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**Importance of motivational factors among
students at the University of Iceland**

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Preface

This thesis is a final 30 ECTS project for completion of a Master of Science degree in Strategic Management at the University of Iceland, School of Business. My supervisor was Þóra Christiansen who I thank greatly for her advice and encouraging guidance during the process. I thank my family and friends for their patience and support in my time of need.

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Abstract

Work motivation is a powerful tool that encourages employees to increase their performance at work. The more the employers know what factors motivates their employees the more they can enjoy increased work performance and better outcomes.

The purpose of this study is to investigate what motivational factors are the most important among students at the University of Iceland at their present or future jobs because they are considered the future workforce. Moreover, it aims to explore whether the importance of motivational factors is affected by some demographic variables forming students' behavior in ranking the importance of motivational factors.

The research is a quantitative study where data was collected through online survey. The participants were students at the University of Iceland. Respondents were asked to rank ten motivational factors from the most important marked number one to the least important marked number ten.

Results of the study show that students in the University of Iceland are most motivated by these factors: *interesting work*, *good wages*, *job security* and *full appreciation of work done*. Some minor differences were found in how sub-groups ranked motivational factors. However, the factors *interesting work* and *good wages* were the top priority to all the groups.

This study could shed a light to employers, who will soon hire students from the University of Iceland, what students are expecting from their present or future jobs and create an attractive package to get the best specialists to their organizations.

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1 Introduction

The success of every business depends on many factors but the most important factor that brings the great amount of wealth is associated with human capital (Kovach, 1996). As a result, managing human resources is an important factor when an organization seeks to increase efficiency, gain competitive advantage or even for the organization's survival (Thomas, 2009). Human Resource Management deals directly with human resources and one of the most important concepts in that field is employee motivation. It can be said that employee motivation is the core of what can help organizations to improve employees' and organizational performance. When the employees are happy and motivated, the organization can more easily achieve its goals and objectives. In contrast, if the employees are not motivated to perform their tasks and do not feel satisfied with their jobs this would lead to reduced productivity (Pinder, 1984). Despite all the theories proposed on motivation, the subject is still not fully conceived in the organizational environment. Comparing the importance of motivational factors identified by employees and their supervisors, Kovach (1987) concluded that there is a mismatch between what the supervisors think would motivate their workers and what employees are actually motivated by. Supervisors are most likely to give the rewards or exhibit behavior to employees that would motivate them but it does not always mean that it would motivate employees. According to the studies that have been made from 1946 until 1994 (Kovach, 1980; 1987; 1996; Wiley, 1997), employers tend to think that monetary rewards and job security are the most important factors in motivating their employees. On the other hand, at the same time workers were likely to disagree. As many employers gave priority to monetary incentives, workers were looking for other factors that would provide satisfaction in their job. When looking at the results of other studies, it can be noticed that over 50 years employers ranking of motivational factors remained almost the same while employees' ranking have changed. This is explained by the different historical periods and by changing employees' attitudes towards work during the years of research. Due to changing attitudes of employees, most of the motivational theories and results from other researches that could shed light on what motivates employees are out of date by the time they are implemented (Kovach, 1980)

and therefore they do not bring the desired outcomes in employee motivation. From the employer's perspective, it is commonly believed that monetary rewards have the same influence on people's motivation as half of the century ago (Kovach, 1996). Managers tend to bypass the factors that for example, theories like Maslow's and Herzberg's have to offer on human motivation. One of the reasons why managers consistently give priority to monetary incentives is considered to be that they are usually achievement-orientated and think that what would motivate themselves, would motivate their employees as well (McClelland, 1967). It is also easier to give monetary rewards than provide employees with interesting work because "not all jobs can be made interesting. More importantly, what is interesting to one person might not be interesting to someone else" (Kovach, 1987, p. 58).

Changing technology, crumbling traditions and increased pressure on organizational performance have made employee motivation more difficult and ever more important (Kovach, 1996). In today's working environment, employees are required to take the initiative, be creative, and to be better problem solvers than previous years. In relation to this, employees also require another kind of motivation (Thomas, 2009). Moreover, the business environment has been influenced by recent economic downturns and to be able to survive most of the companies had to improve their cost efficiencies. Therefore, monetary rewards are becoming less available and managers must find other ways to motivate their employees to increase company's performance. At the same time, there is increasing competition in the labor market. It is getting hard for some companies to attract skilled specialists and therefore companies are starting to search for potential employees before they finish their education. In addition, concerns have been raised that young recruits bring different attitudes and expectations about their jobs that differ from those of current employees (Taylor, 2005a). Keeping this in mind, employers should be aware of students' attitudes and expectations about work values. This would let them to make jobs more attractive to be able to get the most talented candidates. Unfortunately, not many studies exist on what motivates students as potential employees. This thesis aims to investigate what students at the University of Iceland think would motivate them in their present or future jobs. The following research question was put forward: *What motivational factors are the most important among students at the University of Iceland?* Moreover, differences in importance of

motivational factors will be analyzed and compared between demographic factors such as gender, age, income levels, highest finished education levels, years of work experience, schools of the university and intended work sectors after graduation. This should give a useful insight for the organizations that will soon hire the students from the University of Iceland.

The first section of this thesis starts by discussing the theoretical framework, explaining the concept of motivation and theories related to it. The second part of the theoretical framework covers the empirical studies that have been made on this subject discussing studies on employees' and students' motivation and drawing out sub-questions of this study. The next chapter focuses on the present study and its methodology. Furthermore, the findings are presented, followed by the discussion section that elaborates on the significance of the findings, points out the limitations of the study and makes suggestions for further research.

2 Theoretical framework

This chapter provides a review of the literature on this thesis subject. More specifically, definitions of motivation, types of motivation and motivational theories. First, the concept of motivation is discussed in depth and both intrinsic motivation and extrinsic motivation are briefly explained. Finally, the most prevalent motivational theories are presented and each further explicated.

2.1 Motivation

Many scholars have been analyzing motivation since the early 20th century and most of them had defined it in a similar way. To begin with, the word “motivation” has been derived from the word “motive” which means that our mind directs our behavior towards our goals. Individual’s motives are the expression of his or her goals or needs (Kumar, Poornima, Abraham, & Jayashree, 2003). Therefore, motivation can be understood as a process of influencing a person to follow the desired course of action. The concept itself can be simply explained as the amount of effort and energy that person will expend to achieve the certain goal. It is like an inner force that leads a person to accomplish personal or organizational goals and objectives (Lindner, 1998). Motivation is the result of an interaction between the needs and incentives. Hence, people feel motivated when available incentives lead them to the satisfaction of their motives or needs (Kumar et al., 2003). While some scholars explain motivation in relation to an individual’s goals (Greenberg & Baron, 1997; Lindner, 1998; Kumar et al., 2003), others see it as a psychological process (Kanfer, Chen, & Pritchard, 2008a; Kreitner, 2007) or level of an individual’s expended effort to complete the task (Lauby, 2005; Ahlstrom & Bruton, 2010). More accurately, Kreitner (2007) has defined motivation as a psychological process that gives behavior purpose and direction. On the other hand, Ahlstrom and Bruton’s (2010) definition states that it is an internal force that activates and stimulates an individual’s goal-oriented behavior and directs it toward accomplishing a task. Moreover, emotions have a direct influence on the human motivation. Motivation is based on emotions, as individuals are in search for the positive emotional experiences and avoiding the negative ones. It determines a person’s

effort toward performing a task and if the person is motivated to complete the particular task, he or she will expend a high level of effort toward achieving the desired result. On the other hand, it is not the property of either the individual or the environment, but rather a psychological process that unites them (Kanfer et al., 2008a). In addition, Latham (2007) stated, that motivation is a result of adequacy between individual's needs and the real environment, as for example, characteristics of individual's job. According to Latham (2007), when the adequacy is high, people become more satisfied and motivated to perform their jobs because characteristics of their jobs are compatible with their needs. Individuals take action on their job to satisfy their needs and hence needs can be seen as the origin of action.

Scholars discuss motivation as a whole even though most of them mean employee motivation. However, Pinder (1984) identified specifically the definition of work motivation that will be used for the purpose of this thesis because it defines motivation in explicit and comprehensive way. After studying the theories of Jones, Vroom, Steers and Porter, Pinder (1984) came to the conclusion that work motivation is "a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior and to determine its form, direction, intensity and duration." (p. 8). Pinder (1984) believed that his definition of work motivation was more accurate than others due to its close relatedness to individual work behavior. Moreover, Pinder (1984) and Kanfer et al. (2008a) accented that motivation cannot be directly observed and measured. Motivational processes can only be explained by analyzing the streams of behavior caused by environmental or inherited factors that can be observed through their effects on abilities, beliefs, knowledge and personality. Furthermore, motivation is a dynamic process that occurs over time (Kanfer et al., 2008a). Motivation varies across persons and across situations for the same person. People are very different and have values for different things, therefore what motives one person, does not always motivate the others. On the other hand, Kanfer et al. (2008a) are concerned, that early theories on work motivation accentuate inputs as attitudes, emotions, behavior and outcomes as they occur in the individual's work place while modern formulations have a broader meaning including non-work related inputs such as family demands.

2.2 Types of motivation

By human nature, people are different and different types of factors can motivate them. People can be motivated because they value an activity or because there are strong external forces (Porter, Bigley, & Steers, 2003). There are two broad categories of motivation – intrinsic and extrinsic. Intrinsic motivation refers to an individual's willingness to do something because it is interesting or enjoyable while extrinsic motivation refers to an individual's willingness to do something because it leads to separable outcome (Ryan & Deci, 2000a). Following Self-Determination Theory by Deci and Ryan (1985), it can be noted that motivation is based on the different reasons or goals that give rise to the action. As Ryan and Deci (2000a) stressed, the quality of an individual's performance depends on whether the individual is behaving based on intrinsic or extrinsic reasons.

Intrinsic motivation arises from the pleasure that individual gets from the task itself (Deci & Ryan, 1985; Thomas, 2009). It can also come from the sense of satisfaction working on the task or completing it. An individual, who is intrinsically motivated, would work on a solution to a problem because the challenge of finding the solution provides the sense of satisfaction. In this case, the person does not work because there is some kind of reward involved, such as monetary payment, better working conditions or promotion. However, this does not mean that the person would not seek the rewards. It means that external rewards would not be enough to keep the individual motivated (Pinder, 1984). On the other hand, Thomas (2009) explained four intrinsic rewards that are: a sense of meaningfulness, a sense of choice, a sense of competence and a sense of progress. These are the rewards that an individual gets from self-managed work. According to Deci and Ryan (1985), „intrinsic motivation will be operable when actions are experienced autonomous and it is unlikely to function under conditions where controls or reinforcements are the experienced cause of action“(p. 29). Intrinsic motivation can be seen as a tendency to look for challenges and innovation, to extend and to try individual's capacities, to explore and to learn (Ryan & Deci, 2000a; 2000b). Individuals would be intrinsically motivated by positive performance feedbacks and in contrast, motivation can be diminished with negative feedbacks (Deci & Ryan, 1985). According to Deci and Ryan (1985), intrinsic motivation can be diminished not only with tangible rewards but also by for example, threats, deadlines, directives, pressured

evaluation and imposed goals. These kind of diminishing factors are like tangible rewards - they conduce toward an external perceived locus of causality (Deci & Ryan, 1985; Ryan & Deci, 2000a). On the other hand, intrinsic motivation can be increased by letting individuals make their choices, by acknowledgement of feelings and by opportunities for self-direction. These factors provide greater feeling of autonomy.

In contrast, extrinsic motivation refers to motivation that comes from outside sources. Extrinsic rewards, such as monetary incentives, benefits or promotion, provide satisfaction and pleasure that the task itself may not provide. Extrinsically motivated individuals will work on task even when they lack interest in it because of the expected satisfaction they will get from some reward. However, it does not mean that these individuals will not get any satisfaction from performing the task. It means that the satisfaction they expect from some outside reward will continue to be a motivator even when the tasks that the individuals are working on hold little or no interest. Extrinsic motivation is the most effective in the short-term and has a low power (Benabou & Tirole, 2003). Extrinsic rewards have a limited influence on individuals' performance and reduce the interest in taking such task in the future. According to Ryan and Deci (2000a), extrinsic motivation varies in the degree to which it is autonomous. Deci and Ryan (1985; 2000b) identified four types of extrinsic motivation that differ in their degree of self-determination and can be ranging from non-self-determined to self-determined forms. These types are external, introjected, identified and integrated types of regulation. The least self-determined type is external regulation which refers to the acts that are performed to attain a positive end state (e.g. money) or to avoid the negative one (e.g. employer's reprimands) which are separate from the task itself. Introjected regulation appears when individuals start to internalize the reasons from their behavior. They act out of obligation to avoid pressure or feeling of shame. Identified regulation represents the individual's choice to perform the activity after identifying the reasons. Integrated regulation refers to fully integrated individual's coherent sense of self. Integrated regulation has some relations to intrinsic motivation because both are forms of autonomous self-regulation. Extrinsic motivation was more important when organizations had very tall hierarchies (Thomas, 2009), but times has changed and classic extrinsic rewards become relatively less important (Kanfer et al., 2008b). Intrinsically satisfying and enjoyable tasks and opportunities to increase

worker's knowledge, technical skills and conceptualized interpersonal competencies are seen as important factors in building worker's competitive advantage in his or her job search.

2.3 Theories of motivation

Several researches that introduced human motivation, also introduced a number of theories explaining the factors that motivate employees. The most prevalent theories on the subject have been divided into two categories: content theories and process theories (Porter et al., 2003; Ahlstrom & Bruton, 2010). Both categories are focused on human motivation but while content theories are analyzing what motives individuals, process theories are trying to find how motivation occurs. Content theories determine the specific needs that motivate people. In organizational context, managers should be aware of differences in needs, goals and desires because each individual is unique in many ways. Process theories relate to external factors. Managers should understand the process of motivation. It is important how individuals make their choices based on preferences, rewards and accomplishments.

2.3.1 Content theories

Content theories are related to employee's needs and the most known and used theories are Maslow's hierarchy of needs and Alderfer's existence-relatedness-growth (ERG) theory. Even though Maslow's needs hierarchy was not particularly developed in relation to organizational settings, it was the first theory used focusing about motivation at work (Ahlstrom & Bruton, 2010). In extension and refinement of Maslow's theory of needs, Alderfer presented ERG theory, which categorized the needs into three main classes. The third theory that falls under content theories is Herzberg's motivator-hygiene model that was among first theories of motivation that was developed for organizational use. Another well-known theory in this category is McClelland's learned needs theory which proposes that individual's specific needs are acquired over time and are shaped by one's life experiences rather than as innate psychological characteristics (Porter et al., 2003).

2.3.1.1 Maslow's hierarchy of needs

Maslow's needs hierarchy is probably the most well-known motivational theory relating individual needs to motivation (Porter et al., 2003). This theory tends to show how the individual's personality develops over time and comes to manifest itself in motivated behavior. Maslow believed that need of individual guides its behavior and has the influence on individual's actions until the need has been satisfied. Maslow classified human needs into sequential priority from the lower to the higher and at the bottom there are fundamental needs such as shelter and food and on the top the most advanced need such as self-fulfillment (Porter et al., 2003). He believed, that the lowest needs must be satisfied, before higher-level needs are activating person's behavior and that only unfulfilled needs have an influence on human behavior and can motivate it (Maslow, 1970).



Figure 1: Maslow's need of hierarchy (Kumar et al., 2003, p. 14)

According to Maslow (1970), five types of needs motivate people and it can be classified into two categories: deficiency (physiological, safety and security and social needs) and growth needs (esteem and ego and self-actualization needs).

1. Physiological - the most basic needs that are related to individual's survival and include the need of oxygen, food, water, sleep. Maslow (1970) stressed, that if physiological needs are unsatisfied, the other needs do not exist. In the working environment, an employee would be concerned about basic working conditions (Porter et al., 2003).

2. Safety and security - these needs are felt right after the basic needs are satisfied. It associates with safety and security in individual's physical and emotional environment. These needs include the desire for stability, security, protection from physical threats, freedom from fear, order (Maslow, 1970). In a working place, such needs can be related to safe working conditions (Porter et al., 2003).
3. Social needs – relate to human belongingness and love. In this level, individual desires of being recognized and accepted by others, have friends, and be in love and be loved (Maslow, 1970). In organizational environment, these needs are satisfied by interacting with coworkers (Porter et al., 2003).
4. Esteem and ego – these needs include self-respect, self-esteem and respect and esteem for others, knowledge and independence. Moreover, it consists of desire for status, reputation, attention, importance and appreciation (Maslow, 1970). In the organizations, these needs can be related to the desire for higher position in the company's hierarchy and recognition for successfully accomplished task (Porter et al., 2003).
5. Self-actualization – the highest need level, which consists of self-fulfillment. Individuals with self-actualization needs are concerned about developing themselves as unique individuals. In this level, individuals' differences are the greatest (Maslow, 1970). In working environment, these needs can be represented in desire for a task that would challenge individual's skills and abilities (Porter et al., 2003).

Even though, Maslow's hierarchy has been questioned and criticized for needs classification and lack of its evidence (Pinder, 1984), the model is still useful in generating the basic ideas about human motivation (Porter et al., 2003). However, different people can be driven by entirely different motivational factors (Ahlstrom & Bruton, 2010). In organizational context, it is proposed that manager would recognize the needs level at which the employee is operating and use those needs as a source of motivation.

2.3.1.2 Alderfer's ERG theory

To address some of the limitations of Maslow's motivation theory, in 1972 Alderfer proposed the ERG theory (Porter et al., 2003). This theory also describes the needs as a

hierarchy and it was based on the work of Maslow (1970). Unlike Maslow, Alderfer proposed his theory specifically related to organizational settings (Porter et al., 2003). The letters ERG stands for three levels of needs: existence, relatedness and growth.

1. Existence – these needs are related to physiological and safety needs, the needs of existence (Ahlstrom & Bruton, 2010). Existence needs are usually limited. In organizational settings, it can be pay, benefits, working conditions.
2. Relatedness – these needs involve social and external esteem needs such as security needs and desire for prestige (Ahlstrom & Bruton, 2010). Satisfying relatedness needs requires the development of relationships and interactions with other people. These relationships with others do not always need to be positive. Hostile feelings toward others can be also important in developing important interpersonal relations (Pinder, 1984).
3. Growth – these needs are related to self-actualization and internal esteem needs. It is associated with development of human potential (Porter et al., 2003). However, Alderfer believed that growth needs involve the desire for interaction with environment by investigating, exploring and mastering it (Pinder, 1984).

Alderfer's theory agrees with Maslow (1970), that individual moves from existence, through relatedness toward growth needs. However, ERG theory argues that unlike Maslow's model, an individual is motivated by more than only one need level. He proposed that individual might seek to satisfy the growth needs even if the relatedness needs are not fully satisfied (Ahlstrom & Bruton, 2010). Moreover, ERG theory includes frustration-regression process, which can be explained as if individual is not able to satisfy higher-level needs, he or she becomes frustrated and return back to the lower needs level (Ahlstrom & Bruton, 2010). In organizations, managers should be aware that at the same time an employee has multiple needs to satisfy.

2.3.1.3 *Herzberg's motivator-hygiene theory*

Herzberg's motivator-hygiene theory is probably the most arguable theory of work motivation (Porter et al., 2003). Herzberg performed studies to identify which factors in employee's work environment caused satisfaction or dissatisfaction. The studies reported that factors leading to job satisfaction were intrinsic to the content of job and

included achievement, recognition, work itself, responsibility, advancement and growth (Porter et al., 2003). These factors were called motivators. On the other hand, dissatisfying factors, so called hygiene, were mostly linked to extrinsic factors such as company's policy and administration, supervision, working conditions, salary, status, security and interpersonal relations with boss and coworkers (Aswathappa, 2007). The key idea of this theory is that satisfaction and dissatisfaction are two separate dimensions. Satisfaction is affected by motivators while dissatisfaction by hygiene factors. Therefore, satisfaction occurs only when the motivator factors are used (Porter et al., 2003). Herzberg (1968) believed that the opposite of satisfaction is no satisfaction and the opposite of dissatisfaction is no dissatisfaction.

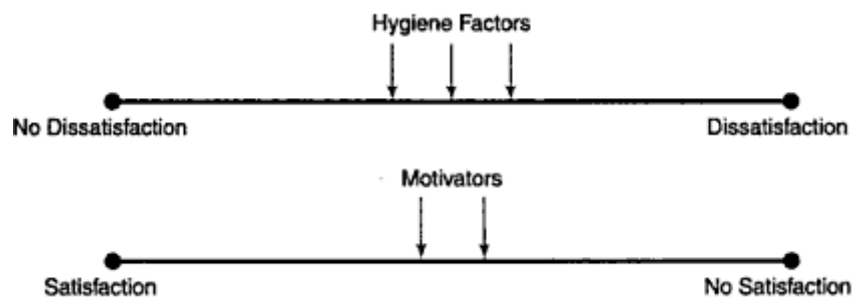


Figure 2: Contrasting views of satisfaction and dissatisfaction (Aswathappa, 2007, p. 361)

Despite the criticism, Herzberg's theory has important implications for managers (Porter et al., 2003; Aswathappa, 2007). Managers should cope with both hygiene and motivator factors to increase employee's motivation. They should provide hygiene factors to avoid dissatisfaction and at the same time provide intrinsic to work itself to achieve employees being satisfied with their jobs. According to this theory, the job content is a key of satisfaction and employees' motivation (Kreitner, 2007).

2.3.1.4 McClelland's learned needs theory

McClelland's theory of needs is another prevalent content theory (Porter et al., 2003). McClelland (1987) proposed that individual's certain needs are acquired over time and are shaped by one's life experiences. In relation to it, some sources call this theory acquired needs theory. According to this theory, person's motivation and effectiveness are influenced by three acquired needs: achievement, affiliation and power. McClelland believed that some individuals have a strong need for achievement, others for power and another group of people desires for affiliation.

1. Need for achievement – individual with high need for achievement are tend to seek their goals with taking risky situations rather than working on easy tasks. Achievement of a difficult task brings employee satisfaction and therefore he or she gets motivated. It can be noted, that when high achievers are given to perform unchallenging task, the achievement motive will not be activated (Porter et al., 2003). High achievers see the financial motivation as an indicator of their achievement. They prefer to work on their own and get immediate feedbacks on their performance, therefore they can relate the success or failure to their own effort (Aswathappa, 2007).
2. Need for affiliation – individual with high need for affiliation prefers harmonious relations with others and desire to be accepted by other people. Also, people prefer to work with others rather than to work alone. Consequently, an individual with high affiliation needs prefers to take jobs that include high amount of interpersonal contacts (Porter et al., 2003). In working situations, high affiliation employees would be more productive in cooperative and supporting working environment.
3. Need for power – person's high need for power is related to controlling the environment and other people. Individuals with high need for power derive satisfaction from being in the supervisor positions where they can influence and control (Aswathappa, 2007). Motivation is derived from the ability of being in the positions of the authority. Power can be two types: personal and social (Ahlstrom & Bruton, 2010). Individuals with high needs for personal power enjoy it for their own sake and use it for their own personal interests. On the other hand, individuals with high needs for social power have a high degree of altruism and social responsibility. They are concerned how their actions affect others (Ahlstrom & Bruton, 2010).

This theory proposes that achievement, affiliation and power needs are learned rather than instinctive (Ahlstrom & Bruton, 2010). McClelland's theory has a good applicability for organizational settings (Porter et al., 2003). It is worth mentioning that this theory highlights the importance of matching the person and the job. Managers can

stimulate employee motivation by creating the proper working environment (Aswathappa, 2007).

2.3.2 Process theories

Content theories are emphasized on the importance of innate needs in motivation. In contrast, process theories explain behavior as a result of decision making process. Individuals make decisions to perform and put forth some given level of effort. There are several developed process theories. However, four of the following are discussed in more details. Expectancy model by Vroom was created specifically for working situations. Few years later, Porter and Lawler extended Vroom's proposed model and created performance-satisfaction model. Another theory in this category is equity theory proposed by Adams which is the most developed and researched theory on the subject (Aswathappa, 2007). Furthermore, goal-setting theory developed by Latham and Locke explains why specified and difficult goals can work as motivators in employees' performance.

2.3.2.1 Vroom's expectancy theory

Expectancy theory, proposed by Vroom (1964), explains how individuals make decisions regarding various behavioral alternatives. Unlike Maslow and Herzberg, Vroom stressed and focused on outcomes and not on human needs. He believed that people rationally evaluate work behavior and choose to put effort where they expect it would lead to their desired outcomes, as for example work related rewards (Porter et al., 2003). Expectancy model includes three variables: valence, expectancy and instrumentality.

1. Valence – it is the extent to which the expected outcome is attractive or unattractive (Vroom, 1964). It is the expected received outcome from reached goal but not always associated with satisfaction.
2. Expectancy – is the degree to which an individual believes that putting in effort will lead to a given level of performance.
3. Instrumentality – is a degree to which an individual believes that a given level of performance will result in the certain achievement of the outcome.

Vroom suggested that employees feel motivated about their job when they can see the relation between performance and outcome, if they see the outcomes as satisfying

their needs. According to this theory, with the right opportunity an individual will choose to work if the valence of outcomes that he or she expect to obtain from performing the task are more positive than the valence of outcomes which individual expects to obtain from not working. In organizational context, managers can see beyond what Maslow and Herzberg proposed that motivation to work can only occur when work can satisfy unsatisfied needs. Managers should ensure that employees believe that increased effort will improve performance and that performance will lead to expected rewards (Aswathappa, 2007).

2.3.2.2 *Porter-Lawler model*

Porter and Lawler (as cited in Porter et al., 2003, p. 15) upgraded and expanded Vroom's (1964) expectancy theory. Similar to Vroom's (1964) theory, Porter and Lawler concluded that an individual's motivation to perform the task is affected by the outcome that they expect to receive by completing a particular task. However, they stressed that the effort is not always a result in job performance. Theory argues that even if the person is highly motivated and puts forth a lot of effort to complete the task, he or she might not have the ability to do so. Moreover, an individual might lack the clarity of the role. Even if an individual is high motivated but does not have a good understanding of the task to be performed, he or she would not direct the effort properly (Porter et al., 2003). Porter and Lawler highlighted that performance and satisfaction is not always related to each other. This model argues that people feel motivated when they expect they will be fairly rewarded. Porter and Lawler categorized the reward as intrinsic (such as satisfaction, sense of achievement) and extrinsic (monetary compensations). They suggested that intrinsic rewards can be closely linked with good performance because it can result directly from the performed task. On the other hand, extrinsic rewards depend on outside sources both for recognition and for administration of proper compensation (Porter et al., 2003).

2.3.2.3 *Adam's equity theory*

Adam's proposed equity theory is based on the principle that individuals are motivated by their desire to be treated equally in their work. The theory states that employees tend to assess fairness by making comparisons with others in similar situations. Therefore, an employee's motivation to perform a task would be influenced by the

perception whether the outcomes are fair comparing to those received by others. In this theory, outputs are the rewards for the performed task as for example salary, praise, job security, recognition and the inputs are understood as the characteristics that an employee brings with him or her to work as for example education, skills or experience (Aswathappa, 2007). The main idea of equity theory is that people evaluate their outcomes in a relation to their inputs and judge fairness of this relation comparing it to other people. If people find their rewards as equal to what others receive for similar performance, they will feel treated fairly and they will be more motivated. As in organizational context, an employee feels that he or she is not fairly treated if a coworker receives a better output for the same job. In this theory, the state of equity exists when the ratio of person's outcomes to inputs equals the ratio of other person's in the same group. In contrast, the inequality occurs when the input and output ratio is out of balance (Pinder, 1984).

2.3.2.4 *Goal-setting theory*

Goal-setting theory of motivation, introduced by Locke and Latham (2002), is based on the idea that performance is caused by individual's intention to perform. The focus is on "identifying the types of goals that are most effective in producing high levels of motivation and performance" (Jones & George, 2008, p. 534). A goal here is defined as what an individual is trying to accomplish through effort and behavior (Latham & Yukl, 1975). Theory suggests that to stimulate motivation and improve high performance, the goal must be specified (often quantified) and difficult. As authors came to a conclusion, difficult and specific goals result in higher performance comparing to when no goals are assigned or an abstract goal, as "do your best" (Latham & Yukl, 1975; Locke & Latham, 2006). Difficult goals are hard but possible to attain and it bares the higher power of motivation comparing to easy goals or when no goals are assigned. Difficult goals are also related to job satisfaction. When individuals succeed in difficult task, they feel that they can grow and meet the challenging job by pursuing and attaining goals that are important to the organization. However, feedback is important component in goal-setting theory because employee should be able to track his or her progress, commitment to the goal and task complexity (Locke & Latham, 2006). Theory states that even if the goal is assigned from different sources (managers, jointly set through

participation or self-set), it is still the same effective. However, the person must accept goals that are assigned to him or her or otherwise it would not have any effect on individual's behavior (Latham & Yukl, 1975). In order to increase motivation in organization, employee should have a realistic goal, which after achieving it will provide the sense of accomplishment. On the other hand, Latham and Locke (1979) argued that goal-setting theory used incorrectly can cause decreased motivation. According to them, dissatisfaction and poor performance may occur if the goals are unfair or unattainable. In addition, managers should be aware of that when a difficult goal is set without good quality controls, employees may increase quantity in the expense of quality.

3 Empirical background on the study

Motivational theories have been widely used in research over the years. Researchers attempted to find out what factors motivate employees and in this way indicate to employers how they could increase employees' performance at work. However, usually the theories were out of date by the time they were implemented (Kovach, 1980). Due to this, it is interesting to study what motivational factors are the most important to the students in their future work as they are considered the future workforce after a few years.

This chapter briefly covers the findings of the studies that have already been made on employee motivation and draws out the sub-questions of this thesis. First, it covers the general findings about importance of motivational factors and later the differences among demographics are compared. Moreover, similar investigations of those who analyzed work motivation among students as a future workforce are also discussed.

3.1 Employees' motivation

Employees' motivation has been studied for more than half of the century. Referring to the content and process theories, researchers prepared questionnaires, where usually motivational factors were ranked or assessed from the most important to the least important. Studies on employee motivation were found from 1940s where ten motivational factors were investigated and factors such as *full appreciation of work done, feeling of being in on things, sympathetic help with personal problems* were among the first ones that industrial employees wanted from their jobs (Kovach, 1981; 1996; Wiley, 1997). Around forty years later, Kovach (1981; 1987; 1996) did similar research. Not surprisingly, importance of motivational factors has changed. According to Kovach, (1987) the changes appeared due to the different economic situation. Studies of Kovach (1981; 1987; 1996) were done with short time-span and therefore both showed the same results. Importance of *interesting work* has increased and it was ranked as the most motivating factor. Comparing to Kovach's (1981; 1987; 1996) studies, Wiley (1997) found interesting results. The factor *interesting work* was assessed

as less important and the importance of *good wages* has increased. Fisher and Yuan (1998) supported these results. Moreover, they found that importance of *good working conditions* has increased. Lindner's (1998) results showed that factors *interesting work* and *good wages* were two most motivating factors for employees.

More researchers have made similar studies about employee motivation. The order of motivational factors is similar in each of the studies where *interesting work* and *good wages* are among the most motivating factors to work. Icelandic studies made by Arndís Vilhjálmsdóttir (2010) and Ragnheiður Þengilsdóttir (2012) showed similar results. Factor *interesting work* was among first three most motivating factors. However, *good wages* was not ranked among the first five motivating factors in Arndís Vilhjálmsdóttir (2010) research, while it was the most important factor few years later after the affects of Icelandic economic crisis were felt stronger (Ragnheiður Þengilsdóttir, 2012). The comparison of five most important motivational factors in the studies that have been found on employee motivation can be seen in table 1.

Table 1: Comparison of motivational factors by importance

Author, year	Location and sample	Importance of motivational factors
Labor Relations Institute, 1946	US; industrial employees	1. Full appreciation of work done 2. Feeling of being in on things 3. Sympathetic help with personal problems 4. Job security 5. Good wages
Kovach, 1980	US; industrial employees	1. Interesting work 2. Full appreciation of work done 3. Feeling of being in on things 4. Job security 5. Good wages
Kovach, 1986	US; industrial employees	1. Interesting work 2. Full appreciation of work done 3. Feeling of being in on things 4. Job security 5. Good wages
Wiley, 1992	US; industrial employees	1. Good wages 2. Full appreciation of work done 3. Job security 4. Promotion and growth in the organization 5. Interesting work
Fisher and Yuan, 1998	China; international hotel's employees	1. Good wages 2. Good working conditions 3. Personal loyalty to employees from superior 4. Promotion and growth in my skills 5. Full appreciation of work done
Lindner, 1998	US; Piketon Research and Extension Center's employees	1. Interesting work 2. Good wages 3. Full appreciation of work done 4. Job security 5. Good working conditions
Yew, 2008	Malaysia; tourism industry's employees	1. Interesting work 2. Job security 3. Opportunities for advancement and development 4. Good working conditions 5. Feeling of being involved
Malik, 2010	Pakistan; faculty members at University of Balochistan	1. Living in the safe area 2. Good salary 3. Promotion and growth in the organization 4. Interesting work 5. Conductive working conditions
Arndís Vilhjálmssdóttir, 2010	Iceland; employees from researcher's networks	1. Interesting work 2. Possibility for achievements 3. Full appreciation of work done 4. Feeling of being in on things 5. Growth in the organization
Qayyum, Sukirno, 2012	Pakistan; banking industry's employees	1. High salary 2. Seniority-based promotion 3. Personal development and learning 4. A stable and secure future 5. Balanced work and family life
Ragnheiður Þengilsdóttir, 2012	Iceland; industrial employees	1. Good wages 2. Possibility for achievements 3. Interesting work 4. Full appreciation of work done 5. Possibility to enhance your skills

Importance of motivational factors differs among demographics. For example, gender differences were found in majority of the studies about employee motivation. In some studies, significant differences were found while in others only the differences in several motivational factors. Studies about what makes a job good or bad were collected over 30 years with more than five thousand participants ranking the importance of ten factors (Jurgensen, 1978). Results showed that males put priority to *security*, *advancement* and *type of work*, while females ranked *type of work*, *company* and *security* being the most important. Similar gender differences were found in Manhardt (1972) study about job orientation of male and female college graduates in business. Males preferred characteristics containing advancement/responsibility factor related to long-range career success while females ranked higher the characteristics related to work environment factor and pleasant interpersonal relationships. Later studies supported previous results (Kovach, 1987; Harpaz, 1990; Wiley, 1997; Manolopoulos, 2007). Kovach (1987) claimed that such gender differences might rise because working females have different problems than males. They are trying to manage their traditional housewife's role with worker's role. In addition, results from Manhardt (1972) study showed that males ranked *high income* being more important than females but it was not the priority on the list. Harpaz (1990) also supported these results where males ranked *good salary* more important compared with females. Gender differences were also found in Icelandic studies and results are somewhat in accordance to previously discussed studies. The study of Arndís Vilhjálmsdóttir (2010) found that factors such as *job security*, *pleasant people to work with*, and *equally treated workers* were more important for females than males. However, the research made by Ragnheiður Þengilsdóttir (2012) shows that these factors are more important for males than females. On the other hand, in both Icelandic studies, males put more importance on an *opportunity to use initiative* and *possibility to enhance your skills*. In context to these results, the first research sub-question was put forward:

Q1: *Is there a difference between genders in importance of motivational factors among students at the University of Iceland?*

Most of the studies analyzed the motivational factors according to participants' age. It was found that age influences the level of motivation among employees (Paul, 2012).

For example, Kovach (1987; 1996) found significant difference comparing the groups under 30 years old and other older groups. Participants under 30 years old rated *good wages, job security and promotion and growth in the organization* as their first three choices. According to Kovach (1987; 1996), this might be explained in relation to that younger employees have not yet fulfilled their basic needs that Maslow's theory propose. Studies by Fisher and Yuan (1998), Manolopoulos (2007), Qayyum and Sukirno (2012) supported these results. Moreover, Qayyum and Sukirno (2012) found that younger groups (20-30 years old and 30-40 years old) preferred *seniority based promotion* and put more importance on *stable and secure future* compared with older than 40 years old participants. Harpaz (1990) found that younger participants place more importance on *a lot of autonomy and opportunity to learn*. It was supported by later study by Qayyum and Sukirno (2012) where *personal development* was ranked more important by younger than 20 years old. Older group (31-40 years old) ranked *job security* more important compared with other age groups (Kovach, 1987; 1996). These results were supported by Harpaz (1990) and Fisher and Yuan (1998). Participants over 40 years old put more importance on *relaxed working environment and social status* (Harpaz, 1990). These findings are in accordance to Kovach (1987; 1990) study were participants over 50 years old put greater importance on *good working conditions*. Similar results about good wages and promotion were found among Icelandic employees (Arndís Vilhjálmssdóttir, 2010). On the other hand, Arndís Vilhjálmssdóttir (2010) found that *good working conditions* were ranked higher by participants that are younger than 35 years old. In contrast, according to Ragnheiður Þengilsdóttir (2012) *good wages and job security* were slightly more important for older than 51 years old employees. Following these results, the second sub-question was applied:

Q2: *Is there a difference among age groups in importance of motivational factors among students at the University of Iceland?*

Importance of motivational factors also differs among employees that have different income level. Kovach (1987; 1996) study divided income level into four groups. Results showed significant difference among the lowest income group compared to other groups. Employees with the lowest income ranked *good wages, job security and promotion and growth in the organization* in the primary positions while middle income

groups placed these factors in the middle positions in their lists. In addition, employees with high-income ranked *interesting work* and *full appreciation of work done* as their first and second choices. Results were partly supported by Wiley (1997). On the other hand, Wiley's (1997) research showed that only the group with the highest income level did not rank *good wages* as their first priority. Moreover, results of Icelandic study by Ragnheiður Þengilsdóttir (2012) showed that employees with lower income ranked *job security* higher than those with higher income level. Most of the students at the University of Iceland have their own incomes that covers their expenses. There are several sources that students are using to get the money. For example, they are part-time workers that combine studies with work, they get financial support from parents or spouses or take a student's loan provided by Icelandic Student Loan Fund. Depending on income size, students can be motivated to work by different factors. To compare the difference in Icelandic students' environment, the third sub-question was put forward:

Q3: *Is there a difference among income levels in importance of motivational factors among students at the University of Iceland?*

Differences of importance of motivational factors have been found among the employees with different education level (Paul, 2012). Some interesting differences were found in Icelandic studies. Arndís Vilhjálmsdóttir (2010) divided finished education in three levels: finished secondary school, undergraduate university studies and graduate university studies. Results showed that those employees with finished secondary school education ranked *job security*, *good wages* and *good working conditions* more important compared with other employees that have higher education. These results were supported by the later study by Ragnheiður Þengilsdóttir (2012). In addition, employees with undergraduate university studies put more importance to *development in their work* and *feeling of being in on things* compared to the other levels (Ragnheiður Þengilsdóttir, 2012). Moreover, later study found that *full appreciation of work done* was much more important to those with finished undergraduate university studies. Employees with highest educational level ranked the factors such as *having influence on decision-making*, *responsibility at work* and *promotion* more important compared to other groups. Later study supported these results (Ragnheiður Þengilsdóttir, 2012). On the other hand, *good wages* got the greatest importance from

the employees with highest educational level. Following these results, the forth sub-question was applied:

Q4: Is there a difference among levels of highest finished education in importance of motivational factors among students at the University of Iceland?

Some of the studies about employee motivation put emphasis on work experience. For example, Qayyum and Sukirno (2012) states that there are some differences among the groups with different work experience. Results showed that employees with less than 10 years of work experience place more importance on *high salary* compared with those who have between 15 and 20 years of work experience. According to the authors, the explanation could be that those with more work experience already have good salaries because of their competence at work. Ragnheiður Þengilsdóttir (2012) supported these results in her study. Moreover, she found that *success at work* is much more important for those with less than 10 years of work experience. Factors as *opportunity for advancement* and *seniority-based promotion* were also more important to those with less than 15 years of work experience (Qayyum & Sukirno, 2012). These results are in accordance to the results of the Icelandic study (Arndís Vilhjálmsdóttir, 2010). Usually, employees with more work experience already have good positions and are not interested in promotion or advancement (Qayyum & Sukirno, 2012). On the other hand, employees with more than 20 years of work experience put more importance on factors such as *possibility to show initiative* (Arndís Vilhjálmsdóttir, 2010), *responsibility at work* and *to have influence on decision making* (Ragnheiður Þengilsdóttir, 2012). In Iceland, many students return to the University to seek a higher education or after taking a few years break from the studies. Young people are also encouraged to work during the holidays or summer time. Due to the fact, many students at the University of Iceland have some years of work experience that could have shaped their attitudes toward work motivation. In relation to it, the fifth research sub-question was put forward:

Q5: Is there a difference among years of work experience in importance of motivational factors among students at the University of Iceland?

3.2 Students' motivation

Work motivation has been also studied among students as considered future workforce. However, not much research exists about this subject. On the other hand, some authors decided to focus on young people who have not graduated yet. The importance on examining students' motivation rises because expectations and work attitudes differ among young recruits and older workers (Taylor, 2005a). Moreover, pre-existing individual's attitudes, developed before entering the workforce, may serve as a basis of individual's attitudes in their future work (Krau, 1989). Results from the research made by McCall and Lawler (1976) also proved, that work attitudes are developed before entering adult workforce. Therefore, attitudes developed before entering adult employment influences job choices and job attitudes in the future (McCall & Lawler, 1976).

As it was mentioned in a previous chapter, importance of motivational factors differs among demographic factors. It has been found that some differences exist also among students. For example, gender differences were found in majority of such studies (McCall & Lawler, 1976; Brenner & Tomkiewicz, 1979; Bu & McKeen, 2001; Sagan, Tomkiewicz, Adeyemi-Bello, & Frankel, 2008). Female students put more importance on intrinsic rewards and had lower occupational aspiration than males (McCall & Lawler, 1976). Brenner and Tomkiewicz (1979) supported these results. Their findings suggested that male students are more concerned about *high salary* and *advancement permission to high administrative responsibility* compared with females students. Significant difference among genders was found in importance of *job security* where females place higher importance than males (Chow & Ngo, 2002). Study by Sagan et al. (2008) also found differences among genders but they are more or less in accordance to previous mentioned researches.

Several studies that have been found on students' motivation were sampling business students specifically (Manhardt, 1972; Brenner & Tomkiewicz, 1979; Bu & McKeen, 2001; Sagan et al., 2008) while samples of other studies were the students from the whole university (McCall & Lawler, 1976; Chow & Ngo, 2002; Chetkovich, 2003; Taylor, 2005a; 2005b; 2010). However, students' motivation varies in what kind of studies they are enrolled. Research made by Kolbrún Eva Sigurjónsdóttir (2012) about

what motivates university students to study, showed significant differences when it came to in what schools of the university students were studying. Students in the school of social sciences were less motivated to study by *interesting study material and tasks* compared with students in the school of health sciences, school of humanities and school of education. Moreover, students in the school of education were more motivated by *interesting studies material and tasks* compared with students in the school of engineering and natural sciences. The factor *income after finished education* was more motivating the students in the school of social sciences than students in the school of humanities and school of education. Also, students in the school of education were less motivated by *rewards e.g. monetary rewards and other kind of prizes* than both students in the school of social sciences and school of engineering and natural sciences. In relation to this, the sixth research sub-question was applied:

Q6: *Is there a difference among different schools of the university in importance of motivational factors among students at University of Iceland?*

Several studies analyzed the importance of motivation according to the sector in which the student was intended to work after graduation. According to Taylor's (2005a; 2005b; 2010) studies, those students who were planning to enter private sector put more emphasis on *high salary, opportunity for self-improvement, prestige and high status, job security and high organizational profile*. On the other hand, students who intended to enroll in public sector put more importance on *job security and fair salary* rather than *high income*. They ranked *status and prestige* as the least important motivational factors. These results are in accordance to previous study by Chetkovich (2003). In relation to this, the seventh research sub-question was applied:

Q7: *Is there a difference between intended sectors after graduation in importance of motivational factors among students at University of Iceland?*

In addition to the seventh sub-question, two hypotheses were put forward:

H1: *Students who intend to enter the private sector after graduation will rank good wages higher than those who intend to enter the public sector.*

H2: *Students who intend to enter the public sector after graduation will rank the factor job security higher than good wages.*

Furthermore, Sagan et al. (2008) suggested that even though students bring their attitudes and expectations to new workplace, in given time it would change to fit the actual situations. On the other hand, these studies on students' motivation and their job attitudes give a useful insight for the companies that will soon hire future workforce. By being aware of that, organizations can prepare the attractive offers and win the competition with other companies in hiring the best labor force (Sagan et al., 2008).

4 Research method

The aim of this research is to find out the importance of motivational factors among students of University of Iceland as considered future workforce. The quantitative research method is used in this study. Such method allows gathering information from a wide number of participants in a shorter time compared with qualitative research method. Moreover, it is well suited for quantitative description, comparisons between groups, place, etc. In this research, participants were asked to rank ten motivational factors in order from the most important (1) to the least important (10) that would motivate them in their present or future job. The results should later show what motivational factors are the most important among students at the University of Iceland. The research also aims to find out whether the importance of motivational factors are different comparing demographic factors such as gender, age, income levels, highest finished education levels, years of work experience, schools of the university and intended work sectors after graduation. This chapter presents participants, explains the instrument that has been used in this study, discusses the procedure and shortly explains how data was analyzed.

4.1 Participants

Convenience sampling was used in this study and participants were the students of the University of Iceland. The sample of students at the University of Iceland was chosen due to the easy access of participants and because it is the largest university in Iceland, which offers diversified programs. Students were asked to complete the online survey and participation was a free choice. Useful questionnaires were gathered from 377 participants. The gender ratio was unevenly distributed, females representing 74,3% (n=280) of the sample and males representing 25,7% (n=97) of the sample. This uneven gender distribution corresponds somewhat to the gender ratio of the University of Iceland student body where there are 65% of females' students and 35% of males' students studying at the University of Iceland (Ásdís A. Arnalds, Auður M. Leiknisdóttir, Guðbjörg A. Jónsdóttir, Guðný B. Tryggvadóttir, Heiður H. Jónsdóttir, & Hrefna Guðmundsdóttir, 2012). Moreover, 38,7% (n=146) of the sample were single, 36,1%

(n=136) of the sample were in a relationship and 25,2% (n= 95) of the sample were married.

Participants' age was grouped into five groups. Respondents at the age of 20 or younger were 8,5% (n=32) of the sample, 21 – 30 years old were the largest group with 45,6% (n=172) of the sample, 31 – 40 years old was 22,8% (n=86), 41 – 50 years was 14,9% (n=56) of the sample and the last group older than 51 year was 8,2% (n=31) of the sample. It is worth mentioning that most of the Icelandic students enroll in universities after graduating upper secondary schools in their early 20s and is the larger group in universities. Distribution by age groups can be seen in the figure 3.

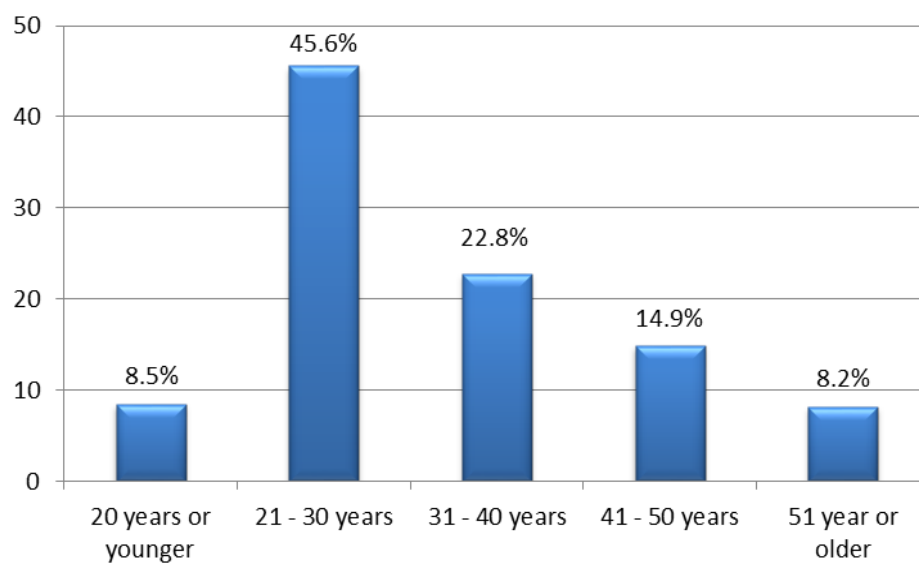


Figure 3: Sample distribution by age groups

Participants were grouped by income level into six groups. There was 8,8% (n=33) of the sample with income 100.000 ISK per month or less, 18,6% (n=70) of the sample with income from 100.001 ISK to 200.000 ISK per month, 16,7% (n=63) of the sample with income from 200.001 ISK to 300.000 ISK per month, 14,1% (n=53) of the sample with income from 300.001 ISK to 400.000 ISK per month, 11,7% (n=44) of the sample with income from 400.001 ISK to 500.000 ISK per month and the majority of the sample 30,2% (n=114) was with income 500.001 ISK per month or more. The distribution by income level can be seen in figure 4.

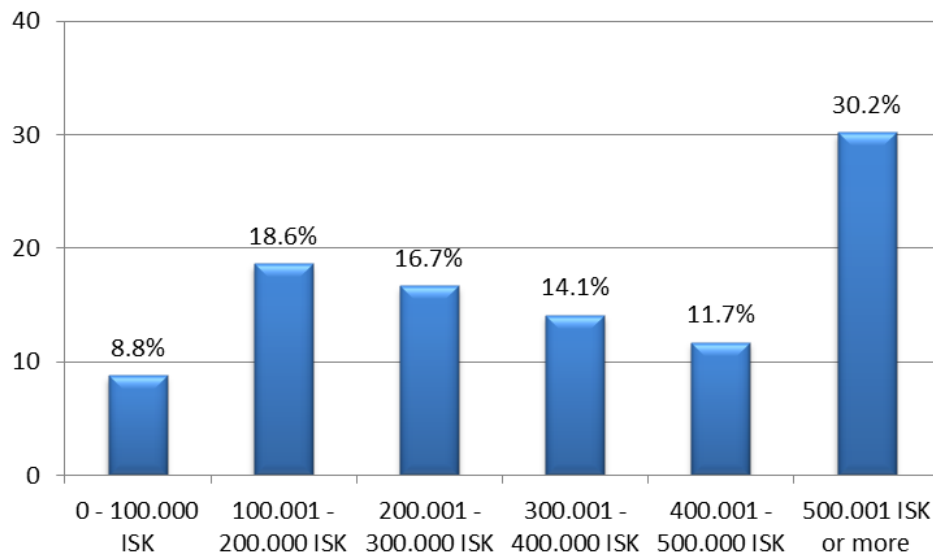


Figure 4: Sample distribution by income level

The majority of the respondents or 49,9% (n=188) of the sample have finished Stúdentispróf or have lower education, 35,8% (n=135) of the sample have finished B.S/ B.A/ B. ed. or have comparable education and 14,3% (n=54) of the sample have finished M.S/ M.A/ M. ed. or comparable education or even higher education degree. It can be assumed that participants with Stúdentispróf or lower education are those that are enrolled in undergraduate university's studies and are the highest number of students in the University of Iceland. Participants with B.S/ B.A/ B. ed. or comparable education are usually those that are taking graduate university's studies. There were 3361 students signed up for a Master's degree education in the University of Iceland in February 2012 (Háskóli Íslands, 2012). Moreover, it can be assumed that participants with M.S/ M.A/ M. ed. or comparable or higher education are those who are seeking for another profession or are enrolled in Ph. D. studies. There were 478 students signed for Ph. D. studies at the University of Iceland in February 2012 (Háskóli Íslands, 2012). The distribution by level of highest finished education can be seen in figure 5.

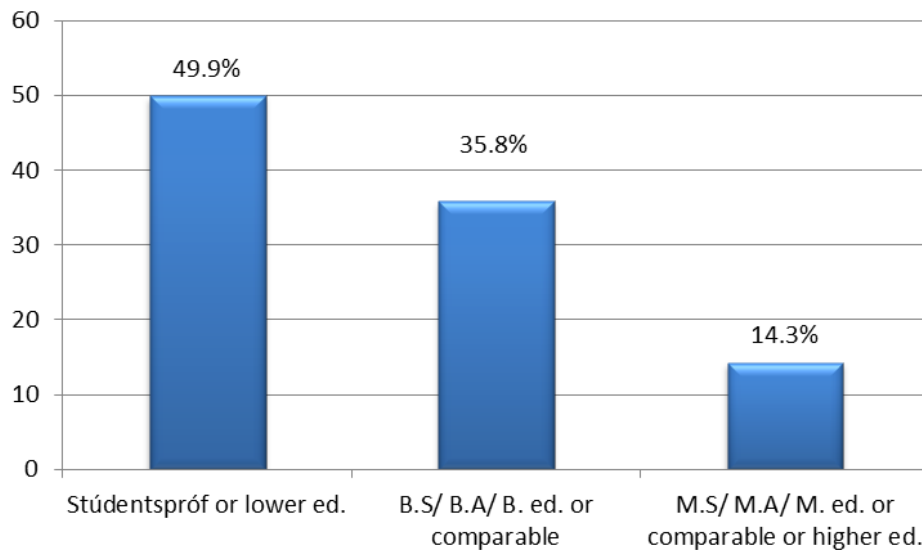


Figure 5: Sample distribution by level of highest finished education

Participants' work experience by years was grouped into six groups. There were 6,9% (n=26) of the sample with no work experience, 29,2% (n=110) of the sample with less than five years of work experience, the larger group 32,9% (n=124) of the sample was with 6 to 10 years of work experience, 9% (n=34) of the sample with 11 to 15 years of work experience, 10,1% (n=38) of the sample with 16 to 21 years of work experience and 11,9% (n=45) of the sample with 21 year or more of work experience. The distribution by years of work experience can be seen in figure 6.

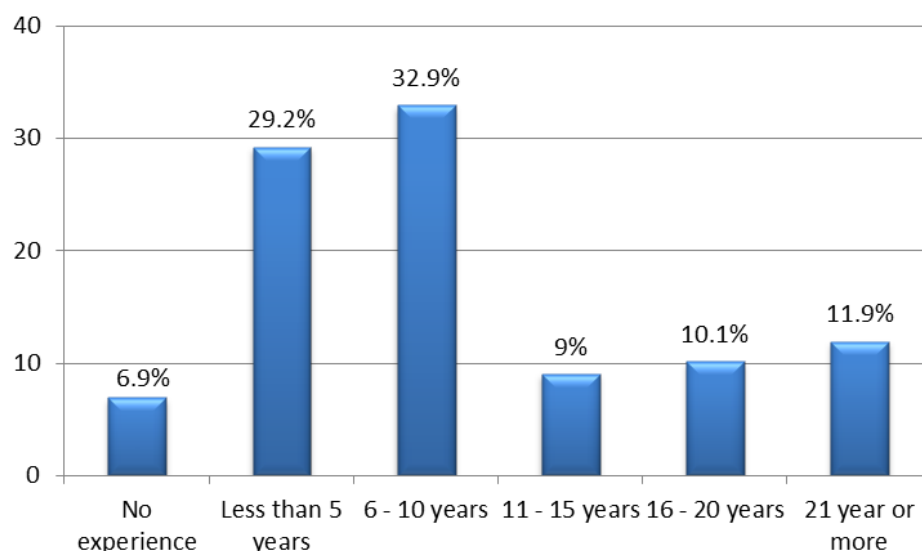


Figure 6: Sample distribution by years of work experience

Sample of this study came from different schools of the University of Iceland. There were 38,7% (n=146) of the sample from a school of social sciences, 15,6% (n=59) of the

sample from a school of education, 14,6% (n=55) of the sample from a school of humanities, 14,3% (n=54) of the sample from a school of health sciences, 13,5% (n=51) of the sample from a school of engineering and natural sciences and 3,2% (n=12) of the sample from the other programs. This uneven sample distribution corresponds somewhat to the ratio of the University's students enrolled in different schools. For example, the numbers of graduate students at the University of Iceland show that the majority of the students are enrolled in the school of social sciences followed by the school of education, the school of humanities, the school of engineering and natural sciences and the school of health sciences (Háskóli Íslands, 2012). The distribution by schools of the university can be seen in figure 7.

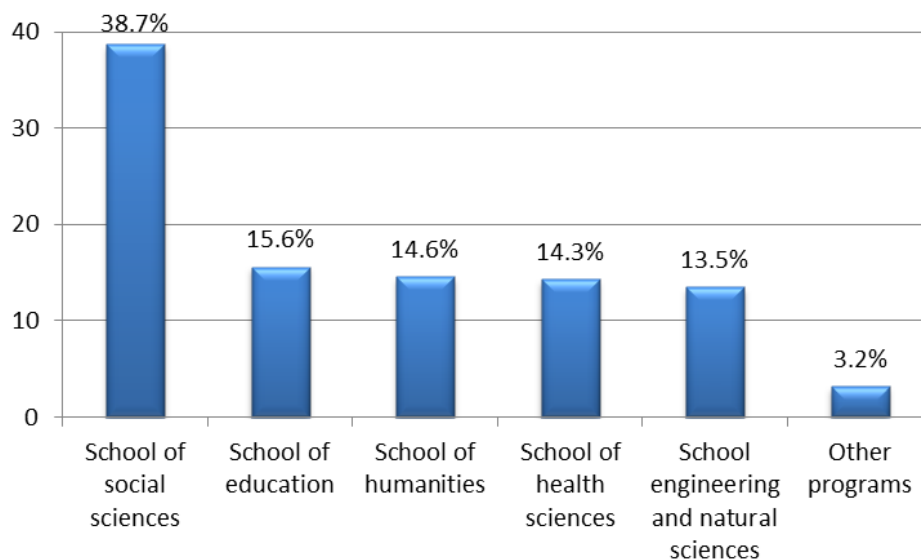


Figure 7: Sample distribution by schools of the University of Iceland

There were 54,4% (n=205) of the sample intending to work in the public sector after finishing their studies and 45,6% (n=172) of the sample intending to work in the private sector after finishing their studies.

4.2 Instrument

The instrument that was used to collect results for this research was a questionnaire. It included eleven questions: one main question and ten background questions (see Appendix 1). The main question was the list of ten motivational factors that participants were asked to rank in order from the most important factor that they indicated as number 1 to the least important one that they indicated number 10 that would motivate them to work in their present or future job. It was decided to use ten

motivational factors that come from previous researches (Kovach, 1980, 1987, 1996; Wiley, 1997; Fisher & Yuan, 1998; Lindner, 1998). These factors reflect the theories of motivation. The list included both intrinsic and extrinsic types of motivational factors. The ten factors are: *full appreciation of work done, feeling of being in on things, sympathetic help with personal problems, job security, good wages, interesting work, promotion and growth in the organization, personal loyalty to employees, tactful discipline and good working conditions*. The questionnaire was created in Icelandic to avoid misunderstanding of the language. Factors were translated from original English language to Icelandic. It was also back-translated to English by a different person to make sure that the meaning did not change in the process. Icelandic studies by Arndís Vilhjálmisdóttir (2010) and Ragnheiður Þengilsdóttir (2012) included previously mentioned factors in their studies. Even though other researchers used expanded lists including other factors, these ten factors are the most common in the previous studies and are among the first ones that participants ranked as the most motivating.

Ten background questions were included in the questionnaire. Participants were asked about their gender, age, highest finished education level, in what school of the university are they studying, do they have a job related to their studies, what is their work experience, in what sector do they intend to work after graduation, what is their marital status, number of children living at home and income level. With these questions, it was aiming to explore the differences among the different groups and answer seven research's sub-questions.

All questionnaire's questions were marked as required to answer, therefore there were no missing values in this research.

4.3 Procedure

The research was made using self-administrated online questionnaire. First, questionnaire was translated in Icelandic to prevent any language misunderstandings for the participants. The questionnaire was back-translated to English by the different person to ensure the validity of the questions. The online survey was created using Google Forms that allows easy data collection. It included the main instructions, the list of motivational factors and background questions. Online survey was pre-tested by four people to make sure that questionnaire's instructions are clear and questions are

understandable. Later, the online survey was corrected in accordance of the suggestions. Survey was sent out via email to all students of the University of Iceland that allow getting such online questionnaires or to 8598 students. The online survey was opened from 29 of October 2012 until 10 of November 2012. After a week passed, it was decided to send the reminder to increase the number of participants. When the online survey was closed, the collected data was transferred into an Excel file. After checking data, it became clear that some of the questionnaires were filled incorrectly and therefore it was decided to eliminate those answers. The total number of filled questionnaires was 398. Out of them, there were 21 filled incorrectly and therefore deleted. The total number of useful questionnaires were 377 that makes the response rate 4,39 %.

4.4 Data analysis

Collected data was analyzed using MS Excel program and SPSS Statistics software package. Frequency tables were used to derive and compare descriptive statistics. Due to the ordinal data, Wilconson Signed Ranks test was used to analyze how the factors were ordered on the list. Later on, statistical differences were tested using Mann-Whitney U test for comparison of two groups and Kruskal-Wallis H test for comparison when three or more groups were involved.

5 Results

With this research, the aim was to answer the main research question: *What motivational factors are the most important among students at University of Iceland?* Moreover, seven sub-questions were put forward identifying the differences in importance of motivational factors based on participants' gender, age groups, income level, level of highest finished education, years of work experience, schools of the university and intended sector after graduation. In addition, two hypotheses were tested in relation to the seventh sub-question about intended sector. This chapter presents the results related to the questions.

5.1 Motivational factors

Importance of motivational factors was determined by calculating mean ranks for each factor. The factor with the lowest mean was ranked in the first position as being the most motivating while the factor with the highest mean was ranked in the last position as being the least motivating. The factor *interesting work* was with the lowest mean and it can be ranked as the most motivating factor to work among this sample of students at University of Iceland. The next motivating factors are *good wages*, *job security* and *full appreciation of work done*. The factors *personal loyalty to employees*, *tactful discipline* and *sympathetic help with personal problems* scored the highest mean and therefore can be ranked as the least motivating factors for work identified by this sample. The order of motivational factors by mean ranks can be seen in table 2.

Table 2: The order of motivational factors by mean ranks

Motivational factor	Overall ranking (mean rank)
Interesting work	1 (2.95)
Good wages	2 (3.92)
Job security	3 (4.69)
Full appreciation of work done	4 (4.74)
Good working conditions	5 (5.47)
Feeling of being in on things	6 (5.64)
Promotion and growth in the organization	7 (6.1)
Personal loyalty to employees	8 (6.43)
Tactful discipline	9 (7.46)
Sympathetic help with personal problems	10 (7.6)

For further analysis Wilconson Signed Ranks test was run. From this test, it can be seen whether there is a statistically significant difference among the factors and what positions can be assigned to each factor. The order of motivational factors assigned by position can be seen in table 3.

Table 3: Motivational factors assigned by position

Motivational factor	Position
Interesting work	1
Good wages	2
Job security	3. - 4.
Full appreciation of work done	3. - 4.
Good working conditions	5. - 6.
Feeling of being in on things	5. - 6.
Promotion and growth in the organization	7. - 8.
Personal loyalty to employees	7. - 8.
Tactful discipline	9. - 10.
Sympathetic help with personal problems	9. - 10.

The results of Wilconson Signed Ranks test showed that the factor *interesting work* ($Z = -6.449, p < .001$) was ranked as the most motivating to work and therefore was placed in the first position. The next factor *good wages* ($Z = -4.933, p < .001$) was placed in the second position while *job security* and *full appreciation of work done* ($p > .05$) were both placed in the 3rd to 4th positions because no statistically significant difference was between them. The factor *good working conditions* ($Z = -3.736, p < .001$) was significantly different compared with the factor *full appreciation of work done* and therefore together with factor *feeling of being in on things* ($p > .05$) was placed in

positions 5th to 6th because no significant difference was found between them. However, the factor *promotion and growth in the organization* ($Z = -2.322$, $p = .02$) was statistically significantly different compared with the factor *feeling of being in on things* and therefore together with the factor *personal loyalty to employees* ($p > .05$) were placed in positions 7th to 8th. Both factors share these positions because no statistically significant difference was found between them. Finally, the factor *tactful discipline* ($Z = -6.672$, $p < .001$) was significantly different comparing with the factor *personal loyalty to employees* and therefore was placed into positions 9th to 10th. No significant difference was found between factors *tactful discipline* and *sympathetic help with personal problems* ($p > .05$). Due to this, both factors share positions 9th to 10th.

Moreover, frequency analysis was made for each factor to investigate what factors were ranked in the first three highest positions and the lowest position by majority of participants. Results showed that the factor *interesting work* was placed into first three positions by 75.1% of participants. 53.6% of participants put *good wages* in 1 – 3 positions and 36.6% of participants put the factor *full appreciation of work done* in 1 – 3 positions. Factors *interesting work* and *good wages* are in accordance to the results of mean ranks and hold strong primary positions. In addition, it is worth mentioning that the factor *interesting work* was ranked in the first position by 50.4% of participants. The full list of percentage of how often motivational factors were placed into first three positions can be seen in table 4.

Table 4: Percentage of how often motivational factors were placed into 1 to 3 positions

Motivational factor	Percentage
Interesting work	75.1%
Good wages	53.6%
Full appreciation of work done	36.6%
Job security	36.3%
Feeling of being in on things	23.1%
Good working conditions	21.8%
Promotion and growth in the organization	16.7%
Sympathetic help with personal problems	13.0%
Tactful discipline	12.2%
Personal loyalty to employees	11.7%

Factors that were ranked into first three positions by the lower percentage of participants, were among the first ones that participants placed in 10th position. Factor *sympathetic help with personal problems* was ranked as the least motivating by 40.8% of participants. This is in accordance to the mean ranks analysis where *sympathetic help with personal problems* has the highest mean or is the least motivating factor. The full list of percentage of how often motivational factors were placed in the 10th position can be seen in table 5.

Table 5: Percentage of how often motivational factors were placed in 10th position

Motivational factor	Percentage
Sympathetic help with personal problems	40.8%
Tactful discipline	20.7%
Interesting work	7.4%
Personal loyalty to employees	6.1%
Promotion and growth in the organization	6.1%
Feeling of being in on things	6.1%
Full appreciation of work done	4.8%
Good working conditions	4.5%
Job security	2.1%
Good wages	1.3%

5.2 Differences based on gender

The importance of motivational factors based on gender were found by comparing the mean ranks for each factor. The order of factors identified by gender can be seen in table 6.

Table 6: Mean ranks and position of motivational factors based on gender

Motivational factor	Overall ranking (n=377)	Males (n=97)	Females (n=280)
Interesting work	1	1 (2.87)	1 (2.98)
Good wages	2	2 (3.54)	2 (4.06)
Job security	3	3 (4.71)	4 (4.68)
Full appreciation of work done *	4	5 (5.36)	3 (4.52)
Good working conditions	5	7 (5.66)	5 (5.41)
Feeling of being in on things *	6	4 (5.19)	6 (5.80)
Promotion and growth in the organization *	7	6 (5.47)	7 (6.32)
Personal loyalty to employees	8	8 (6.70)	8 (6.34)
Tactful discipline	9	9 (7.69)	9 (7.38)
Sympathetic help with personal problems	10	10 (7.81)	10 (7.53)

* statistical significant difference when $p < .05$

Both groups agreed on two first positions and three last positions. Males and females are mostly motivated by *interesting work* and *good wages* and the least motivated by *personal loyalty to employees*, *tactful discipline* and *sympathetic help with personal problems*. For further investigations, whether there is a statistically significant difference among motivational factors and both groups, Mann-Whitney U test was used. Significant differences between these groups were found among three factors. Mann-Whitney U test showed that *full appreciation of work done* ($U = 11015$, $p = .005$) is more motivating factor to females compared with males. *Feeling of being in on things* ($U = 11548$, $p = .027$) was more motivating factor to males than females. Moreover, *promotion and growth in the organization* ($U = 10949$, $p = .004$) was a more important motivational factor for males compared with females. Further investigation showed that the factor *interesting work* ($H(2) = 8.407$, $p = .015$) was more motivating to married females compared to the females who are single or in a relationship. The factor *promotion and growth in the organization* ($H(2) = 6.724$, $p = .035$) was less motivating to females that are single.

5.3 Differences based on age groups

Mean ranks comparison was used to explore the order of motivational factors identified by five age groups. The order of factors can be seen in table 7.

Table 7: Mean ranks and position of motivational factors based on age group

Motivational factor	Overall ranking (n=377)	20 years old or younger (n=32)	21 - 30 years (n=172)	31 - 40 years (n=86)	41 - 50 years (n=56)	51 years old or older (n=31)
Interesting work	1	1 (3.31)	1 (2.99)	1 (2.86)	1 (2.77)	1 (2.94)
Good wages	2	2 (3.84)	2 (3.96)	2 (3.93)	2 (3.73)	3 (4.13)
Job security *	3	3 (4.47)	3 (4.67)	4 (4.6)	3 (4.32)	7 (5.94)
Full appreciation of work done	4	4 (4.69)	4 (4.95)	3 (4.57)	4 (4.75)	2 (4.06)
Good working conditions	5	5 (4.75)	5 (5.41)	6 (5.73)	6 (5.52)	5 (5.74)
Feeling of being in on things	6	7 (6.44)	6 (5.72)	5 (5.7)	5 (5.52)	4 (5.03)
Promotion and growth in the organization	7	8 (7.06)	7 (5.91)	8 (6.37)	7 (5.88)	6 (5.84)
Personal loyalty to employees	8	6 (5.81)	8 (6.45)	7 (6.13)	8 (7.09)	8 (6.58)
Tactful discipline	9	10 (7.5)	10 (7.5)	9 (7.48)	9 (7.5)	9 (7.03)
Sympathetic help with personal problems	10	9 (7.13)	9 (7.44)	10 (7.63)	10 (8.25)	10 (7.71)

* statistical significant difference when $p < .05$

All five groups placed motivational factors in a similar order. Among the most motivating factors were *interesting work* and *good wages*. Moreover, the least motivating factors were *tactful discipline* and *sympathetic help with personal problems*. For further investigations, Kruskal-Wallis H test was used to analyze whether there is a statistically significant difference among motivational factors and five age groups. *Job security* ($H(4) = 9.797, p = .044$) was the only factor significantly different among the age groups. Participants 51 years old and older ranked *job security* less motivating factor compared with other age groups.

Furthermore, statistically significant differences were found in a way of how females and males ranked motivational factors depending on their age. The factor *full appreciation of work done* ($H(4) = 14.732, p = .005$) was ranked as more motivating by males in an age groups from 31 to 40 years old and from 41 to 50 years old. In addition, the factor *job security* ($H(4) = 11.345, p = .002$) was ranked as less motivating by females older than 51 year old compared with other age groups of females.

5.4 Differences based on income levels

The order of motivational factors based on different income levels were found calculating mean ranks and placing it from the most motivating to the least motivating. The results can be seen in table 8.

Table 8: Mean ranks and position of motivational factors based on income levels

Motivational factor	Overall ranking (n=377)	0 - 100.000 ISK (n=33)	100.001 - 200.000 ISK (n=70)	200.001 - 300.000 ISK (n=63)	300.001 - 400.000 ISK (n=53)	400.001 - 500.000 ISK (n=44)	500.001 ISK or more (n=114)
Interesting work	1	1 (2.61)	1 (2.99)	1 (3.06)	1 (2.58)	1 (2.16)	1 (3.44)
Good wages	2	2 (3.76)	3 (4.41)	2 (4.17)	2 (3.15)	2 (3.73)	2 (3.96)
Job security	3	3 (3.97)	4 (4.93)	4 (5.06)	3 (4.28)	4 (5)	3 (4.61)
Full appreciation of work done	4	4 (5.27)	2 (4.31)	3 (4.65)	4 (5.02)	3 (4.25)	4 (4.95)
Good working conditions	5	5 (5.67)	5 (5.21)	5-6 (5.81)	7 (5.75)	6 (5.32)	5 (5.32)
Feeling of being in on things	6	8 (6.18)	6 (5.86)	5-6 (5.81)	5 (5.51)	5 (5.25)	6 (5.47)
Promotion and growth in the organization	7	6 (6.09)	7 (6.14)	7 (5.89)	6 (5.74)	7 (6.68)	7 (6.14)
Personal loyalty to employees	8	7 (6.15)	8 (6.57)	8 (6.16)	8 (6.72)	8 (6.86)	8 (6.27)
Tactful discipline	9	10 (7.73)	10 (7.33)	10 (7.32)	9 (7.91)	10 (8.16)	9 (7.05)
Sympathetic help with personal problems *	10	9 (7.58)	9 (7.24)	9 (7.06)	10 (8.34)	9 (7.59)	10 (7.78)

* statistical significant difference when $p < .05$

There were six income level groups and they ranked motivational factors in similar order. The most motivating factors are *interesting work* and *good wages*, while the least motivating factors are *personal loyalty to employees*, *tactful discipline* and *sympathetic help with personal problems*. Slight differences can be seen among the groups and how they ranked each factor. However, differences were further investigated using Kruskal-Wallis H test and statistically significant difference was found only in one factor. *Sympathetic help with personal problems* ($H(5) = 11.731$, $p = .039$) was ranked less motivating for those with income level 300.001 – 400.000 ISK and 500.001 ISK or higher incomes compared with other groups. Further investigation showed, that the factor *good working conditions* ($H(4) = 9.722$, $p = .045$) was more important to married participants with lowest income level compared with married participants with higher income levels. Also, the factor *promotion and growth in the organization* ($H(2) = 6.391$, $p = .041$) was more motivating for participants with the highest level of income and those that are married compared with other participants who are single or in a relationship. Moreover, the factor *good wages* ($H(5) = 13.068$, $p = .023$) was more motivating for participants that are in a relationship and have an income level 300.001 - 400.000 ISK compared to the participants with other income levels who are in a relationship. The factor *promotion and growth in the organization* ($H(5) = 12.498$, $p = .029$) was relatively more important to those who are in the relationship and has income levels 0 – 100.000 ISK, 200.001 – 300.000 ISK and 300.001 – 400.000 ISK compared with other income levels.

5.5 Differences based on highest finished education levels

Mean ranks were investigated to find out the order of motivational factors based on three levels of highest finished education. The order of factors can be seen in table 9.

Table 9: Mean ranks and position of motivational factors based on levels of highest finished education

Motivational factor	Overall ranking (n=377)	Stúdentsspróf or less education (n=188)	B.A/ B.S/ B. ed or comparable (n=135)	M.A/ M.S/ M. ed. or comparable or higher (n=54)
Interesting work	1	1 (2.83)	1 (3.2)	1 (2.74)
Good wages	2	2 (3.92)	2 (3.8)	3 (4.24)
Job security *	3	3 (4.44)	4 (4.81)	5 (5.24)
Full appreciation of work done *	4	4 (4.96)	3 (4.73)	2 (4)
Good working conditions	5	5 (5.37)	5 (5.49)	6 (5.8)
Feeling of being in on things *	6	6 (5.99)	6 (5.52)	4 (4.74)
Promotion and growth in the organization *	7	8 (6.4)	7 (5.7)	7 (6.06)
Personal loyalty to employees	8	7 (6.15)	8 (6.7)	8 (6.7)
Tactful discipline	9	10 (7.52)	9 (7.41)	9 (7.35)
Sympathetic help with personal problems	10	9 (7.41)	10 (7.64)	10 (8.13)

* statistical significant difference when $p < .05$

Highest finished education was divided into three groups. All groups agreed that the most motivating factor is *interesting work* and the least motivating factors are *tactful discipline* and *sympathetic help with personal problems*. For further analysis, Kruskal-Wallis H test was used, which identified several statistically significant differences among the groups. Factors *full appreciation of work done* ($H(2) = 6.406, p = .041$) and *feeling of being in on things* ($H(2) = 11.423, p = .003$) were ranked as more motivating factors by group with M.A/ M.S/ M. ed. or comparable or higher education compared with other groups. Moreover, *job security* ($H(2) = 6.077, p = .048$) was ranked less motivating by group with M.A/ M.S/ M. ed. or comparable or higher education. The factor *promotion and growth in the organization* ($H(2) = 7.496, p = .024$) was ranked more motivating by group with B.A/ B.S/ B. ed. or comparable compared with the other groups. Further investigation showed, that the factor *feeling of being in on things* ($H(2) = 11.552, p = .003$) was ranked as more motivating and the factor *sympathetic help with personal problems* ($H(2) = 6.724, p = .035$) was ranked as less motivating to females with M.A/ M.S/ M. ed. or comparable or higher education compared with other educational levels.

5.6 Differences based on years of work experience

Importance of motivational factors were found calculating mean ranks for each group with different years of work experience. The results of how groups ordered each factor can be seen in table 10.

Table 10: Mean ranks and position of motivational factors based on years of work experience

Motivational factor	Overall ranking (n=377)	No experience (n=26)	Less than 5 years (n=110)	6 - 10 years (n=124)	11 - 15 years (n=34)	16 - 20 years (n=38)	21 year or more (n=45)
Interesting work	1	1 (3)	1 (3.34)	1 (2.68)	1 (2.76)	1 (3.37)	1 (2.51)
Good wages	2	2 (3.31)	2 (4.26)	2 (3.73)	2 (3.44)	3 (4.24)	2 (4.07)
Job security	3	4 (4.81)	4 (4.85)	3 (4.46)	4 (5.35)	2 (4.18)	4 (4.78)
Full appreciation of work done	4	5 (5.35)	3 (4.82)	4 (4.57)	3 (4.5)	4 (5)	3 (4.6)
Good working conditions	5	6 (5.85)	6 (5.45)	5 (5.31)	5 (5.47)	5 (5.42)	7 (5.8)
Feeling of being in on things *	6	3 (4.77)	5 (5.32)	8 (6.4)	6 (5.62)	6 (5.63)	5 (4.89)
Promotion and growth in the organization	7	7 (5.92)	7 (6.02)	6 (6.19)	7 (6.09)	8 (6.76)	6 (5.62)
Personal loyalty to employees	8	8 (6.5)	8 (6.52)	7 (6.3)	8 (6.35)	7 (6.13)	8 (6.84)
Tactful discipline	9	9 (7.73)	10 (7.35)	9 (7.65)	9 (7.18)	10 (7.16)	9 (7.49)
Sympathetic help with personal problems *	10	10 (7.77)	9 (7.07)	10 (7.72)	10 (8.24)	9 (7.11)	10 (8.4)

* statistical significant difference when $p < .05$

Years of work experience were divided into six groups. All groups agreed that the most motivating factor is *interesting work* and the least motivating factors are *tactful discipline* and *sympathetic help with personal problems*. Kruskal-Wallis H test was used for further investigations, whether there is statistically significant difference among these groups. Several factors were found to be significantly different. The factor *feeling of being in on things* ($H(5) = 21.744$, $p = .001$) was ranked more motivating for the group with no work experience compared with other groups and less motivating for the group with 6 to 10 years of work experience. Moreover, the factor *sympathetic help with personal problems* ($H(5) = 12.303$, $p = .031$) was ranked higher by those with less than 5 years of work experience and by those with 16 to 20 years of work experience compared with the rest of the groups. Further investigation showed, that the factor *good wages* ($H(5) = 13.211$, $p = .021$) was relatively more important for the males with no work experience and for the males with 11 to 15 years of work experience compared with other groups. In addition, the factor *feeling of being in on things* ($H(5) = 22.448$, $p < .001$) was ranked as more motivating for females with no work experience and females with 21 year or more of work experience.

5.7 Differences based on schools of the university

Mean ranks were investigated to find out the order of motivational factors based on schools of the university. The order of factors can be seen in table 11.

Table 11: Mean ranks and position of motivational factors based on schools of the university

Motivational factor	Overall ranking (n=377)	School of social sciences (n=145)	School of education (n=59)	School of health sciences (n=54)	School of engineering & natural sc. (n=51)	School of humanities (n=55)	Other programs (n=12)
Interesting work	1	1 (3.01)	1 (2.93)	1 (2.78)	1 (2.9)	1 (3.15)	1 (2.42)
Good wages	2	2 (4.11)	2 (3.81)	2 (4.24)	2 (3.41)	2 (3.93)	2 (2.92)
Job security	3	3 (4.64)	4 (4.85)	3 (4.63)	3 (4.63)	3 (4.51)	6 (5.92)
Full appreciation of work done	4	4 (5.02)	3 (4.02)	5 (4.8)	4 (4.96)	4 (4.78)	3 (3.42)
Good working conditions	5	6 (5.56)	6 (5.63)	4 (4.7)	6 (5.71)	5 (5.45)	7 (6.17)
Feeling of being in on things	6	5 (5.42)	5 (5.39)	7 (6.44)	5 (5.55)	6 (5.78)	5 (5.67)
Promotion and growth in the organization	7	7 (6)	7 (6.12)	8 (6.65)	7 (6.14)	7 (5.98)	4 (5.17)
Personal loyalty to employees	8	8 (6.56)	8 (6.78)	6 (5.69)	8 (6.45)	8 (6.45)	8 (6.25)
Tactful discipline	9	9 (7.21)	9 (7.68)	9 (7.37)	9 (7.53)	10 (7.78)	9 (7.92)
Sympathetic help with personal problems	10	10 (7.47)	10 (7.8)	10 (7.7)	10 (7.73)	9 (7.18)	10 (9.17)

* statistical significant difference when $p < .05$

There are five schools and some additional programs in the University of Iceland. All the participants regardless of which school they study ranked the factors *interesting work* and *good wages* as the most motivating factors to work. Kruskal-Wallis H test was used to compare the differences in the importance of motivational factors among the schools of the university, however, no statistically significant difference was found. On the other hand, further investigation showed, that the factor *full appreciation of work done* ($H(5) = 14.980$, $p = .01$) was more motivating participants who are single and are enrolled in the school of education, the school of health sciences and other programs. Moreover, the factor *good working conditions* ($H(5) = 13.495$, $p = .019$) was more motivating for participants who are in a relationship and are enrolled in the school of health sciences and the school of education.

5.8 Differences based on intended sector

The order of motivational factors between intended sectors after graduation were investigated calculating mean ranks. The results of how groups ranked the factors can be seen in table 12.

Table 12: Mean ranks and position of motivational factors based on intended sector after graduation

Motivational factor	Overall ranking (n=377)	Public sector (n=205)	Private sector (n=172)
Interesting work	1	1 (2.98)	1 (2.92)
Good wages *	2	2 (4.2)	2 (3.59)
Job security	3	3 (4.6)	3 (4.8)
Full appreciation of work done	4	4 (4.65)	4 (4.84)
Good working conditions	5	5 (5.35)	5 (5.62)
Feeling of being in on things	6	6 (5.57)	6 (5.73)
Promotion and growth in the organization *	7	7 (6.32)	7 (5.84)
Personal loyalty to employees	8	8 (6.47)	8 (6.38)
Tactful discipline	9	9 (7.35)	9 (7.58)
Sympathetic help with personal problems	10	10 (7.52)	10 (7.7)

* statistical significant difference when $p < .05$

The comparison of placed positions by public and private sectors shows that both groups ordered motivational factors in the same order. However, results were further investigated using Mann-Whitney U test. The test showed that two factors were statistically significantly different between the groups. The factor *good wages* ($U = 14961$, $p = .01$) was ranked as more motivating factor by the private sector compared with the public sector. In relation to this, the first hypothesis *H1: Students who intend to enter the private sector after graduation will rank good wages higher than those who intend to enter the public sector* is supported. Moreover, the factor *promotion and growth in the organization* ($U = 15505$, $p = .042$) was ranked as more motivating factor also by the private sector compared with the public sector. Further investigation showed, that the factor *promotion and growth in the organization* ($U = 865$, $p = .028$) was more important to the males who are intended to work in the private sector than males who are intended to work in the public sector. However, according to the results, second hypothesis *H2: Students who intend to enter the public sector after graduation will rank the factor job security higher than good wages* is rejected. Students who intend to enter the public sector after their graduation ranked factor *good wages* higher than the factor *job security*.

5.9 Other background questions

Questionnaire included ten background questions. The results answering seven research sub-questions were explored above. Other three questions were also analyzed the same way as previous ones in case some interesting results could be found.

Mean ranks were calculated to investigate whether there is a difference between those whose studies are related to their job and those whose studies does not. Results can be seen in table 13.

Table 13: Mean ranks and position of motivational factors based on job related to the studies

Motivational factor	Overall ranking (n=377)	Job related to the studies (n=154)	Job not related to the studies (n=223)
Interesting work	1	1 (3.36)	1 (2.66)
Good wages	2	2 (4.16)	2 (3.76)
Job security	3	4 (4.81)	3 (4.61)
Full appreciation of work done	4	3 (4.64)	4 (4.8)
Good working conditions	5	6 (5.45)	5 (5.49)
Feeling of being in on things *	6	5 (5.27)	6 (5.9)
Promotion and growth in the organization	7	7 (6.1)	7 (6.1)
Personal loyalty to employees	8	8 (6.45)	8 (6.41)
Tactful discipline	9	9 (7.37)	9 (7.52)
Sympathetic help with personal problems	10	10 (7.38)	10 (7.75)

* statistical significant difference when $p < .05$

Both groups ordered motivational factors very similarly. However, Mann-Whitney U test showed statistically significant difference in one factor. The factor *feeling of being in on things* ($U = 14605$, $p = .013$) was ranked as more motivating by those who has a job related to their studies.

Moreover, differences of motivational factors and marital status were also investigated. However, no statistically significant difference among those who are single, married or in the relationship was found. On the other hand, few differences were found relating marital status to gender, income level and schools of university. The results were implicated in gender, income level and schools of university sections.

Furthermore, analysis of differences of motivational factors and number of children living at home showed no statistically significant difference among the groups. Moreover, number of children was investigated in relation to other variables but no statistically significant difference was found.

6 Discussion

This study aimed to investigate what motivational factors are the most important for the students at the University of Iceland in their present or future job. Moreover, seven sub-questions were put forward analyzing whether the importance of motivational factors differs according to gender, age, income level, highest finished education level, years of work experience, schools of the university and intended work sector after graduation. In addition to the last sub-question, two hypotheses were put forward to determine if students who intend to enter the private sector after graduation will rank *good wages* higher than those who intend to enter the public sector and if students who intend to enter the public sector after graduation will rank the factor *job security* higher than *good wages*.

The results of this thesis main research question showed that the students at the University of Iceland are most motivated to work by factors: *interesting work*, *good wages*, *job security* and *full appreciation of work done*. These results are consistent with Lindner's (1998) results where *interesting work* and *good wages* were the first two most motivating factors, followed by *full appreciation of work done* and *job security* for the employees at the Ohio State University's Piketon research and extension center and enterprise center. Despite the differences in studied populations, the factor *interesting work* was found being the most motivating or was ranked in the first position in the studies made by Kovach (1980, 1987, 1996), Harpaz (1990), Lindner (1998), Yew (2008) and in Icelandic study made by Arndís Vilhjálmsdóttir (2010). However, results from the later Icelandic study by Ragnheiður Þengilsdóttir (2012) indicated that the factor *interesting work* was ranked in the third position while factor *good wages* was ranked in the first position. Nevertheless, according to the students' motivation to work studies, the factor *good wages* was placed in the first position (Bu & McKeen, 2001; Sagan et al., 2008). In addition, factor *good wages* was ranked fifth in both studies made by Kovach (1980, 1987) and took different positions in other studies. These differences in findings might have occurred because of the fact that what motivates employees differ within different working context (Lindner, 1998). For example, the studies mentioned above

were focused on the different populations and took place in different countries. However, most of the studies investigated industrial employees but did not mention the type of the industry. Moreover, increased importance in one or another factor can be the result of the political and economic situation at the time when research was made.

Nevertheless, in relation to the motivation theory, the factor *interesting work* is considered intrinsic motivator (Deci & Ryan, 1985) and according to Herzberg's motivator-hygiene theory, it can be used to increase satisfaction at work. According to Maslow's hierarchy of needs, *interesting work* is self-actualization factor. Factors *good wages* and *job security* that were ranked the next most important factors to work in this study are extrinsic motivators (Deci & Ryan, 1985) and according to Herzberg's theory are hygiene factors that must be fulfilled to prevent dissatisfaction at work. According to Maslow's hierarchy of needs, the factor *good wages* can satisfy some of physiological needs and the factor *job security* is related to safety and security needs. The next factor upon importance in this study was *full appreciation of work done* that according to Maslow (1970) would be considered as fulfilling social needs. Moreover, factors *feeling of being in on things* and *promotion and growth in the organization* are related to growth needs (Maslow, 1970). Results of present study show mixed range of motivational factors that are not in accordance to Maslow's theory conclusions where lower level of motivational factors should be met before ascending to the next level. Furthermore, it can be seen that students in this research are motivated both by intrinsic and extrinsic motivators. It can be somewhat related to the study made by Kolbrún Eva Sigurjónsdóttir (2012) about what motivates university students to study. According to her results, students were mostly motivated to study by the factor *interesting study material and tasks*. It seems to be that university students in Iceland are driven to study due to the interesting studies and it can be assumed that the same they expect also from their jobs. However, the factor *good wages* in this study was ranked the second most motivating factor and therefore, employers that will hire students from the University of Iceland cannot focus only on one or another kind of motivator when they are willing to attract them in the new positions. It can be assumed that after finishing their studies, students are motivated by interesting work because they want more out of their jobs than only the opportunity to satisfy the lower level needs. Also, after getting higher education, students are aware of the real world's

possibilities and they are not attracted by routine or stressful work even if it has other motivating factors. On the other hand, interesting work could also mean that individual found the career path that would increase the possibilities at work. Nowadays, people are trying to match their personal life and work. Moreover, they are not only working to make their living. Employees want to feel that what they are doing is important and meaningful and contribute to the overall good of the organization.

Results to the first research sub-question (Q1) of this thesis about the differences between genders in importance of motivational factors among students at the University of Iceland showed that both groups were equally most motivated by the factors *interesting work* and *good wages*. However, males put more importance on *feeling of being in on things* and *promotion and growth in the organization* while females put more importance to *full appreciation of work done*. These results are somewhat in accordance to Manhardt's (1972), Kovach's (1987), Wiley's (1997), Qayyum and Sukirno (2012) and Ragnheiður Þengilsdóttir (2012) studies. Most of the time males were more concerned with power and responsibility while females were more motivated by interpersonal relations. Kovach (1996) and Chow and Ngo (2002) suggested that due to the double role of being an employee and a housewife, females tend to seek more appreciation for work and help with personal problems. Because these differences in gender are stable throughout time, it cannot be assumed that it differs in sequent generations. Moreover, in relation to the gender and marital status it was found that females who are married were more motivated by *interesting work*. It can be assumed that when women attain a family and more stable life, they want at least to have an interesting job. Also, it was found that females who are single are less motivated by the factor *promotion and growth in the organization*. It can be explained by the fact, that single females are concerned with their private life as for example creating a family and are less concerned about their career path.

Concerning the second research sub-question (Q2) about differences among age groups in importance of motivational factors, only few differences were found. Results showed that all groups ranked *interesting work* and *good wages* in primary positions. In addition, students that are 51 years old and older were less motivated by the factor *job security* compared to other groups. However, some minor differences were found in a

way in which the groups ranked the factors. Factors *full appreciation of work done* and *feeling of being in on things* were more important to the group of 51 years old and older while *personal loyalty to employees* was slightly more important to the group of 20 years old and younger. These results are in accordance to Kovach's (1987) study. However, Kovach found that only the group under 30 years old ranked the factor *good wages* as more motivating than other groups. In present study, *good wages* are the second most important factor among all the groups except 51 years old and older. The possible explanation to this might be the economic situation in Iceland. Economic crisis in 2008 had a big influence on Icelandic peoples' welfare. Many people are still struggling with financial situation and therefore money is a powerful motivator regardless the age. Moreover, it can be assumed that differences among the age groups might have occurred due to the generational differences. However, according to Wong, Gardiner, Lang and Coulon (2008), even when the differences are found, they are more related to the age than generations. Also, authors suggested that greater differences are likely to occur between the individuals in the same generation than in different generations. In addition, results showed some differences among the age groups and gender in how motivational factors were ranked. Males at the age range from 31 to 50 years old were more motivated by the factor *full appreciation of work done* compared with other younger males. It can be assumed that at this age, males are putting more effort at work to achieve a higher position in the organization and therefore want that their effort would be appreciated. In addition, females older than 51 year old were less motivated by *job security* compared with other age groups of females. This could be a result of females at this age having a stable lifestyle and feeling confident and secured at their work positions.

Results to the third sub-question (Q3) about differences among income levels in importance of motivational factors showed statistically significant difference only in factor *sympathetic help with personal problems* which was ranked less motivating to the groups with income level 300.001 – 400.000 ISK and 500.001 ISK and higher incomes compared with the other groups. Few changes occurred how groups ranked motivational factors. For example, the factor *feeling of being in on things* was ranked less motivating by the group with income level 0 – 100.000 ISK. These results are similar to Kovach's (1987) and Wiley's (1997) study. However, Kovach's (1987) findings suggest

that employees with low income put more importance to *good wages* and *job security*. This was not confirmed by the present study where factors *interesting work*, *good wages* and *job security* were top of the list of almost all the groups. On the other hand, Wiley (1997) found that the factor *good wages* was the most important to all the income levels except the one with the highest income. The reason to these results might be that participants of this study were university students that are taking student loan, are unemployed or part-time workers therefore not getting as high incomes as they are willing to get to completely satisfy their needs. In relation to income level and marital status, it was found that married students who have a lowest income level put more importance on the factor *good working conditions* compared with married students with higher income levels. Moreover, married students with highest level of income are more motivated by the factor *promotion and growth in the organization* compared with other students who are single or in a relationship. It can be explained by the fact that married students already have a family and now are more concerned about their career. Furthermore, students who are in a relationship and with income level 300.001 - 400.000 ISK put more importance on the factor *good wages* compared to the students with other income levels who are in a relationship. It can be assumed that students who are in a relationship with income level 300.001 - 400.000 ISK are already living with the boyfriend or a girlfriend and starting to need all the new household goods at home and therefore they are more motivated by *good wages*.

Regarding forth research sub-question (Q4) of this thesis about differences among highest finished education levels in importance of motivational factors, statistically significant differences occurred in several factors. Students with M.A/ M.S/ M. ed. or comparable or higher education were more motivated by factors *full appreciation of work done* and *feeling of being in on things* and less motivated by *job security*. These results are similar to Arndís Vilhjálmsdóttir (2010) and Ragnheiður Þengilsdóttir (2012) findings. It can be assumed that people with higher finished education usually want more power and responsibilities at their jobs therefore they consider factor *feeling of being in on things* as important motivator. Also, students with finished Master's degree or higher education feel more confident in finding a new job due to their education and therefore *job security* is not that much valued and seen as motivating as it is for the other groups. Moreover, students with B.A/ B.S/ B. ed. or comparable education were

more motivated by the factor *promotion and growth in the organization*. This could be explained by the fact that students who have already finished undergraduate university studies come back to university for further education to get a better chance of a promotion. In relation to the gender and educational levels, it was found that females with M.A/ M.S/ M. ed. or comparable or higher education were less motivated by the factor *sympathetic help with personal problems* compared with females with other educational levels. As it was mentioned before, people with higher education feel more confident and are able to handle problems on their own.

Results to the fifth research sub-question (Q5) about differences among years of work experience in importance of motivational factors showed that factor *feeling of being in on things* was more important to the group with no experience compared to other groups and less motivating for the group with 6 to 10 years of work experience. These results are similar to Arndís Vilhjálmsdóttir (2010). Students with no work experience feel more motivated by the factor *feeling of being in on things* because they might want to know as much information as possible what is going on in the organization to increase their knowledge and confidence at work. Another statistically significant factor *sympathetic help with personal problems* was ranked higher by those with less than 5 years of work experience and by those with 16 to 20 years of work experience compared with the rest of the groups. This might occur because those with less than 5 years of work experience are still trying to match personal life (e.g. children care) and their new responsibilities in their jobs and therefore they want their bosses to be more understandable about their personal problems. Similar explanation could be found to the group with 16 to 20 years of work experience. People who have around 20 years of work experience are usually in their fifties or sixties and most likely have some personal problems about aging relatives that must be taken care of. In addition, study made by Ragnheiður Þengilsdóttir (2012) showed that this factor was ranked more important for those with more than 21 year of work experience and therefore the same explanation could be applied. In relation to work experience and gender, it was found that males with no work experience and with 11 to 15 years of work experience were more motivated by the factor *good wages*. It can be assumed that males with no work experience are more motivated by *good wages* because they need money to start to live on their own. Also, males with 11 to 15 years of work experience are more

motivated by *good wages* due the increasing demands of taking care of their family. Moreover, females with no work experience and with more than 21 year of work experience put more importance on the factor *feeling of being in on things*. As it was mentioned before, people with no experience are new in the workplace and need to know and learn about the surrounding environment and therefore are more motivated when they feel they are “in on things”. Furthermore, it can be assumed that females with more than 21 year of work experience have a high position in the organization and want to know what it is going on in surrounding environment to make possible improvements in the workplace.

Regarding to the sixth research sub-question (Q6) about differences among schools of the university in importance of motivational factors, no statistically significant difference was found. It may be a result of the various faculties included in the same school of the university that offer different kind of studies such as in school of social sciences, students are studying business education and social and human sciences. All the students regardless in which school of the university they study are most motivated by the factors *interesting work* and *good wages*. However some differences were found in relation to the school of university and students’ marital status. Students who are single and study in the school of education and the school of health sciences are more motivated by the factor *full appreciation of work done* compared with other schools. Moreover, students who are in a relationship and study in the school of education and the school of health sciences put more importance on the factor *good working conditions*. It can be explained by the fact that students enrolled in school of education are usually willing to become teachers and students enrolled in school of health sciences are willing to help people and are more intrinsically motivated.

Results to the seventh research sub-question (Q7) about differences between intended sectors after graduation in importance of motivational factors showed that students who intend to work in private sector after graduation are more motivated by the factors *good wages* and *promotion and growth in the organization*. Due to this, the first hypothesis *H1: Students who intend to enter private sector after graduation will rank good wages higher than those who intend to enter public sector* is supported. These results are in accordance to Chetkovich’s (2003) and Taylor’s (2005a; 2005b;

2010) studies. Because of these findings in the importance of *good wages* and *promotion and growth in the organization*, it can be assumed that those who intend to work in a private sector are thinking more of prestige and status which usually is the result of high income, while those who intend to work in a public sector are more intrinsically motivated and are thinking on serving the community. However, it was found that students who intend to enter the public sector after their graduation ranked the factor *good wages* higher than the factor *job security* and therefore the second hypothesis H2: *Students who intend to enter the public sector after graduation will rank the factor job security higher than good wages* is rejected. These results are contradictory to Chetkovich's (2003) and Taylor's (2005a; 2005b; 2010) findings where students intended to work in the public sector were more motivated by *job security*. This could be a result of recent economic crisis in Iceland when most of the population was financially affected and still feels financially insecure and therefore the importance of *good wages* is more important than *job security*. Both groups ranked motivational factors in the same order, however statistically significant differences may suggest that students who intend to enroll in private sector are coming from different faculties of the University of Iceland and are more extrinsically motivated. However, only the different schools of the university were included in this research excluding the fact that the faculties in some of the schools offer different kind of studies that cannot be evaluated as similar.

University students are a significant source of professionals that will soon enter the workforce pool. Therefore, employers will have to think about the most attractive packages to offer to be able to get the best professionals on their teams. In relation to it, they are advised to become familiar with the views, goals and expectations of students about their jobs. This study showed that students are motivated both by intrinsic and extrinsic motivators and employers cannot focus only on one or another kind of motivators when they will hire students from the University of Iceland. Moreover, employers should be aware that employees differ by their gender, age, income levels, finished education etc. and some factors could be more motivating than other, depending on employees' background and from which environment they come from. Therefore, employers that will hire students from the University of Iceland should keep in mind that after getting higher education, students are most motivated by

interesting job and *good wages*. Keeping it in mind, it could assist in greater recruitment process and long-term organizational performance.

The present study has several limitations that need to be addressed. First, the research aimed to investigate what motivational factors are the most important among students that will soon be looking for the job related to their studies. However, as it appeared later, many participants already have a job and their attitudes about work motivation might have already been shaped by existing job. This could have possibly led to some bias in the results.

Second limitation is the unequal number of participants in particular groups. If the number of participants in each group would be more close to each other, the results might have been slightly more significant.

Moreover, this study used the list of motivational factors that have already been studied by other researchers and seemed to cover the most important aspects of work motivation. However, the list could have included more factors. In addition, it was not possible to rank two factors in the same position and it excluded the possibility that two or more factors were seen as equally motivating for this sample.

Furthermore, schools of the university include several faculties and in some schools as for example, in school of social sciences there are different kinds of faculties such as economic, business, social and human sciences faculty. Therefore, it was not enough only to analyze the schools of the university because some schools include different faculties and offered studies in those faculties cannot be considered as similar.

This study investigated the students at the University of Iceland and their attitudes toward work motivation in their present or future jobs. Further research could be made on this subject with more universities in Iceland including specific faculties and not only whole schools of the university. Moreover, results showed that the most motivating factor was *interesting work*, therefore further research could be made investigating what makes the job interesting for the students.

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Appendix 1 - Questionnaire

Kæri viðtakandi,

Darija Virbickaite heiti ég og er að vinna að rannsókn fyrir meistaraverkefnið mitt í Stjórnun og stefnumótun við Háskóla Íslands.

Rannsóknin felst í því að skoða hvaða atriði myndu hvetja nemendur til að vinna (í núverandi eða framtíðarstarfi).

Mér þætti vænt um að fá aðstoð þína með þátttöku í könnuninni.

Þetta er örstutt könnun sem tekur um 3-5 mínútur að svara. Svör er ekki hægt að rekja til einstakra þáttakenda.

Takk fyrir þátttökuna.

Með fyrirfram þökk og bestu kveðju,

Darija Virbickaite (dav4@hi.is)

Vinsamlegast raðaðu eftirfarandi 10 atriðum í röð eftir því hversu mikið þau myndu hvetja þig til að vinna (í núverandi eða framtíðarstarfi).

1 stendur fyrir það sem hvetur þig mest til að vinna og 10 fyrir það sem hvetur þig minnst af eftirtöldum atriðum.

VINSAMLEGAST notaðu hverja tölu einungis einu sinni

Að vinnan sé metin til fullnustu

Finnast ég hafður/höfð með í ráðum

Samúðarfull hjálp með persónuleg vandamál

Starfsöryggi

Góð laun

Áhugaverð vinna

Stöðuhækkun og vöxtur innan skipulagsheildar

Persónuleg tryggð gagnvart starfsmönnum

Nærgætinn agi

Góð vinnuaðstaða

Bakgrunnsspurningar

Hvert er kyn þitt? *

- ☐ Karl
- ☐ Kona

Hvað ert þú gömul/gamall? *

- ☐ 20 ára eða yngri
- ☐ 21 – 30
- ☐ 31 – 40
- ☐ 41 – 50
- ☐ 51 árs eða eldri

Hver er hæsta menntun sem þú hefur lokið? *

- ☐ Grunnskólamenntun
- ☐ Stúdentspróf/ lönpróf
- ☐ B.A/ B.S/ B.ed nám eða sambærilegt
- ☐ M.A/ M.S/ M.ed nám eða sambærilegt
- ☐ Ph.D nám eða sambærilegt

Hvert er námssvið þitt? *

- ☐ Félagsvísindasvið
- ☐ Menntavísindasvið
- ☐ Heilbrigðisvísindasvið
- ☐ Verkfræði- og náttúruvísindasvið
- ☐ Hugvísindasvið
- ☐ Þverfræðilegt nám

Ert þú í starfi sem tengist þínu námi? *

- ☐ Já
- ☐ Nei

Hver er starfsreynsla þín? *

- ☐ Hef enga starfsreynslu
- ☐ Minna en 5 ár
- ☐ 6 – 10
- ☐ 11 – 15
- ☐ 16 - 20
- ☐ 21 eða meira

Í hvaða geira gerir þú fyrir að vinna eftir að náminu lýkur? *

- ☐ Opinbera geiranum
- ☐ Einkageiranum

Hver er hjúskaparstaða þín? *

- ☐ Gift (ur)
- ☐ Einhleyp (ur)
- ☐ Í sambúð

Hversu mörg börn eru á heimilinu? *

- ☐ 0
- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4 eða fleiri

Heildartekjur heimilis á mánuði (námslán meðtalin) *

- ☐ 0 – 100.000 kr.
- ☐ 100.001 – 200.000 kr.
- ☐ 200.001 – 300.000 kr.
- ☐ 300.001 – 400.000 kr.
- ☐ 400.001 – 500.000 kr.
- ☐ 500.001 kr. og meira