

Motivation of Human Resources as a challenge in effective decision making in SMEs in Kosovo

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Abstract:

Many businesses, faced with development challenges and stiff competition at home and abroad, the lack of financial capacity and human resources trained for new challenges. In this regard, this study has the main objective to analyze and produce a document with theoretical and practical value for the business entities in Kosovo. Based on the above we took over an empirical study on the impact of the process of motivation in organizational decision making. Having studied in terms of human resources, we will analyze the impact of employee motivation, and the need for wider participation and interaction in decision making processes. We thought to focus our research on the motivation of human resources, organizational behavior and decision making in SMEs in Kosovo, specifically in Ferizaj region. The main purpose of this paper is to contribute to improving the process of decision-making in business organizations, through the study of the impact of organizational behavior and motivation of human resources in SMEs in Kosovo. For this purpose it will be used contemporary literature, empirical studies and the experiences of countries in transition and developed countries. During the analysis, given the statistical methods it shows that between the methods used in making business decisions and performance there is a strong positive correlation. Currently, we can conclude that the obstacles of using analytical methods in decision-making have been and remain the backgrounds of Kosovo's leaders, as a result of a past and highly centralized economy. This inevitably led to a lack of theoretical and practical knowledge of the decision making process. Through evaluation of the process of decision-making and motivation

in the process of Kosovo SMEs in general and especially those in the region Ferizaj, we concluded that motivation is especially important for SMEs in Kosovo.

Key words: motivation, decision-making styles, job satisfaction, organizational performance, organizational culture, SMEs

1. INTRODUCTION

Ending of the '90s has set the beginning of a new era. Kosovo was declared as an independent country. During this period, we have the birth, creation, bloom and consolidation of a lot of small and mid enterprises (SME), which are increasing day by day. Small and mid enterprises have a decisive role in the transition process in every place. During this time period, Kosovo has had an economic growth, has had a relative progress. Nowadays, the private section is a big moving power of economic development of the place.

Today everything has changed. Globalization has changed the way of doing business. According to Thomas Friedman, knowledge and capital move through borders with a much faster speed than it was possible a few years ago (Wheelen&Hunger, 2012).

Almost every ménage aspect includes decision taking. Studies show that the differences into perception, worth and trust can lead to a different understanding of decision taking. Nature and complexity change due to the level of management. Managers have important differences in the aspect of perception of operational problems. This survey's goal is to identify a number of characteristics that have an important impact in the way of how we work or how we take the decisions. One of the main factors, that impact in business organizations decisions, is the personal and the artificial intelligence. Research of decision taking processes in organizations, through

organization behavior, motivation and personal intelligence impact is a theme that has not been studied a lot in Kosovo.

Motivation can impact certain behaviours. In psychological aspect, they are shown in a form of emotions, instincts, reactions or decision taking in a spontaneous way. Motivation is an impulse, which leads human behaviors. Motivation helps on finishing a started activity, as well as helping on fulfilling the human needs.

In Kosovo, decision making styles are conditioned by a lot of factors. There is no professional preparation for an adequate field on having more insurance at the employees in the place of work, so they would not have to look for another job, since the private sector, shows a higher willingness at the employees on risk taking. The difference can also be at the nature of work between sections being studied.

1.2 Problem Solving

Nowadays business world operates in a high level of un-insurance conditions and complexity. The future always becomes more unpredictable.

One of the main components which impact the decision making in organizations is personal intelligence and organizational behavior.

Based on above text, we talked about an empirical study about the process of motivation impact of motivation in decision making.

By studying from human resources aspect, we will analyze the impact of motivation at the employees, as well as the need of becoming a part of a wider cooperation in decision making process. We have thought that our research should be focused in human resources motivation, decision making as well as organizational behavior in SMEs, respectively in Ferizaj region.

1.3 Purpose of the study

The main purpose of this study is to contribute on improving of decision making processes in business organization, through the study of organization behavior impact as well as human resources motivation in SMEs in Kosovo. For this reason, a temporary literature, empirical studies and experiences of places in transition and the developed places will be used.

A lot of businesses face different development challenges with a competition inside and outside the country, with a lack of financial capacity and human resources trained about new challenges. In this aspect, the main objective of this study is to *analyze and produce a document with practical and theoretical values about economical subjects in Kosovo.*

The main objectives are:

1. Revision of the literature on decision making and motivation factors which impact in an effective decision making.
2. A detailed analysis and the solution of variables that help on activity evaluation of decision making in SMEs in Kosovo.
3. Analysis of motivation factors, organizational behavior and personal intelligence in SMEs personal section in Ferizaj and Kosovo, and their impact in decision making.

Other purposes of this study are:

1. SMEs helping on orientation of creating and showing an ambitious mentality regarding to the importance of management of human resources and increasing the value of their businesses.
2. To show the reason why motivation is important in SMEs.
3. To analyze and to make a full evaluation of the process of decision making and the motivation of

Albanian SMEs in Kosovo in general, and especially in Ferizaj region.

4. To evaluate whether there are changes in performance based on the activity type.

2. METHODOLOGY

This study has been conducted during a 9 month period of time, from February to October, through the questionnaire sent to the businesses in 2015. Except of some details of analysis, the method of research was designed to address the focus at the beginning of the study, which was used to explore the impact of motivation in the process of decision making in Kosovo.

For each factor included in the questionnaire, the Likert rank and their processing has been realized through the SPSS software. The usage of procedures and statistics techniques fit to information, questionnaire and data measurement.

Type of the research method consists of qualitative and quantitative methods. The usage of these methods on data processing, gives us a chance not only on testing the hypothesis but also getting into the issues through the research questions.

3. DIFFERENCES BETWEEN INDIVIDUALIST AND COLLECTIVIST CULTURES IN DECISION TAKING

How does cultural value impact into individual decision? We can expect an answer in this question or we can take the answer from descriptive psychology or inter cultural psychology.

In this pilot study, our goal is to identify the importance of the culture in decision making, with a purpose to reflect into the main study related to employees' behaviours in motivating and the impact of decision making.

However, descriptive theories into decision making, rarely consider the factors of culture into decision making.

Therefore the culture study and decision making is a field relatively new and has not been researched. In this study, three examples for individual and collective decision making have been discussed, by using different methodologies on describing them.

3.1 Decision taking according to normative and descriptive samples

Decision making is the solution between a few choices. We make a lot of decisions in a day (when we go to a market and pick up a bottle of milk, when we choose any TV programme, when we decide what we are going to cook for breakfast, or how much money should we save for a holiday in the future.) It may happen that our decisions can be unconscious, but very often we should decide with a clear conscious between some options. According to some normative models of decision making; we try to explain which is the best solution between some choices. In addition, Von Neumann and Morgenstern (1944) tried to explain the process of decision making, which they called model of expected benefit = *(probability of a certain result) X (benefit from result)*

Has an individual ever made a rational decision according to expected theory? For more over, decision for a problem is more and more complex.

Real life is more complicated since it is not possible to be evaluated in every option, especially in the moment when we have to deal with a huge number of different alternatives. Moreover, short term consequences and long term ones are more difficult to be predicted; hence it is difficult to set the numerical values

Another critic of normative model is the fact that the process of decision making is not considered. Descriptive theories of decision making deal with this theme and they describe the process of decision making. So, a lot of descriptive decision making (Lipshitz, 1993) describe this process not only

as an act, but also as a process which is included in other cognitive processes.

On the other hand, cultural background of every individual is different, in different ways; future plans, experiences, individual worth, family size, role and influence in decision making of mother, father, sisters, brothers, friends etc. Culture as a term is very heterogeneous and there is no exact definition which is widely accepted. Depending on the specific field of research we should focus in the same specific field regarding culture. Hence the focus will be into oriented cultural values and the relation with decision making. When the word “value” is mentioned someone might think: “Do not kill” or even “Make some more money!”, but values can express a high attitude and a decision making already approved. Values can also give you an advice or a suggestion describing the way of doing something without being a part on decision making. “So think twice before you decide”.

Decision maker perceps and evaluates all the critical aspects of any problem. Expectations and cultural values are represented into an individual mind and can serve as a guide on specific decision making selection. Values orient us which decision making strategy should we choose and why should we choose the collectivist one. Cultural values will also influence in generation and the purpose selection and decision making strategies to find a problem solution.

3.2 Sample of decision making in individual and collectivist cultures

How do individualist and collectivist values impact the decision making? The main elements of individualization are independence and being unique, whereas the main elements of collectivism are group duties and the harmony. The majority of the studies related to culture and decision making have described the differences between states. In the below model, a theoretical assumption is shown. According to this model,

people with an individualist orientation of values, try to avoid the arguments by controlling the situation between exploration and information collection. They are oriented toward the achievements and are ready to take risks, resulting with an expansive decision strategy. Comparisons between cultures have shown that individualists in individual cultures prefer safe, active, facing strategies to find a solution for conflicts, and that they have a trust in their personal decisions and they can become more decision makers and more riskers than other people in collectivist cultures. People with collectivist values pay attention more to social aspects of problems and seek information in uncertain and complex situations. In this model, the success of decision making does not depend only in problem requests of decision and cultural of oriented values, action of facing a problem decision.

This model is based in the research on decision making in individualist and collectivist cultures. The knowledge taken from decision making strategies in different places can help people to become more sensitive to other cultures, so they will understand the psychological behaviours in a specific culture, and that they can work faithfully in a more efficient way.

3.3 Study Result

From the conducted survey we came up with a result as shown as in the chart below. As we can see from the table, respondents value themselves as good decision makers since the result from the points is over average (7,82). This shows that the level of reliability in their abilities as decision makers is relatively high. Regarding alternative evaluation, it is in the average level (5,77). This can be caused even for the fact that we live in an unsafe environment where it is impossible to know all the possible alternatives during the analysis for the certain decision making.

Another important element that can be seen from the study is that the young respondents are relatively disposed

toward the avoid of decision making and also not implementation of decision making (with respectively results 6,77 and 5,05). These results show low level of leadership. High levels of points for pressure variable during the decision making (7,98), support two first variables disposed towards avoid of decision making as well as not implementation of decision making. Respondents have evaluated that the group interest have an important impact in decision making, being evaluated from 8, 45 points out of 10 points. The last variable that we have reviewed is the reasoning despite the emotions in decision making. Results show that respondent individuals do not have any certain disposition especially towards reasoning or emotion concentration with an average evaluation from 5,09 points.

Table 4.8: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Good	220	4	10	7.82	1.816
Alternatives	220	3	8	5.77	1.602
Decision Avoid	220	5	10	6.77	1.510
Decision	220	3	9	5.05	1.786
Pressure	220	6	10	7.95	1.290
Intrest group	220	7	10	8.45	.963
Reason	220	3	8	5.09	1.477
Valid N (listwise)					

Source: Questionnaire in SMEs, Ferizaj 2015 done by the author

Another analysis taken in our study is the correlation between the variables. As we can see from the chart, we can say that a good decision maker is the one who values all the possible alternatives, the one who feels the responsibility and the pressure on the decision that he makes, as well as values the group interests considering the ideas and the opinions of others. This can be seen from the positive relationship that variables have between each other. A result with an interest to be discussed is the correlation between decisions making of variable, taken as reasoning during decision making. With an important coefficient correlation from -0.739, it is shown that

the questionnaire youth do not see any necessary reasoning to be good decision makers.

Table 4.9: Correlation of variables

		vmire	vlalternativa	Anull vendim	Shmang vendim	Trysni vend	Intrest grup	Arsvsemoc
Good	Pearson Correlation	1	.574**	-.849**	-.606**	.098	.322	-.739**
	Sig. (2-tailed)		.005	.000	.003	.665	.144	.000
	N	22	22	22	22	22	22	22
Alternatives	Pearson Correlation	.574**	1	-.396	-.495*	.133	.194	-.353
	Sig. (2-tailed)	.005		.068	.019	.555	.388	.107
	N	22	22	22	22	22	22	22
Decision	Pearson Correlation	-.849**	-.396	1	.605**	-.040	-.207	.630**
	Sig. (2-tailed)	.000	.068		.003	.858	.356	.002
	N	22	22	22	22	22	22	22
Avoid	Pearson Correlation	-.606**	-.495*	.605**	1	-.201	-.024	.586**
	Sig. (2-tailed)	.003	.019	.003		.369	.916	.004
	N	22	22	22	22	22	22	22
Pressure	Pearson Correlation	.098	.133	-.040	-.201	1	-.174	-.323
	Sig. (2-tailed)	.665	.555	.858	.369		.438	.143
	N	22	22	22	22	22	22	22
Interest Group	Pearson Correlation	.322	.194	-.207	-.024	-.174	1	-.131
	Sig. (2-tailed)	.144	.388	.356	.916	.438		.561
	N	22	22	22	22	22	22	22
Reason	Pearson Correlation	-.739**	-.353	.630**	.586**	-.323	-.131	1
	Sig. (2-tailed)	.000	.107	.002	.004	.143	.561	
	N	22	22	22	22	22	22	22

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Source: Questionnaire in SMEs, Ferizaj 2015, done by the author

4. MOTIVATION AND DECISION MAKING

During the first stage, the problems between two pilot studies have been identified. In the first study, except the questionnaire testing, a comparative study between three regional places (Albania, Kosovo, and Macedonia) has been done, regarding the decision making styles, job satisfaction as well as the relation of work place with emotional state.

Afterwards, the second pilot study has been done to highlight the impact of national culture and the need for motivation in individual decisions.

Results of the first stage have served as an input for designing and implementing of the second stage, as a basic study. To realize this questionnaire, we have also used extra questions, meanwhile some questions have been considered inappropriate for Kosovar environment.

4.1 Study Sample

Study sample from 175 businesses was relatively acceptable and has been done in the ground. Moreover, the sample creation was done within the contacts with other researchers of the same field. Michailova and Liuhto (1999) argument that when planned transition economies research in Northern Europe are done, the researchers should use their informal contacts, including friends and family, to have an access in this field.

According to the section where they operate and based of the 175 respondents of SMEs in Ferizaj region, the structure table of SMEs according to sections in Ferizaj municipality has been done.

Table 1: Structure of responding enterprises

The sector in which your company operates					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Production	17	9.0	9.7	9.7
	Service	42	22.2	24.0	33.7
	Construction	20	10.6	11.4	45.1
	Trade	68	36.0	38.9	84.0
	Transport	7	3.7	4.0	88.0
	Catering, restaurant and tourism	15	7.9	8.6	96.6
	Others	6	3.2	3.4	100.0
	Total	175	92.6	100.0	
Missing	System	14	7.4		
Total		189	100.0		

Source: Questionnaire in SMEs, Ferizaj 2015 done by the author

Relying to the questionnaire result in SMEs in Ferizaj, we can see the trade section is represented by 36%, and then the service section is represented by 22.2% and the construction section by 10.6%. Other sections are represented by a lower percentage. However representation is related to the percentage of these businesses' activities in the total businesses' activities in Ferizaj region.

Result analysis related to motivation and decision making

SMEs which operate in nowadays trade, which have a high and a complex competition, it is very necessary to increase the quality, productivity and the job satisfaction of their employees. A satisfied employee will also be a satisfied client. One of the main elements which impacts in decision making of businesses is undoubtedly motivation.

4.2 Employee's Motivation

H1 – Leadership impacts in motivation and the behaviours of employees in SMEs in Ferizaj

Table 2. Do you think that the employee's motivation is necessary?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Po	164	86.8	93.7	93.7
	Jo	11	5.8	6.3	100.0
	Total	175	92.6	100.0	
Missing	System	14	7.4		
Total		189	100.0		
ANOVA (F-statistics)		9.231***			

Source: Questionnaire in SMEs, Ferizaj, 2015, done by the author

According to the questionnaire in SMEs in Ferizaj, we can conclude that about 87% of the respondent managers declare that motivation is very important, considering it as one of the main elements in job productivity increasing. Therefore if the employees are motivated, it would be easier to make decisions. Meanwhile, all who were pro motivation, at the same time they were pretending that they motivate their employees. Only 52% applied this process constantly. About 32% used the process of motivation occasionally.

According to the questionnaire conducted with these entrepreneurs, we can conclude that in Ferizaj region, the employees' motivation is in a high level, since as soon as the employees feel motivated enterprises will be more rentable.

5. RECOMMENDATIONS

The purpose of this study was to show some factors that some factors impact in decision making success of the studied companies.

During the analysis, considering statistical methods, we came up with a result that there is a powerful positive correlation between decision making and the business performance.

In the next paragraphs we have said that the management quality, leadership or governance depends on the decision making quality and efficiency implementation of these

decisions.

But how can we make good decisions?

1. To make good decisions we should know how to predict the quality of a decision. We would not like to analyze a decision after we implement it, and then to discuss it as a success or as a failure.
2. In this way we have found the main factor in the managing or leadership process. So, if you want to manage in a good way, you should also manage people not only the problems.
3. *A decision is as good as the weakest point should be analyzed.* There are a lot of ways of analyzing a decision. Below we will use a framework with two groups, each one with three points of decision. Three first points of decision are definition, people and the process – including the declaration of your decision.
4. *You can never judge a decision for its benefits.* To make a conclusion about the quality of decisions it is recommended to ask questions: if we could turn back time, would we act as we did? The problem has to do with the point of view or the problem objectives.
5. A weak decision can lead to good results. This can be considered as lucky thing, but we should be careful because luck cannot always be in our side. Good decisions should not be left in luck's hand.
6. *Decisions are related.* Decisions cannot be conceived as unconnected. They are related with decisions made earlier and those which will be made in the future. You cannot always have the needed information, but even if you try to provide the information for 100% insurance, this would have at least two consequences:
 - It might be very late to find a solution about a problem, or to make a decision;
 - The information cost will exceed the benefits from decision making.

7. *People have different profiles of risk taking.* The tolerance on the risk is reflected in every s process stade of decision making (definition, people, process, alternatives, values and information).
8. *Management of decision making is a balanced act.* Decision making in management is filled with paradoxes. Four “paradoxes” of decision will be listed as following:
 - Inclusion / Efficiency
 - Power / Control
 - Rules/ Methods
 - Head / Heart

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