsic incentives/rewards have stronger influence on employees’ preferences than intrinsic motives.

In EVN Macedonia intrinsic motivators as more important, while in ESM the importance given to both groups of motivators are identical. Situation in EVN Macedonia confirms the conclusion of Çınar et al. (2011) that intrinsic factors are more motivating than extrinsic factors. Additionally, this verifies the conclusions of Chatterjee (2018) and Cruz et al. (2009) that the effect of intrinsic motivation is more significant compared with the extrinsic motivation.

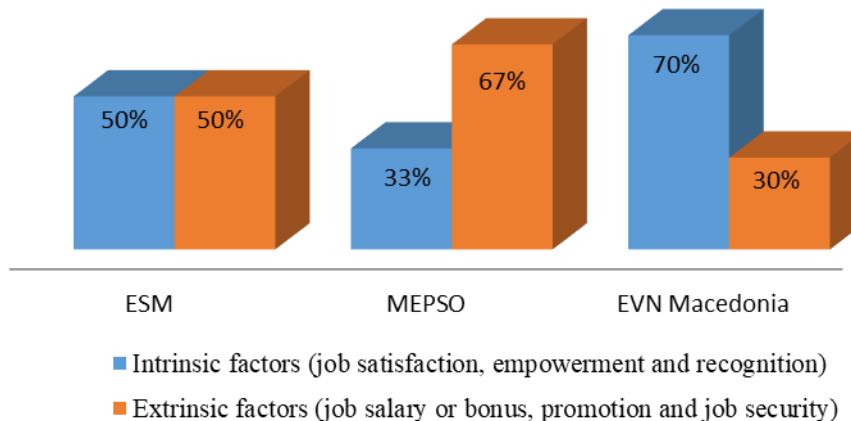


Figure 4. Effectiveness of extrinsic and intrinsic motivation factors in each company separately

Source: Data collected by authors

In order to test whether the intrinsic motivation factors are more valued by older employees compared to younger employees, cross tabulation of the respondent's age and employee's response which motivation factors (intrinsic or extrinsic) motivate them best was done. The results in Table 1 below cannot confirm the expectation and show that older employee's value extrinsic factors (job salary or bonus, promotion and job security) more compared to younger employees. More specifically, oldest employees with more than 55 years old did not value intrinsic factors at all, while the employees under 25 years old did not value extrinsic factors at all. The employees between 26-55 years old value both, intrinsic and extrinsic factors with small diversity in evaluation of each type of motivation factors according to their age.

Table 1. Motivation and respondents' age

Respondents' age	What form of motivation factors as mentioned below will motivate you best, if you have to choose between intrinsic or extrinsic factors?	
	Intrinsic factors (job satisfaction, empowerment, and recognition)	Extrinsic factors (job salary or bonus, promotion, and job security)
under 25 years old	100%	0%
26-35 years old	54%	46%
36-45 years old	56%	44%
46-55 years old	36%	64%
more than 55 years old	0%	100%

Source: Own research

5. Conclusion

This paper investigates the factors that enhance employee motivation in North Macedonia's three largest energy companies, with a focus on how these factors vary according to employee age. The study reveals that both intrinsic and extrinsic factors positively influence motivation in all three companies, though their effectiveness differs. Extrinsic factors play a stronger role in motivating employees at MEPSO, whereas intrinsic factors have a greater impact in EVN Macedonia. In contrast, both types of factors have a balanced effect on motivation at ESM. Additionally, older employees tend to place higher value on extrinsic motivators than younger ones.

In summary, energy companies in North Macedonia aiming to improve employee motivation should prioritize both intrinsic and extrinsic factors, taking into account the age of their

workforce. For companies with predominantly younger employees, intrinsic factors may be more effective, while extrinsic factors might better motivate an older workforce.

To expand the international perspective of this study, future research could include comparisons with companies in other countries or industries. Further research could also explore why employees of different age groups have varying preferences for motivational factors. Including case studies or in-depth interviews in future research would provide richer qualitative insights.

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Data sharing statement

No additional data are available.

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Appendix A

Employee Motivation Questionnaire

This questionnaire is designed to identify the main motivational factors in the North Macedonian energy sector and also to help improve the employee's motivation. The questionnaire is anonymous and the information you provide will be kept strictly confidential and will be used only for the purposes of this research.

Please note your answer in line with the instructions given below.

Thanks for your time.

SECTION A: GENERAL INFORMATION

Please, note your answer for each question listed below:

1. In which Company do you work?

ESM

MEPSO

EVN Macedonia

2. What is your gender?

Male

Female

3. What is your age?

Under 25 years old

26 – 35 years old

36 – 45 years old

46 – 55 years old

More than 55 years old

4. What is the highest degree or level of school you have completed? *If currently enrolled, highest degree received.*

Primary school

Secondary school

Bachelor's degree

Master's degree

Doctorate degree

5. What is your current work position?

Top level management

Middle level management

Bottom level management

SECTION B: MOTIVATION FACTORS

1. Listed below are intrinsic and extrinsic motivators, which cause a person to act in a certain way. Which one will have positive effect on your motivation?

Intrinsic motivators (job satisfaction, empowerment and recognition)

Extrinsic motivators (job salary or bonus, promotion and job security)

Both

Neither

2. What form of motivation factors as mentioned below will motivate you best, if you have to choose between intrinsic and extrinsic factors?

Intrinsic factors (job satisfaction, empowerment and recognition)

Extrinsic factors (job salary or bonus, promotion and job security)