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## **Literature Review on Motivation of Public and Private Employees and the Importance of Emotional Intelligence in the Public and Private Sector: The New Challenges**

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**Abstract:**

**Purpose:** *The present research was developed in order to investigate the relationship between emotional intelligence and employee satisfaction in the private and public sector.*

**Design/Methodology/Approach:** *It is a secondary review of the literature related to this subject.*

**Findings:** *The present study showed that emotional intelligence affects job satisfaction, and there are cases where a relationship was found between emotional intelligence and job satisfaction with gender, educational level, or years of service.*

**Practical Implications:** *One implication is for organizations to implement support programs and focus groups to help particularly stressed employees, especially in very difficult times, and to really address the needs of these employees.*

**Originality/Value:** *The present research has the benefit of examining the literature under the context of contemporaries and drawing conclusions under the pretext of a strained market.*

**Keywords:** *Motivation, public employees, private employees, emotional intelligence, new challenges.*

**JEL Codes:** *M12.*

**Paper Type:** *Literature review article.*

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## **1. Introduction**

Since the 1990s, with the wide spread of the concept of emotional intelligence, there has been a growing interest in the impact of emotional intelligence on the performance of organizations and employees, job satisfaction, dedication, and the development of effective leaders and organizations. Emotional intelligence is defined as the ability of a person to monitor and discern the emotions of himself and others as well as to use the information to guide actions and thoughts.

In the workplace, emotional intelligence is important as the ability to understand oneself and one's colleagues emotionally enhance the social skills needed to succeed in a professional environment. Employees with high emotional intelligence are more likely to be more satisfied with their job, as they are more experienced in valuing and regulating their emotions than employees with low emotional intelligence. An emotionally intelligent leader inspires his subordinates, motivates them, and stimulates their mental faculties. Leaders with higher emotional intelligence are characterized by empathy and interest in others not only as employees but as people.

In this context, the present research was developed whose purpose is to investigate the relationship between emotional intelligence and employee satisfaction with their work.

## **2. Literature Review**

Naff and Crum (1999) in a survey of 10,000 civil servants in the United States found that women have a greater need for motivation based on polite behavior and understanding than men and that education plays an important role. of each employee. It was observed that civil servants who were graduates of higher education institutions had a higher degree of motivation than graduates of Secondary Education.

Another important research (Houston, 2000 as reported in Camilleri, 2007), argues that the object of interest in work is the first hierarchical motivating factor for both private and civil servants. But then the second incentive in a row for private employees is the salary they receive while for civil servants the opportunity for promotion. In addition, civil servants place more emphasis on the security offered by their work, while external rewards take fourth place.

Also, according to Camilleri's (2007) survey of 3,400 civil servants in Malta, employees' perceptions of their organization, their relationship with their leadership, and their job characteristics are positively correlated with their motivation. On the contrary, conflicts in their work environment and the ambiguity of the goals they set hurt motivating civil servants. Conflicts in the public sector are less than in the private sector.

In addition, a recent study by Moynihan and Pandey (2007) argues that bureaucracy reduces motivation in the public sector. Also, years of service were found to be negatively related to motivation while age and income seem to have nothing to do with women being attracted to incentives related to their involvement in policy-making.

In general, the literature shows that the social characteristics of the employee such as education, vocational training, religion, etc. as well as his special abilities and skills, provide a mix of results that isn't always predictable.

In another study, Zampetakis and Moustakis (2007) studied business behavior in the Public Sector, a set of activities and practices by which individuals from different levels of organizations create and use innovative resource combinations to identify and seize opportunities. The results of the research showed that the business behavior of employees in the Public Sector is positively correlated with the ability of employees to manage important information and take initiatives in the performance of their duties. In other words, the more the ability of employees to take initiatives and manage important information increases, the more their business behavior increases and vice versa.

In another study, Manolopoulos (2008a) evaluates the motivation of employees in the wider Public Sector in Greece. The results of the research reveal the dominance of external rewards such as fair pay and job security, in empowering and encouraging employees to increase their performance in the wider Greek Public Sector. According to the research, its results support previous studies (Sherman and Smith, 1984 as reported in Manolopoulos, 2008a) which showed that when the structure of an organization is characterized by high levels of centralization and standardization (which are considered as structural features of public bodies), the result is a reduction in the use of internal incentives.

A recent study by Manolopoulos (2008b) had similar findings. The results of the research suggest that the performance of employees in the Public Sector can be enhanced by providing a mixture of external and internal incentives. Thus, while external incentives such as job security, financial incentives, and transparency in the promotion system seem to be the most important factors in increasing the performance of civil servants, there are also internal incentives such as job opportunities and the need for creative work are becoming increasingly important in motivating civil servants to work.

Bellou's (2009) research, conducted in three public hospitals in a large Greek city, showed that the "identification" of an employee with the Organization, in which he/she works, is positively correlated with his/her job satisfaction. In other words, as his/her job satisfaction increases, so does the employee's identification with his/her employer and vice versa. The research concludes that in the case of the Greek Public Sector, the government should realize that, if the Public Organizations do not allow

achieving goals in their human resources, to increase their job satisfaction and further their devotion to the Organization, will not be able to achieve maximum performance. In other words, there must be a match between the need to achieve the goals of human resources and the achievement of the goals of the Organizations.

Through the research of Papamichalakis (2012), it was found the degree of motivation from the external and internal rewards that the interviewed civil servants receive in their work. The rewards that significantly satisfy and motivate research participants are relationships and collaboration with colleagues, relationships and collaboration with the boss, job security and safety, job interest, work environment, responsibility, and freedom of initiative.

In general, most researches on the subject reveal the preference of civil servants for internal motivation, with the predominant motive being satisfaction resulting from the execution of a job that is interesting and important for society as a whole. But it should be noted, as Houston (2000) argues in his research, that public and private employees are probably not motivated by different factors but simply adapt their desires to the reality they experience through their work.

In general, in a system distinguished from inputs that need to be converted into outputs, such as in a private enterprise, efficiency is the key, this means the maximum possible output level for the given inputs. In the public body, the primary goal is equality and justice in the distribution of services to citizens.

The separation of private and public in most countries of the world is usually done at the institutional level, through special regulations within the framework of the Constitution. The results of the research presented, in particular, highlight the importance of internal incentives in motivating civil servants. Internal rewards, such as taking responsibility, decision-making, creative work, and achieving important goals, are becoming increasingly important in motivating civil servants to work.

Anything that is not included in the definition of the public sector is part of the private or market economy. The size relationship of the two sectors also varies considerably between countries, depending on their stage of economic development, their culture, and the prevailing political situation (Lane, 2001).

“Labor rules are changing. We are judged by new criteria: it does not only matter how smart we are or the education and experience we have, but also the way we treat ourselves and others. This criterion is increasingly applied in the selection process of who will be hired and who will not, who will keep his position and who will not, who will remain stagnant and who will be promoted. The new rules stipulate who is more likely to reach the top and who is more likely to be derailed along the way.

These are rules that have little to do with what we were taught at school, at the university. The new criterion takes it for granted that we are intelligent and well-

trained enough to do our job. On the contrary, it places considerable emphasis on individual characteristics such as initiative, empathy, adaptability and persuasion (Goleman, 2005).

The above related to emotional intelligence proves its great applications in business. After all, in recent years the interest of the business world in this new type of intelligence is particularly high. Seminars, academic lectures, workshops held daily prove what has already been saying.

The openings of the market, the rapid growth of technology, and the dominance of globalization have resulted in both an increase in inputs and an increase in labor outputs. Businesses of all countries look like a colorful puzzle, of a multicultural nature in which there are citizens of different ethnicities, therefore of different mentalities, customs, and traditions. The great challenge, then, of companies and organizations is both to harmonize the needs of each employee with the needs of the company or organization as well as to listen to them and, above all, to respect them. At this point, emotional intelligence can shape the appropriate channels of communication and help identify employees' goals with the goals of the company in which they work.

In business, the goals are achieved by employees, who work mainly in groups. A group is two or more people, who have some elements in common and interact to achieve the common goal. Within the team spirit, employees should be cooperative, friendly, willing, and supportive of each other. Any failures at work should be the subject of a thorough discussion in which the views of all members are heard. The degree to which an employee engages in a collaborative approach depends on the degree of emotional intelligence possessed by both the leader and the member.

The emotionally intelligent person is the one who within the team can handle with diplomacy and courtesy difficult people and situations of tension. Identifies the possibility of conflicts and ensures the de-escalation of disagreements encourages dialogue and open discussion. Has the ability to listen well, seeks mutual understanding, and is willing to share information with others. At the same time, he is the one who orchestrates successful solutions (Goleman, 2005).

Whether public or private, what matters in any business is customer retention, something that is achieved with the latter's satisfaction. The greater the customer satisfaction is the greater the benefits for the company. The management of a business is determined by its customers. In this context, the emotional intelligence of the manager/leader is of great importance. He will be the role model for his employees to adopt emotional skills to properly meet the needs of their customers, to build bridges of friendship and trust with them.

In business, some people set the goals and how they will be implemented. In addition to the above activities, these people must also convince the employees who

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staff them, since they will achieve the goals. These are the managers - leaders who carry out their activities by guiding, exhaling, listening, convincing, and above all creating a harmonious atmosphere. The leader-manager needs to play many different roles at different times and in different situations. The charismatic leader-manager chooses the right role in each situation (Goleman, Boyatzis, and McKee, 2002).

Leadership is a characteristic of an emotionally intelligent person and is essential for the harmonious interaction of managers with their subordinates. Self-awareness, which is a skill of emotional intelligence, i.e., understanding his feelings and goals, is a key component of the leader-manager. Necessity is because if he does not know his emotions he cannot manage them, let alone be able to manage the emotions of others (Goleman, 2000). Among other things, the leader has the skills to win over others, uses complex strategies, such as indirect influence, to gain the consent and support of his associates. Finally, it appropriately synthesizes the data to export the required.

“Birds don’t fly with broken wings. Charismatic leadership takes place only where the heart meets the mind and emotion meets the thought. These are the two wings that make the true leader fly” (Goleman, Boyatzis, and McKee, 2002).

The business must make a profit to survive. All the above factors that have been analyzed contribute in this direction. When employees work harmoniously, as a team, and are goal-oriented, when business customers are satisfied, when the managers-leaders guide and define a comprehensive and well-structured framework for action, results are a given. Among them is the profit from which the course of the business is judged. Thus, emotional intelligence and profit, although aren’t conceptually related, can even be considered identical concepts in business.

Emotional intelligence is now considered a necessary ability and is what distinguishes executives with excellent performance, while on the contrary some years ago the emotion in the work environment was considered a sign of weakness and bad influence in critical decisions. Success at work and leadership skills are 80% related to emotional intelligence and 20% to knowledge and IQ (Goleman, 2005).

Research has shown that EI-based skills are directly proportional to the level of hierarchy: the higher one advances in an organization (where differences in technical skills are negligible), the more important emotional intelligence skills play (Goleman, Boyatzis, and McKee, 2002). An empirical study (Fragkouli, 2009) on a sample of employees in the private and public sector in Greece, showed that 85% of public employees, compared to 95.7% of employees in the private sector have some knowledge about EI, the total (100%) of private employees agree or strongly agree that EI plays a role in personnel management, while only 1/3 (33.3%) of civil servants agree, 1/3 are neutral and the rest 1/3 doesn’t believe it plays a role.

In the same survey, 82% of employees in the private sector believe that there is a relationship between emotional intelligence, leadership, and increased efficiency, while in the public sector only 21%. In the public sector as well, 36% believe that IQ (intelligence index) and education are enough to become a leader and 13% disagree, while in the private sector 60% disagree. These results show the different mentality of employees and reflect the culture of each sector.

### **3. Conclusions**

The present study showed that emotional intelligence affects job satisfaction, and there are cases where a relationship was found between emotional intelligence and job satisfaction with gender, educational level, or years of service. On the other hand, a manager's emotional intelligence seems to enhance job satisfaction more, however, in the case of employees with limited emotional intelligence skills, whether they hold a position of responsibility or not.

Therefore, it turns out that executives either have the formal qualifications to "claim" a position of responsibility or are already leading a public body, it is necessary to form a high level of emotional intelligence, which includes both emotional maturity and interpersonal ability to understand one's oneself and others.

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<sup>2</sup>*The transliteration of the Greek characters into Latin was done in accordance with ELOT 743 (which is identical to the International Standard ISO 843)*

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