The analyze of the employees motivation system in the Romanian companies. The empirical evidence

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Abstract: The paper aims to analyze the main characteristics of employee motivation system in the Romanian companies using data collected from 402 individual employees. The results of the study reveal the fact that, in the present situation of economic crisis, a lot of Romanian people search for a job who offers them an income and job security. Therefore, the job stability occupies the first place in employee preferences followed by job type and wage offer. The vocational development and the job enrichment are also important for the Romanian employees. The results of the study do confirm the assumption that money is not everything in terms of work motivation, suggesting that managers need to focus more on non-financial incentives to better motivate employees.

The Romanian employee looks both meagrely motivated and demotivated. The role of non-financial motivation is not yet wholly understood by the Romanian employers, stipulating a term of 5 years, in which the non-financial motivation will become a current practice in Romania.

Keywords: employee motivation, survey, Romanian companies, motivating factors.

1. Introduction

The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. A well-managed organization usually sees an average worker as the root source of quality and productivity gains. Such organizations do not look to capital investment, but to employees, as the fundamental source of improvement. In order to make employees satisfied and committed to their jobs in the companies, there is need for strong and effective motivation at their various levels, departments, middle and top management.

Employee motivation is one of the major issues faced by every organization. It is the major task of every manager to motivate his subordinates or to create the ‘will to work’ among the subordinates. It should also be remembered that a worker may be immensely capable of doing some work; nothing can be achieved if he is not willing to work. A manager has to make appropriate use of motivation to enthuse the employees to follow them.

In terms of motivation, money is not the only motivator. There are other incentives which can also serve as motivators such as: the level of benefits, perceived fairness of promotion system within a company, quality of the working conditions, leadership and social relationships, employee recognition, job security and career development opportunities.

The purpose of the paper is to analyze the main characteristics of employee motivation system and to identify the major factors that motivate the employees of the Romanian companies.

2. Literature review

At one time, employees were considered just another input into the production of goods and services. What perhaps changed this way of thinking about employees was research, referred to as the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932[16]. This study found employees are not motivated solely by money and employee behavior is linked to their attitudes [16].

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results [33]. Five major approaches that have led to our understanding of motivation are Maslow's need-hierarchy theory, Herzberg's two- factor theory, Vroom's expectancy theory, Adams' equity theory, and Skinner's reinforcement theory.

But, the main question is: why do we need motivated employees? The answer is survival [30]. Motivated
employees are needed in our rapidly changing workplaces. Motivated employees help organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly [10]. For example, research suggests that as employees' income increases, money becomes less of a motivator [23]. Also, as employees get older, interesting work becomes more of a motivator.

The purpose of the present study is to analyze the Romanian companies’ motivational system and to describe the importance of certain factors in motivating employees from Romanian companies.

3. Research Methodology

3.1. Data collection

The target population of the study were employees who live in urban area, who work in companies with at least 10 employees (including autonomous administration and corporations), who have a management position (general manager, manager, department manager, supervisor) and also who have at least 5 subordinates.

The sample size included 402 employees from small, medium and large sized Romanian companies. The questionnaire was applied on individual employees, 21% of those working in trade activities, 32% in production activities and 47% in the service area.

The sample has been draw using the random systematic selection based on the random generation of phone numbers through CATI system (Computer Assisted Telephone Interviewing).

The study was performed in the period 11-22 June 2009 and the sample is considered representative for the examined collectivity, with an error limit of ± 4.9% at 95% probability.

3.2. Variable measurements

The questionnaire was specifically designed to accomplish the objectives of the study. The first section collected information about the company in which the employee works (number of employees, judicial regime, main area of activity and the amount of turnover in the previous year).

The second section contained the following items:

- Job and salary satisfaction levels were measured using a 5-point response scale in which ‘1’ indicated ‘very dissatisfied’ and ‘5’ indicated ‘very satisfied’. Higher scores indicated greater levels of satisfaction.
- The motivator-hygiene factors were measured using 25-item four-point Likert type scale with responses varying from 1 (strongly agree) to 4 (strongly disagree). Lower scores indicated greater satisfaction regarding the job factors.
- Ten items were used to evaluate the main motivating factors from the employee point of view. Each of these items used a 5-point scale ranging from ‘1’ = ‘least important’ to ‘5’ = ‘very important’. Higher scores indicated the most important motivating factors.

In the third section of the questionnaire, demographic variables (such as age, gender, years of service, years of service on the actual position, number of subordinates, basic profession, salary) were statistically controlled due to their potential relationships with the variables of study. The age, years of service, years of service on the actual position, number of subordinates and salary were measured using 5-point scales. The basic profession was measured using a 4-point scale. Gender was coded as a binary variable (0=male and 1= female).

4. Research results

4.1. Sample profile

Of the 402 respondents, the majority were male employees (60.9%, n=245). Females had been in their current position for 5 to 10 years. Males had been in their current position for 1 to 3 years.

Respondents who were 36–45 years old (30.1%) comprised the largest age group. One-third of the respondents (37.3%) are engineers, while only 27% of the interviewed persons state that they are economists. Regarding the years of service, 40% of employees state that they have over 10 years old in the company.

About one-third of respondents confess that they have over 10 years of experience in management position. As regards, the number of subordinates, 51.7% of respondents coordinates up to 49 persons.

4.2. Data analysis

Respondents were asked to complete, using a five-point Likert scale, first how satisfied they felt with their jobs and then how satisfied they felt with their wages. The degree of satisfaction was moderate, with 67.9% of
employees stating that they were either very or moderately satisfied with their jobs (25.1% and 42.8%, respectively) while 3.7% of respondents have confirmed the total dissatisfaction for their jobs. Only 48.5% of the respondents said that they were moderately to extremely satisfied with their levels of remuneration (13.2% and 35.3% respectively), although 13.7% of respondents reported moderate to extreme dissatisfaction.\[Fig. 1. Job and salary levels\]

In determining the factors, characteristic of intrinsic job motivation, the subjects were asked six questions that related to motivation with all respondents scaling their responses from 1(strongly agree) to 4(strongly disagree). The aggregate mean score for intrinsic job motivation was 1.99 with a range from 1.35 to 3.06.

Examining specific elements of the factors that contribute to intrinsic job motivation, 95.3% of the respondents stated that they were agree and strongly agree with the affirmation that their work is interesting, while 94.8% of those state that they like their jobs and 94.5% of the employees consider the their abilities are used on a appropriate job.

Investigating the factors, characteristic of the extrinsic job motivation that could have any effect upon an individual's job motivation levels we find that the employees are not quite confident regarding the opportunities to promotion, the transparency of the salary system and the fact that their earnings are appropriated to their skills. The subjects were asked fifteen questions that related to extrinsic motivation, with all respondents scaling their responses from 1(strongly agree) to 4(strongly disagree). Again the mean score had a significant positive response of 1.65 with a range from 1.90 to 2.31.

An indicator of non-financial motivation can be observed when another company makes to employee a better income offer. Nevertheless the employee decline the offer motivating that it feels good at his job. Each employer invests in the qualification of his employee, but if he will not see about his employee in a particular non-financial way, then at the first occasion, this will go to another company, where it will use all the experience previously accumulated.

At the question “what is the additional amount for which the employees would change its job?” 32.1% of respondents state that they are faithful to their actual job and they would not change it for any other offer, while 20.1% of those have confirmed the fact that they would change their present job for another 400 euro at the salary.

For 402 interviewed persons, about 9% of those state that they would change the actual job for other benefits, but by no means for a plus to salary. These benefits are: flexible schedule, paid holidays, working climate and inter-human relations, bonuses and primes, training courses.

As regards the main incentives received by employees in order to increase their motivation level, on the first place are situated performance related bonuses in 39.1% of cases, followed by the bonuses unrelated to performance (holiday premiums) with a weight of 33.1% of the responses. On the third place we find the short-term training courses. But it is important to say that incentives lose their luster after a while, and rather than motivate, becomes a base-line expectation. Those companies that rely on incentive motivation as their primary form of motivation will find that they have to do more and more, for less and less! That is not to say that incentive motivation doesn't have a place in business. Just keep in mind that it is not the most effective long-term mover of people, and use it for short-burst shots in the arm.
The most important motivating factors in term of motivation are: job stability, a proper potential salary (not necessarily the actual one, but the one that employee could obtain it in the future by an promotion, or by increasing the years of experience in the company), opportunities to promotion, an attractive benefit package (seasonal tickets or access to sport clubs or beauty centers, medical insurances, facilities for nursery school, facilities for a housing acquisition credit, personal courses financed by the company as well as holidays paid by the company), premiums and bonuses, job attractiveness, job authority responsibility and autonomy, professional development and job comfort.

All respondents have scaled their responses from 1” least important” to 5(most important) using a 5-point Likert scale. In order to rank up the factors we have calculated a mean score for each factor that illustrates its importance relative to other motivational factors. The figure 4 highlights those factors that were ranked the highest.

The most important motivating factors from the point of view of Romanian employee are job authority, responsibility and autonomy, job stability and professional development.

The job authority, responsibility and autonomy represent one of the most important motivating factors, obtaining about 91% of employee suffrages. For the people, it is important to take care of someone or something, because gives them a feeling of utility of their own person. When the leader invests his employees with a duty, these employees make efforts to finish the duty with the best results. Each employee prefers to control the way in which he carry on his activity, and also the decisions that he takes and to be responsible by his results. If the members of a team have individual responsibilities, their work will be more efficient. When the responsibility belongs to someone else, the involvement level and the settled effort decrease significantly. The lack of individual responsibilities allows that in the eventuality of a failure, the guilt to be threwed on other members of the team.

The importance of job stability in the context of the actual economic crisis has been wholly understood by the Romanian employees. In difficult periods, the employees are worried by their financial and professional future becoming unconfident, and this thing is harmful for the company, because can lead to the decrease of performance level. The future of the companies depends on the commitment and on the faithfulness of the employees. Normally, the firm’s preoccupations should include more than reorganization of the schedule, company and personnel, they should straighten the attention on the employees remained in the company.

The stability has become the main motivating factor in this period. The job stability has become more important but also more difficult to achieve, because the companies have limited budgets and the employees meet difficulties in this period of economic recession. According to the Maslow’s pyramid, on the top of the needs is the self- actualizing that was a natural need in previous period. Now, due to the economic crisis, the people turn to the lower level needs, safety becoming
primordial in the top of preoccupations.

The survival need raise above the moral values, and the motivation strategies should take into account this thing. In order to reduce the uncertainty, the internal communication is very important; the employees need reliable informations regarding the future of the company because this is in direct link with their future.

The motivational system should be harmonized with the contextual changes and should direct the employees to the achievement of the company objectives. The employee safety depends on the financial motivation only in a certain extent; the other achievements can be obtained by the way of commitment the information.

In the context of financial crisis, the labour force supply decreases because all the people have financial difficulties. The Romanian employee is in the situation of reevaluating what he has already and to not change very often the job. The employees start to reevaluate differently what they have and to appreciate more the actual job. And also, they don’t believe so much in the promises of the other companies. It looks that the employees like their jobs more than before the crisis. If two years ago, it could be summarized as “I want more” now this phrases it has been transformed into “I want a job”.

On the third place with a mean score of 4.50 is situated the professional development. The job itself can offer the most important and motivating rewards. It is important to not underestimate the motivational power of knowing a thing and to making it good. This is the reason for what the professional development is a powerful motivating factor.

As long as the employees are more trained, they will have more possibilities to have better work performance and also to be motivated. It is very important that the company offers to employees the possibility of professional development, the possibility to participate to training courses, and the possibility to be co-opted in projects that solicit their potential.

Also, from the motivation points of view, very important are the expectations offered to employees. The young employees want to learn and the show what they can make. The older employees, who can appreciate their own performances, want to mark out their trumps. All the employees aspire to something, some to knowledge, others to power and glory.

The main element of financial motivation –the potential salary that the employee could obtain in the future by an promotion, or by increasing the years of experience in the company- occupy the fifth place in the most important motivational factors ranking.

But, the money should not be overestimated as motivating factor. The idea that the money motivates, that the people work only for money, is not always true. A higher salary does not always ensure an increase of employees’ motivation. The financial motivation lasts in average two-three months. The employee is attracted by money, but the money does not confer a high fidelity. There are two moments: attraction and fixation. The employees can be attracted by a salary package, because they don’t know very well the company, but in the moment in which they start the work and they see what is the real cost of the wage received, they start to reevaluate in a different way the things.

The Romanian employees want to be valorized like human beings. What the employees appreciated the most are the work climate and the relationship with the leader. After a higher salary increase, there is a wish of the employee to improve its performances, but soon this wish grows dim. Generally, the employees get use to their new wages and they have the trend to perceive him like a normal one.

5. Conclusions

The results of the study reveal the fact that, in the present situation of economic crisis, a lot of Romanian people search for a job who offers them an income and job security. Therefore, the job stability occupies the first place in employee preferences followed by job type and wage offer. The vocational development and the job enrichment are also important for the Romanian employees. The results of the study do confirm the assumption that money is not everything in terms of work motivation, suggesting that managers need to focus more on non-financial incentives to better motivate employees. The Romanian employee looks both measly motivated and demotivated.

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