
MOTIVATING EXPERTS TO STAY

Ivana Grabar
*University North,
Department of business and
management,
Croatia*
ivana.grabar@unin.hr

Ana Globočnik Žunac*
*University North,
Department of business and
management,
Croatia*
ana.globocnik.zunac@unin.hr

Sanja Zlatić
*University North,
Department of business
and management,
Croatia*
sanja.zlatic@unin.hr

Abstract

Keeping an expert satisfied is becoming a primary managerial task since more and more people decide to become independent employees or freelancers. Therefore, the question arises: What are organizations ready to do in order to keep them? The purpose of this paper is to explore what employers are willing to do in order to keep an employee who has been working in a key position in the company and has decided to quit and start working as a freelancer. The aim is to investigate whether the company's attitude depends on the size of the company, the area in which it operates, the county where its headquarters are, or their previous experience in hiring a freelancer. The research was conducted in Croatia in June 2018. The results show that employers are aware of the problem. They are to some extent ready to motivate experts with various motivation factors.

Key Words

HRM; managing experts; motivating experts; motivating talents.

INTRODUCTION AND THEORY

Human resource market has changed in the past decades by increasing externalization of employment staff for various jobs. More and more employees decide to design their own work environment and conditions and thus choose to be independent employees, freelancers, or employees of their own small business as a one-man band. A new problem emerges for organizations: experts, as people with very specific knowledge of core business of the organization, tend to leave. Globalization, due to its global competitive possibilities, is only one of the causes that enable experts to move across the large HR market. Competitive advantage of an organization rests on knowledge and, according to Teece (2015), on the ability to motivate experts to create knowledge, help build organizational capabilities and shape strategies. Teece, therefore, emphasizes the importance of intellectual property and of controlling specialized assets. Intellectual property as an aspect of property highlights the importance of knowledge. According to Davenport and Prusak (1997, p. 5) knowledge is a fluid mix of framed experience, values, contextual information and expert insight that provide a framework for evaluation and incorporation of new experiences and information. Knowledge is not shared around, nor it is free of charge. Teece (1998) talks of knowledge as of intangible assets and says that productive knowledge is typically embodied and thus not possible to be accomplished only by transmitting information, i.e. it is difficult to replicate it. According to him, imitation is nothing else than replication performed by a competitor. From this standpoint, it is not possible to imitate the productive knowledge of an expert. This emphasizes the value of an employee with a specific know-how of a core business activity of an organization.

Teece (2015) talks about three important categories of an expert with regard to knowledge creation: the first two are *litterati* and *numerati*, both marked by high levels of education and experience, and the third very important category is the category of *integrators*, who synthesize the work of the others. Once an organization recruits an expert with specific knowledge, it is expected to manage their knowledge in a special manner since productive knowledge needs further deployment and use of it. Fleming and Marx (2006), when rethinking the status of technical professionals who span organizational boundaries and, as they say, accelerate the process of invention by contributing to and capitalizing on interfirm 'spillovers' of technical knowledge, claim that managerial attention should focus on identifying, retaining, and enabling *gatekeepers*, as they named technical experts. Special focus in managing experts should be given to developing creativity. By discussing the impact on creativity of an expert within the organization (Fleming and Marx, 2006), it could be concluded that clustering inventors as experts, for example, will less likely result in new ideas. Though, if a new idea arises, it will be more likely adopted by other inventors. Therefore, they find that cohesion of employees has a negative impact on generating creative ideas, but a positive one when it comes to their development and diffusion.

According to the study of 301 geniuses that had been conducted almost a hundred years ago, Cox (1926) discovered that intelligence alone did not make distinction and it had to be accompanied by tenacity of purpose. Creative thinking has its purpose and is highly asked for in contemporary human resource management since it is the foundation needed for creative problem solving. This requires persistence and intensity connected with strong motivation. Motivation is not a stable dimension of an employee. Therefore, permanent monitoring of managerial motivating processes within HRM is even more prominent.

Competitiveness leads to the departure of key experts and benefits for competitors, which Teece (2003) sees as the start of negative processes in which reputation and quality decline. In case experts are unsatisfied, according to Sturman and Trevor (2001), first to quit are those with most education, training and abilities. Motivation of the highest quality experts could be both tangible (financial) and intangible. Teece (2015) says that higher financial motivation will not make up for an unsatisfactory work environment. According to him, dimensions of job environment that matter, or 'quality of work life', include: organization culture, quality of management, challenge of work, and autonomy-afforded employees.

METHODS

Given that the main purpose of this research is to explore what the employers are willing to do in order to keep the employee who has been working in a key position in the company and has decided to quit and work as a freelancer, the main hypothesis is the following: "In order to retain the employee who has been working in a key position, employers are willing to make concessions regarding the independence of the employee in deciding about the time and place of work." It is followed by an additional hypothesis: "In order to retain the employee who has been working in a key position in the company, employers are willing to give them share in the company." In order to examine which independent variable the attitude of the employer depends on, several additional hypotheses were set:

- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on whether they have already hired a freelancer for a job or not.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the area in which the company operates.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the size of the company.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key

position, depend on the county where the headquarters of the company are.

Primary data were collected using a questionnaire. The survey was conducted online through the survey tool *esurveycreator.com*. The target population were small, medium and large companies based in Croatia. An e-mail with the link to the web-based questionnaire was sent to the companies in Croatia by the Croatian Chamber of Commerce. From the 4th to the 25th of June 2018, the survey was completed by 158 respondents.

The 70 of the participants were male, 77 females, 9 participants did not want to state their gender, and two of them did not answer the question. One of them was between 18 and 25 years old, 32 of them between 26 and 35 years old, 46 between 36 and 45 years old, 46 between 46 and 55 years old, and 33 of them were older than 55.

Respondents were generally familiar with all organizational processes in their company. 99 of them were directors of the company, 12 were members of the board of directors, 18 managers of the company, 12 employees in human resources, and 17 of others.

Regarding their educational level, two participants completed their elementary education, 38 participants completed their secondary education, 18 of them completed undergraduate studies, 73 graduate studies, 17 had master's degrees, 7 were university specialists, and 3 of them had doctorates.

As it regards the headquarters of the company, only the capital city of the country stands out with 51 (32.3%) head offices of the companies. The seats of other companies are located in other counties, with each county having at least one company having a head office, and none of the counties has more than 10% of the total headquarters of the company.

Regarding the size of the company (division according to the Accounting Act (NN 78/15, 134/15)), 111 (70.7%) of the companies were micro (assets up to HRK 2.6 m, revenues up to HRK 5.2 m, average number of employees during the year is 10); 24 (15.3%) small (assets amount up to HRK 30 m, revenues up to HRK 60 m, average number of employees during the business year is 50); 11 (7.0%) medium (assets up to HRK 150 m, income up to HRK 300 m, average number of employees during the year is 250); and 11 (7.0%) were large (crossing the indicators for medium entrepreneurs in two of the three criteria, and regardless of these criteria large entrepreneurs are also banks, savings banks, housing savings banks, electronic money institutions, insurance and reinsurance companies, UCITS management companies, alternative investment fund management companies, factoring companies, investment firms, stock exchanges and even smaller number of other entrepreneurs). The data was analyzed using the SPSS version 22.

FINDINGS AND DISCUSSION

In order to examine what concessions the employers are willing to make to keep the employee working in a key position who has decided to quit and

work as a freelancer, the 5-point Likert scale was used. The question was: “If a key position employee decides to quit and work as a freelancer, what concessions are you willing to make to keep the employee and to what extent?”. Eight statements were offered to respondents: “I would not offer anything”; “I would allow the employee to decide independently of their working hours”; “I would allow the employee to decide independently of their place of work”; “I would allow the employee additional education”; “I would allow the employee additional days off”; “I would allow the employee share in the company”; “I would allow the employee to participate in the company’s management”; “I would provide the employee with additional financial bonuses”. Each of the respondents had to indicate the extent to which they agreed with the statement. The offered answers were as follows: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree.

Table 1. Descriptive statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee

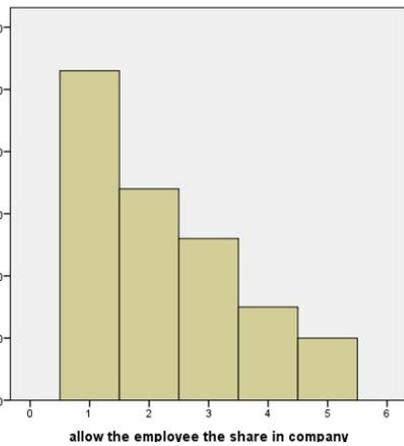
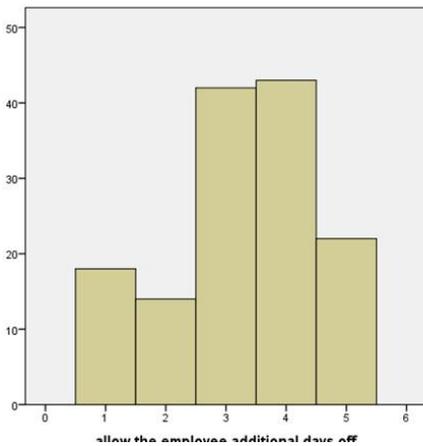
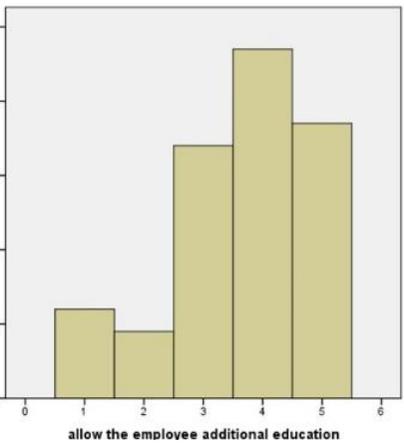
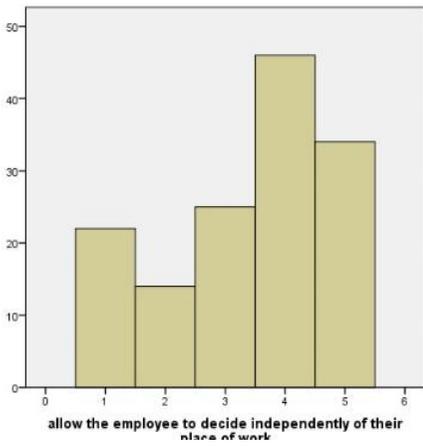
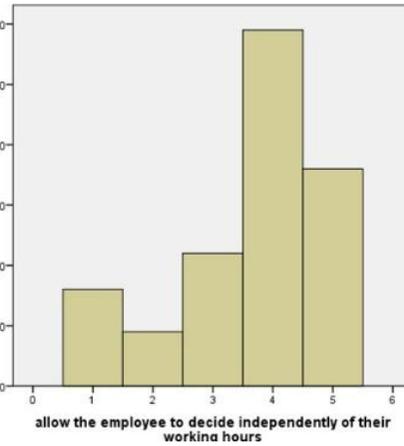
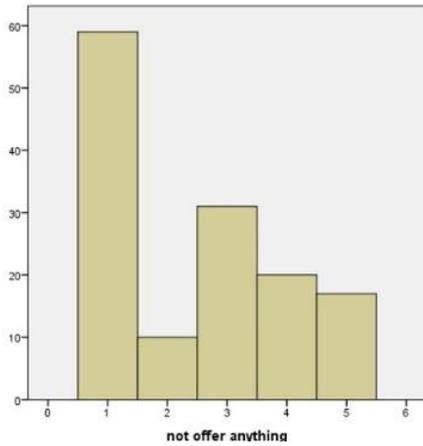
	not offer anything	allow employee to decide independently of their working hours	allow employee to decide independently of their place of work	allow employee additional education	allow employee additional days off	allow employee the share in company	allow employee the participation in the company's management	provide the employee with additional financial bonuses
N Valid	137	142	141	139	139	138	135	140
Missing	21	16	17	19	19	20	23	18
Mean	2,46	3,63	3,40	3,63	3,27	2,24	2,38	3,56
Median	2,00	4,00	4,00	4,00	3,00	2,00	2,00	4,00
Mode	1	4	4	4	4	1	1	4
Std. Deviation	1,470	1,246	1,367	1,193	1,225	1,270	1,257	1,248

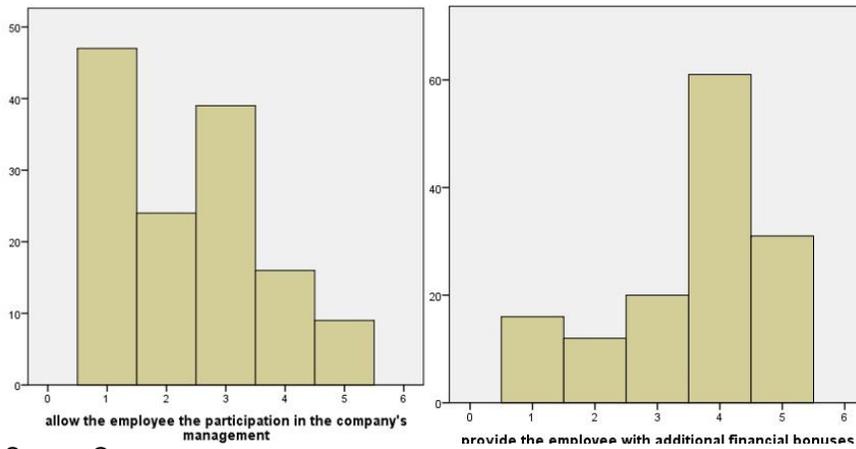
Source: Own survey.

Descriptive statistics shown in Table 1 confirms that employer would definitely try to do something in order to keep the employee who has been working in a key job position, but they are not willing to give share in the company or to let them participate in the company’s management. First of all, employers are willing to allow the employee additional education and allow them to decide independently on their working hours. They are willing to provide the employee with additional financial bonuses, to allow them to decide independently of their place of work, and allow them additional days off.

Histograms in Figure 1 show to which extent the respondents agree with each of the statements. Histograms show that respondents are the surest in the first statement declaring that they will certainly do something to keep the employee. Hence, the main hypothesis “In order to retain the employee who has been working in a key position, employers are willing to make concessions regarding the independence of the employee in deciding about the time and place of work” is accepted.

Figure 1. Histograms of the employers’ attitudes regarding the concessions they are willing to make in order to keep the employee





Source: Own survey.

Regarding the additional hypothesis “employers are willing to give them share in the company”, there is not enough evidence to keep the null hypothesis after this analysis. Therefore, null hypothesis is rejected, meaning that employers are not willing to give share in the company, not even at a price of the employee working in a key position leaving.

Table 2. Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on whether they already hired a freelancer or not

Test Statistics^a

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Mann-Whitney U	1796,500	2061,500	1789,000	2141,500	1944,500	2135,000	1955,000	2132,500
Wilcoxon W	5282,500	3601,500	3274,000	3626,500	3375,500	3566,000	3281,000	3617,500
Z	-1,894	-1,346	-2,354	-,573	-1,393	-,420	-,770	-,739
Asymp. Sig. (2-tailed)	,058	,178	,019	,566	,164	,675	,442	,460

a. Grouping Variable: have they ever hired a freelancer

Source: Own survey.

Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on whether they already hired a freelancer or not provided in Table 2 shows that there is no statistically significant difference in the attitudes of the employer in any of the claims, except for the statement “allow the employee to decide independently of their place of work”.

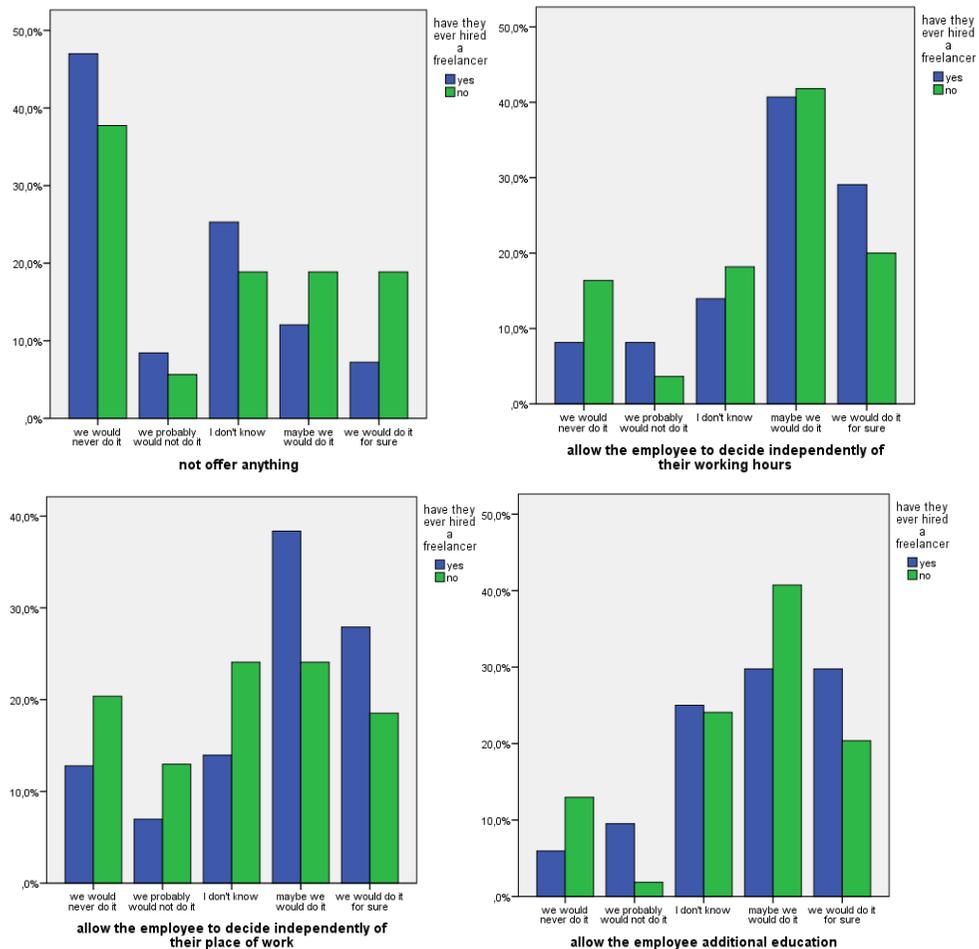
According to the bar charts provided in Figure 2, employers who have hired freelancers (blue, on the left) are more willing to allow the employee to choose their workplaces than those employers who have never hired freelancers before (green, on the right).

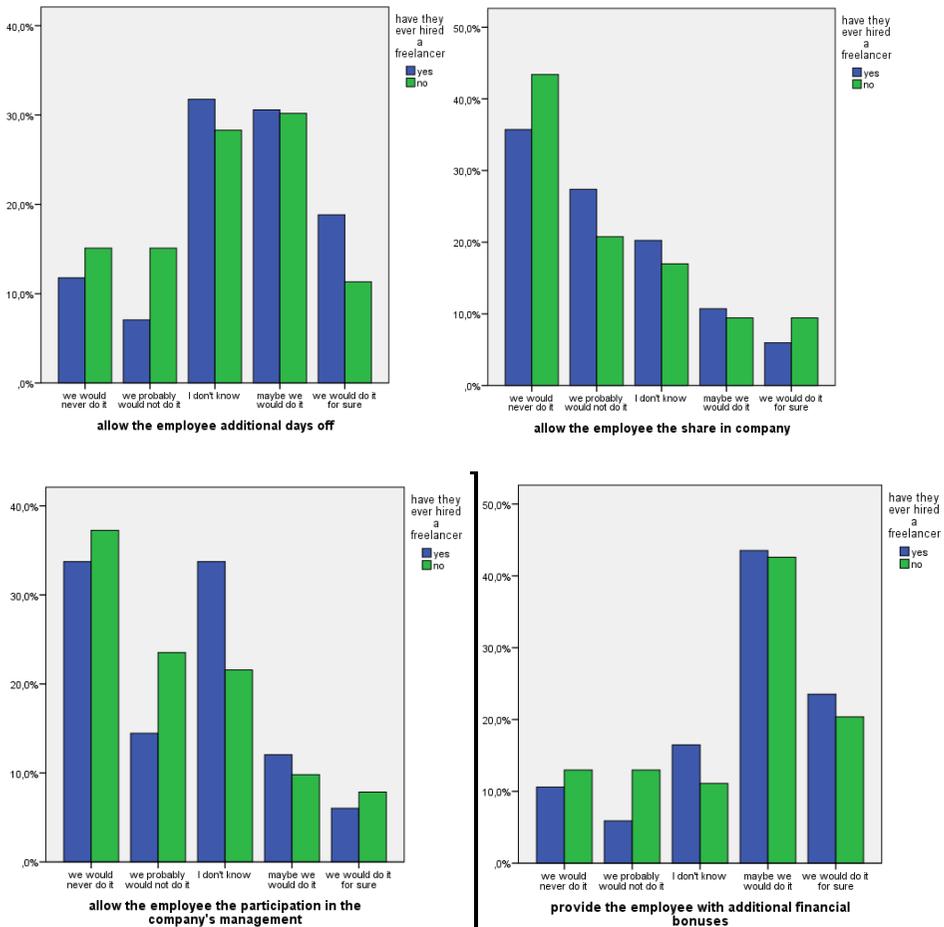
Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee

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Figure 2. Bar charts of the employers’ attitudes depending on whether they have already hired a freelancer or not





Source: Own survey.

However, since this is the only significant difference between employers who have and have not hired freelancers, there is not enough evidence to keep the null hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on whether they have already hired a freelancer for a job or not”. Accordingly, null hypothesis is rejected, meaning that there is no statistically significant difference in the attitudes of the employer depending on previous experience in hiring freelancers.

Table 3. Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the area in which the company operates

Test Statistics^{a,b}

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	10,264	2,258	3,507	1,580	4,744	5,475	4,747	2,136
df	5	5	5	5	5	5	5	5
Asymp. Sig.	,068	,812	,622	,904	,448	,361	,447	,830

a. Kruskal Wallis Test

b. Grouping Variable: In which area does the company operate?

Source: Own survey.

Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on the area in which the company operates shows that there is no statistically significant difference in the attitudes of the employer in any of the claims. Therefore, hypothesis "Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the area in which the company operates" is rejected.

Table 4. Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on the size of the company

Test Statistics^{a,b}

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	10,950	5,505	6,108	,810	4,036	6,733	4,243	2,309
df	3	3	3	3	3	3	3	3
Asymp. Sig.	,012	,138	,106	,847	,258	,081	,236	,511

a. Kruskal Wallis Test

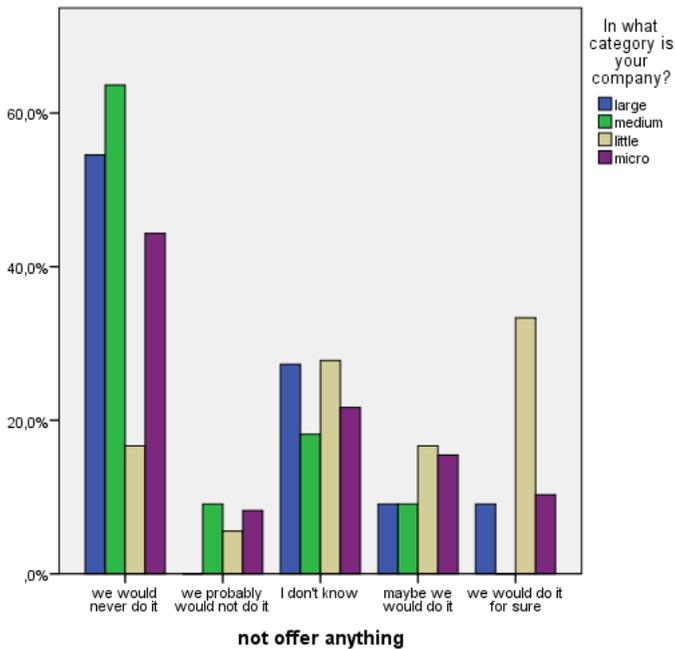
b. Grouping Variable: In what category is your company?

Source: Own survey.

Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on the size of the company, shows that there is no statistically significant difference in the attitudes of the employer in any claim except for the statement "I would not offer anything".

Bar chart in Figure 3 shows that little companies have different opinion regarding the employee who has decided to quit and work as a freelancer. They are not willing to offer them concessions and try to keep them to such extent as the other companies. Most little companies are certain that they would not offer anything to their employees without the intention to keep them.

Figure 3. Bar chart of the employers' attitudes about not offering anything to the employee who has decided to quit and work as a freelancer depending on the size of the company



Source: Own survey.

However, considering that in this sample the share of little companies was 7%, we do not have enough evidence to keep the null hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the size of the company”. Accordingly, null hypothesis is rejected, meaning that there is no statistically significant difference in the attitudes of the employer depending on the size of the company.

Table 5. Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on the county where the headquarters of the company are

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	27,934	19,133	20,199	19,191	11,371	19,855	24,894	13,500
df	19	20	20	19	19	20	19	19
Asymp. Sig.	,085	,513	,446	,445	,911	,467	,164	,812

a. Kruskal Wallis Test

b. Grouping Variable: In which county are the headquarters of the company?

Source: Own survey.

Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on the county where the headquarters of the company are, shows that there is no statistically significant difference in the attitudes of the employers in any of the claims. Hence, hypothesis "Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the county where the headquarters of the company are", is rejected.

CONCLUSIONS AND IMPLICATIONS

The results of this research show that employers are struggling with the problem of retaining experts and keeping them satisfied and motivated. They are ready to provide independency to the expert employees as to give them possibility to make decisions regarding the working environment. However, when it comes to share organizational shares, the bottom line is they are not ready to do it – employers do not find this acceptable. In Croatia, with developing independent employment as a form of employment, management will need to think more about that issue and to find out other additional motivation factors, but first of all to rethink rigid habits from the times when an employee was expected to obey the strict rules of working hours and places. Contemporary human resource management should put into the focus the specific needs of employers that will result in the achievement of strategic goals with the highest level of satisfaction.

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