

ANALYSIS OF HUMAN RESOURCE MOTIVATION

PhD. Dumitru Raluca-Ana-Maria⁵⁵

Abstract:

The approach of management based on people's motivation is specific to companies with a tradition in the efficient management of human resources. Effective managers have long introduced positive strategies for employee incentives to organizations. A satisfied, motivated employee at work will have great performance. The power of the personal example has an essential role in motivating employees.

The new vision in the field of human resources is that the managers have subordinated automotive work teams that can implement the established goals. In this case, the managers have the support role by advising team members and ensuring the team's interface with the outside.

Key words: *human resources, motivation, management, small and medium-sized enterprises (SMEs), organizational performance.*

JEL Classification: *L1, L25, L32, M54, O15, O32, P17.*

Introduction

Many companies are currently reviewing how they look at the human resources they have. From the consideration of people as simple means of achieving the goals (profit, turnover, market share, etc.), managers are increasingly looking at employees as representing the company itself. This is very noticeable in service companies.

The two questions to which more and more managers in Romanian companies are starting to meditate are: "Why do we need to motivate employees?" or "Why should we be concerned about the level of employee satisfaction?". State or private companies, large or small, from different fields of activity, all companies have a common denominator: the human resource. The success of the company depends on how the human resource develops. The results of an organizational improvement project that looks at people are much harder than those of a project that aims at refurbishing or reducing internal costs, but each of these last two processes shares the people who create them and translate them into reality.

Of all the human resources processes that can be developed within companies, the motivation process occupies a central place, because to one degree or another, everything else derives from its proper functioning. Being constantly mindful how you can motivate people, how you can increase employee performance and satisfaction, is to restructure all processes within the company, from making job descriptions to establishing fair pay systems or career plans.

Moreover, the development of a company depends to a large extent on the way employees develop or, in other words, on the efforts that managers make to develop their employees. Without a clear vision of what the company wants to do and without adequate motivation of people to turn that vision into reality, a company can not succeed.

The new vision in the field of human resources is that managers have subordinated to self-empowered work teams that can, with little supervision, implement the established goals. In this situation, managers have the role of support by advising team members and ensuring the team's interface with the outside. Otherwise, team members do everything from setting goals to reach them. From this perspective, the employee motivation is nothing more than a process by which we ensure that all employees work in the direction of the vision set and in order to achieve the objectives.

⁵⁵ Lecturer Professor, „Spiru Haret” University, Bucharest, Romania

As with other concepts used in contemporary management, the term “motivation” is not easily defined, the proof being given by the multitude of theories that concern the motivation process from different but complementary perspectives. We have not yet come to a unitary model through which all aspects of this process can be explained. Little steps are being taken in this direction, especially from “pragmatists” who prefer to talk about how we motivate people rather than what motivation is.

In terms of motivation, virtually every person has in itself the “motor” that causes it to make efforts to carry out a certain action. The role of managers is not to “push” employees, but to get them to “start up” their own “internal” engine so that their satisfaction and performance are constantly growing. The role of a manager is to identify and use the factors that lead employees to strive to achieve their goals.

The success or failure of an organization depends on how its employees work. Her managers need to be aware that they can no longer use authority and coercion for employees to carry out their duties. Managers need to know especially how to keep their quality employees in the company. That is why the word that designates the solution applicable in this new context is engagement. Managers must motivate their employees by instilling commitment and desire for action and encouraging their creativity. Managers should benefit from the experience, energy and skills of the human resource.⁵⁶

Motivation of staff is one of the most important issues faced by managers at all levels and from any type of organization. Unfortunately, as in other areas of managerial skills, this area is influenced by a series of “myths” and preconceptions that negatively influence managers' performance and, in general, organizational performance.

Determining employee motivation is not a simple thing. In most cases, we can not find out what motivates a person unless we conduct a poll. But a manager is in a position to influence the motivation of others, so it is important to understand the various factors that motivate people so that we can exert their influence on them with skill and wisdom.

The theories of human needs provide a detailed look at what motivation means. According to Maslow, some domestic needs are closer to the basis of a personal hierarchy than others, and people are looking to meet higher needs at the time they meet basic needs. Therefore, managers must provide pathways to self-fulfillment. Otherwise, their employees will remain unmotivated.

Motivation - Efficiency - Performance Relationship

Effectiveness of motivation

Motivations differ a lot from each other in terms of their effect on the outcome of the work. The result of the work is of two types: objective and subjective.

The objective result is the performance (number of products produced) and productive efficiency.

The subjective result consists of the affective state generated by the work activity, the objective results for the one who has made the effort and that generates the state of satisfaction or dissatisfaction.

Efficiency of work

Under certain conditions and within certain limits, any motivation can be used effectively. Daily practical observations and systematic research have led to two conclusions when the other conditions are equal:

- intrinsic motivation is more efficient than extrinsic (MI > ME);
- positive extrinsic motivation is more effective than negative extrinsic motivation (MEP > MEN).

Under all circumstances, extrinsic motivation has some disadvantages, such as:

⁵⁶ Radu E., Tigu G., State O., Tuclea C., *Human Resource Management*, ASE Publishing House, 2000, p.13

- Introduce negative side effects causing defensive, counterproductive behaviors (eg low performance, lack of initiative);
- suffers wear over time and therefore needs to be continually increasing; this implies performance in the short term and more in quantitative terms, negative extrinsic motivation is poorly productive and should therefore be avoided by resorting to it only in extreme cases.

Human Effectiveness of Motivation (Work Satisfaction)

Man's satisfaction at work is the subjective reflex of work organization. Satisfaction is the positive affective state of satisfaction of the subject that is manifested in achieving success or as a result of fulfilling a need, reaching the goal, increasing the qualitative performance of its actions.

For a long time it has been thought that satisfaction and performance in work are two divergent aspects or, in other words, that an increase in dissatisfaction is the price paid for an increase in labor efficiency.

Work is necessary and must be done through the sense of duty or the need to ensure our daily living, although in itself it is an effort that generates dissatisfaction, frustration. Such a philosophy of work and the nature of man if not entirely, at least in part, is false. Work may be an external obligation, but it can also be a source of deep satisfaction.

Satisfaction is generated by the purpose of the work that materializes in the social utility of work. The concept of work-satisfaction divergence has been fought over the last 50-60 years. Research shows that the two aspects are not only divergent, but there is a correlation between them in principle with an average value of 0,14.

Satisfaction, as a source of work performance, depends on:

- *the complexity of work*: the more complex the work requires a high level of qualification, the more the satisfaction influences the performance.
- *the type of result sought*: satisfaction affects performance in a certain way when pursuing a quantitative result and otherwise when pursuing a qualitative result.
- *the level of personal development of the individual*: the higher the level of training and the general culture, the more the satisfaction affects the performance. In fact, a higher level of culture means a higher level of knowledge about the usefulness of the work done.

Satisfaction-performance relationship is not a direct one, but a complex one. Regarding the degree of influence between the two, it has been found that higher performance influences the satisfaction.

The motivation functions are:

- the function of internal activation and signaling of a physical and psychological imbalance is specific to needs that have a distinct dynamism starting with an internal, continuous alert, with a growing agitation, finishing by satisfying them.
- the mobilization function (trigger factor) of the actual action;
- a self-regulating behavior that prints an active and selective character.

The power to change behavior belongs to the person whose behavior is trying to change his leadership; motivation is a process that takes place within a person. The problem with the manager is to find a strategy that comes in contact with the employee's inner state, causing him to be motivated, to act under the impulse of his own feelings.

Managers need to understand motivation strategies, how they succeed or fail. Human Needs Theories provide a detailed insight into what motivation means. Managers must provide pathways to self-fulfillment, or else their employees will remain unmotivated.

There are two main types of strategies through which a manager can try to influence the behavior of others: *direct influence* (strategies that represent the direct interaction between managers and those they want to influence) and *situational adjustments* (those strategies designed to modify the nature of the situation in which they work one person, starting from the idea that changed situations will influence internal motivations).

High motivation will not lead to increased performance if employees lack basic skills and abilities, do not understand job descriptions, or encounter unavoidable obstacles over which they have no control. Contemporary managerial techniques, such as total quality management, simply do not work if employees have physical, arithmetical or technical skills deficiencies⁵⁷.

The approach of management based on people's motivation is specific to companies with a tradition in the efficient management of human resources. Effective managers have long introduced positive strategies for employee incentives to organizations. A satisfied, motivated employee at work will have great performance. The experience of the years has taught these managers that only by properly analyzing and treating the needs of the employees can the proposed objectives be achieved. The manager needs to know exactly who the beneficiary is, as he is, and know how to "act" his behavior in order for the "incentive" to be appreciated correctly.

The main elements that activate the work behavior are human needs. The need is a state of internal imbalance that generates a state of instability of the individual. This tension stimulates the effort to restore balance.

Particularities of the training function in SMEs

Paradoxically, training is concurrently intense, less sophisticated and very effective. As with previous management functions, the entrepreneur manager puts a strong impression on the exercise of training processes. The way the entrepreneur works and behaves has a decisive influence on the degree of motivation and involvement of the SME components. The power of the personal example has an essential role in motivating employees. The strong individual motivation that has led him to take on the appreciable risks to entrepreneurs, the intense efforts involved in setting up and operating a firm, and the prospect of making a substantial gain, makes the entrepreneur a permanent mobilize for effort, quality and performance within the organization.

Although there are rarely specific motivation elements - except for salary - motivation of the employee is intense due to the permanence of the entrepreneurial manager in the company and the personal example. Familiar micro-enterprises with intense motivation often contribute to the existence of family members, strongly attached to the firm and motivated to achieve effective results.

All these elements make it possible to use many elements of moral and spiritual motivation in SMEs, such as: praise, direct discussions between the entrepreneur and employees, flexibility in the employees' work schedule, frequent consultation of the staff on how to solve problems etc.

The main *tendencies* that appear in the exercise of overturning in small and medium-sized firms are:

- weighted diversification of means and motivation modalities as a result of increasing the level of information and managerial training of entrepreneurs;

- diminishing to a certain extent the weight of informal and moral-spiritual elements in motivating employees due to changes in the system of values and behaviors in society, in the nature of human relations; in this context there is a certain "cooling", a decrease in the role of affectivity in group relations, coupled with the rise of the elements of rationality, of individual material and professional interest.

- increasing the motivation of employees, in particular, of the stakeholders in general, towards innovation and performance within the firm, which are becoming more and more survival conditions even in traditional craft micro-shops.

These tendencies seek to maintain a strong motivation in small firms, generating efforts over the media of society and playing a major role in their survival and development, under the conditions of today's competition.

⁵⁷ Jones G., *Organizational Behavior*, Economic Publishing House, Bucharest, 1996, p.150

Motivational principles in SMEs

The table below provides a parallel between the motivational principles and the position of SMEs in relation to the 10 principles.

The parallel between the principles of motivation and the specificity of SMEs

Nr. crt.	Principle	Purpose	Putting into practice	Principles in SMEs	
				Specificity	Comment
1.	Scope of coverage	Includes all aspects of HRM	HRM must be organized, not left to local ad-hoc decisions	All MRU is done by the entrepreneur / small team of heads	The tendency towards the extreme: understanding and good or totally ineffective.
2.	Coherence	Activities related to HRM form a coherent whole	A clear relationship between performance / reward and business needs	Dependent on the entrepreneur's personality	It can be dangerous and subjective.
3.	Control	Ensures consistency of performance with business objectives	Participatory management / delegating the way an objective is achieved	Often completely centralized	It can be dangerous and subjective.
4.	Communication	Objectives understood and accepted by all employees; open culture without barriers	Clear, simple and justified strategies; cascading process with feed-back to the top	Very different; objectives can be a mystery for the human resource	Depending on the owner; often an open culture with direct communication
5.	Credibility	The staff trusts the top management and believes in its strategy	Top managers are sincere, honest and consistent	Very variable, employees tend towards a firm opinion of the owner	The owner's personality is visible to everyone
6.	Dedication	Employees motivated to achieve the organization's goals	Top managers are devoted to their staff	It can be interesting and challenging for the right type of employee	The people who "bind" the entrepreneur remain
7.	Change	Continuous progress and essential development for survival	Flexible people and work systems; the culture of innovation; developing skills	It varies between stationary and business growth	Change as a reaction rather than as a strategic option

8.	Competence	Competent organization to achieve its objectives - dependence on individual skills	Resource Strategies, Selection Techniques and Human Resources System implemented	Dependent on the skills and knowledge of the entrepreneur and a core of employees	Often random; unsystematic and restricted development to a few elected
9.	Creativity	The competitive advantage derived from unique strategies	System to encourage and reward employees' ideas	Most SMEs copy their competition; few exceptions are meant for success	Creative entrepreneurs usually use their own ideas
10.	Cost effectiveness	Competitive systems, fair rewards and promotion systems	Top managers are redeployed on an equivalent basis to staff	Often it takes place on a single note: few employees and low salaries	Most entrepreneurs do not use the same reward system as for employees

Source: Adapted by Price A., *Human Resources Management in a Business Context*, Second Edition, Thomson, 2004, p.79, 219

Employee motivation in SMEs

Employee motivation in SMEs is intense, less sophisticated and very effective. The entrepreneur-manager has a strong footprint on employee motivation. The power of the personal example has an essential role in motivating the company's employees.

The way the entrepreneur works and behaves has a decisive influence on the degree of motivation and involvement of the company's employees. Its strong individual motivation, which has led it to take significant risks for entrepreneurs, the intense efforts involved in creating and putting into operation a company, and the prospect of winning substantially make the entrepreneur a permanent mobilize for effort, quality and performance in within the organization⁵⁸.

The elementary mechanism of motivation can be explained as follows: an employee has a need (or more), and management uses incentives that promise to meet those needs. Employee responds to positive behavior, boosting performance, employer satisfies the need, and the organization improves productivity and efficiency.

The motivational process in SMEs

Managers have different ways to motivate members of the organization⁵⁹. Each way aims to meet the needs of subordinates to respond by means of appropriate behavior for the organization. Among these, I mention: managerial communication, job design, monetary incentives and non-monetary incentives⁶⁰.

The basic motivation mode used by managers is simply that of a *good communication* with the members of the organization.

The second way managers can use to motivate members of the organization is **to design posts** that the members of the organization will handle. There has long been a concern to simplify and specialization the posts in order to increase the work productivity. The negative result of this

⁵⁸ Nicolescu O., *Management of Small and Medium Enterprises*, Economic Publishing House, 2001, p.329-330

⁵⁹ Certo C.S., *Modern Management*, Teora Publishing House, Bucharest, 2002, p.475-485

⁶⁰ Megginson S., Megginson T., *Successful Small Business Management*, Fifth Edition, Irwin, 1988, p.317

concern is routine at work. The first major attempt to overcome the routine in the workplace was **the rotation of posts** - the shift of employees from one post to another, avoiding that the employee had only one simple and specialized post in the long run. Another strategy designed to overcome the routine of providing simple and specialized activities is **expanding the job** or increasing the number of operations a person needs to take to get more satisfaction from work. **The flexible program** is another more recent designing strategy. The tradition of a fixed program of eight hours a day has begun to change.

Another way that many companies use is **monetary incentives**. Many large firms operate with employee ownership plans as a form of motivation; managers are usually offered premiums in the form of shares as the incentive to think as a business owner. Other forms of monetary incentives are the first ones or the correct division of quotas from the obtained gain.

Also, a firm can maintain employees' commitment and motivation through **non-monetary means** such as the existence of promotional policies inside the firm or other firms emphasize quality based on the theory that most employees are unhappy when they know their work is reflected in unsatisfactory products.

The foundation of the training function, motivation finds in small and medium-sized enterprises a more feasible framework in comparison with large firms. In small and medium-sized firms, the rewards received by employees reflect more accurately the efforts and results they have achieved in their work.

Conclusions

Managers must offer paths to self-fulfillment. Otherwise, their employees will remain unmotivated. Although there are rarely specific motivation elements, with the exception of salary, motivation of the employee is very intense due to the permanence of the entrepreneurial manager and the personal example.

The approach of management based on people's motivation is specific to companies with a tradition in the efficient management of human resources. Effective managers have long introduced positive strategies for employee incentives to organizations. A satisfied, motivated employee at work will have great performance. The power of the personal example has an essential role in motivating employees.

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