

MOTIVATION OF EMPLOYEES AND ITS ROLE IN ORGANIZATION'S OBJECTIVES

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Abstract

Motivation has become a concept designed to help organizations achieve their goals. Studies have shown that there is a direct relationship between employee motivation and organizational performance.

The purpose of this article is to identify the main motivational theories and their applicability to employees of financial institutions.

The research method used consists in the analysis of the specialized literature and the quantitative research, which is based on a questionnaire applied to the employees of an ALPHA financial institution in Romania.

Keywords: *motivation, employees, reward, organizational performance, individual performance*

JEL Classification: A14, M12

1. Introduction

Motivation is a major component of management and one of the most discussed topics in the speciality literature. In the definition of motivation a lot of authors expressed their opinions. and do it further, their approaches being very diverse and not rarely contradictory.

P. Golu defined the motivation as the subjective model of objective causality, causality produced psychically, accumulated over the time, transformed and transferred by learning to the internal acquisition of the person.

G.A. Cole, one of the British specialists on human resources, offers us a synthetic and accessible definition for motivation as a process in which people choose between alternative forms of behavior in order to achieve personal goals.

By motivation, B. Zörgö understands all internal motives of conduct, whether they are acquired or innate, conscious or unconscious. Thus, motivation embodies the integrity of internal and external driving forces which impose man to do an activity, determines the limits and forms of activity and provides guidance in achieving the objectives. It is the force that makes a person to successfully achieve a goal.

2. Motivational theories

Motivational theories attempt to explain the initiation, the direction of a certain behavior, how it is sustained and stopped. By focusing primarily on content or motivational processes, these theories divided into:

Theories oriented to the motivation content

Conceptual theories of motivation are based on identifying the needs that require people to act in a certain way. The meaning of these theories is to determine the needs of employees and determine how and to what extent the internal and external rewards must be used for motivational purposes. These theories try to answer the questions "What motivates people?" and "Why do people behave in a certain way?".

Maslow's theory of needs hierarchy

Psychologist Abraham Maslow has developed one of the most well-known theories of motivation, which has been taken over by human resources management. According to this, all human needs can be classified into 5 categories arranged in a hierarchical scheme that determines the order in which they are satisfied. Representing them in a pyramidal form,

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Maslow claims that they must be satisfied starting from the base and ending with the top. By following this order, we describe these categories:

- physiological needs are basic needs such as food, shelter, rest, clothing, and everything else that determines and ensures existence and survival. At the organizational level, these refer to payroll, working conditions, work schedule, etc.;

- security needs (security) involve work security conditions, changing salaries according to inflation bonuses and retirement benefits;

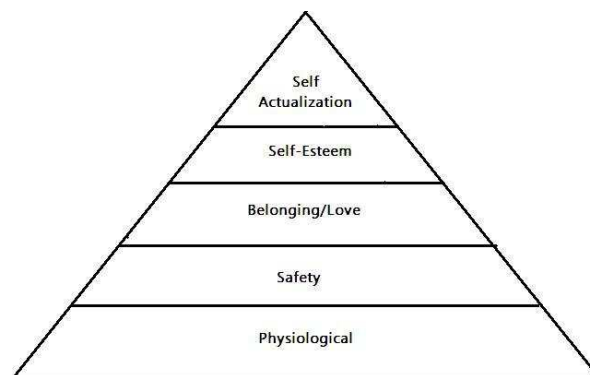
- social needs include the need for friendship and affection, association to a group, in general of satisfying interpersonal relationships. In the frame of professional activity the needs are manifested by the desire to contact and collaborate with the other employees, to create strong connections within the team, etc.;

- the need for respect and social recognition refers to the need of each individual to be more than just a member of a group, to have a favorable image in his own eyes but also in front of others, to respect and to be appreciated his achievements.

- the need for self-realization represents the highest hierarchical level of the pyramid, encompassing the needs for the improvement of the creative capacity and the special purchases in the professional field.

The principle of satisfying human needs after Maslow would be the following: the individual first satisfies the needs found at the basis of the hierarchy pyramid and then only passes to the satisfaction of those at the next level. Once satisfied, it advances to the next level and continues to the last category at the top of the pyramid. Only unsatisfied needs serve as motivational factors.

Figure 1 - Maslow's Pyramid



Source: processed by authors

Maslow's theory is criticized, being categorized as simplistic, artificial and rigid. The main arguments of criticism would be that people do not pursue Maslow's needs in the order prescribed by Maslow, especially in terms of higher levels and that due to the complex psychology of the individual, many of these needs intertwine, sometimes even combining, stimulating him to try to satisfy them simultaneously. Theory has popularity among managers being useful in understanding the motivation of subordinates.

McClelland's theory of success acquisition

This theory is based on the superior needs, namely those of affiliation, power and achievement that have a determining role in the behavior of an individual.

The need for power is manifested by trying to control the environment of people with whom the subject comes into contact. Employees, who are dominated by the need for power,

are motivated to occupy the highest and most authoritative position in the organization, being stimulated to do all the work which achieve this objective.

Employees, driven by the need for affiliation, are most strongly motivated by the fact that their work offers them frequent contact with colleagues. For this type of people it is more appropriate not to have isolated jobs.

Employees with predominantly realizing needs prefer challenging tasks, without being very difficult, tasks that they can master and fulfill (never they assume goals that cannot be achieved). They constantly seek to know the feedback (response) to the outcome of their work;

Herzberg's theory of dual factors.

Frederick Herzberg has come to the conclusion that there are two sets of factors that influence the employee's feelings about his work:

- motivating factors (intrinsic or content factors);
- hygienic factors (extrinsic or context factors).

Motivational factors are:

- recognition.
- achievement and success in work.
- responsibility.
- the work done
- promotion and status.

According to Herzberg when the motivating factors are missing the satisfaction and motivation stagnates. Their existence leads to an obvious positive reaction and an increase in the motivation of the employees.

Hygienic factors are:

- working conditions.
- the wage.
- control level.
- interpersonal relationships.
- company's policy.

The lack of hygienic factors causes work dissatisfaction. Existence eliminates dissatisfaction but does not lead to an increase in motivation having a neutral effect.

Alderfer's ERG theory

Alderfer's ERG theory determines three categories of needs:

- existential needs E - they are satisfied with food, air, water, salary, housing, working conditions.

- relational needs R - involve informal and formal relationships with colleagues, friends, heads and subordinates.

- needs for development and fulfillment G (growth) - refers to increasing individual potential. They are satisfied with creative work.

The ERG model differs from that of Maslow, being more flexible (Arnold, Feldman, 1986), considering that more needs can be simultaneously active, demanding their satisfaction. Also, the transition between the different levels is possible in both directions, so if a higher need is not satisfied then can become more important another one from the base. In the organizational framework, if an employee fails to meet their development needs by assuming new responsibilities then he can respond by higher salary claims to meet his existential needs.

Theories oriented to the motivational process

They try to answer the questions "How does the motivation arise?", "What are the modalities and relationships between the various involved factors?".

The procedural theories of motivation analyze how the staff distributes their efforts in achieving goals and how they select the concrete type of behavior in their process of realization.

Representatives are:

Victor Vroom's expected performance theory

This theory starts from the premise that the intensity of the individual's effort in an activity depends on the amount of rewards he expects to receive.

The theory of expectation is based on three basic elements:

- expectation (relationship: effort-performance);
- instrumentality (relationship: performance – result);
- valence (the value of the results).

The high intensity of motivation will result from the combination of these three components, all of them absolutely necessary, and the lack of any element will automatically lead to lack of motivation.

S. Adams's equity theory

Employees compare their work effort with the effort of others or the rewards obtained with rewards received by others. If, as a result of this comparison, a fair report is perceived, then there is a situation of fairness, a fair exchange of employee-organization exchange. In the situation of perceiving an uneven report a state of inequity is induced. According to the analyzed theory when employees perceive an unfair exchange relationship, to reduce the tension generated by it, they can choose between six directions or tactics of restoring equity:

- changing the effort.
- changing of rewards, salary, status, etc.
- leaving the workplace
- actions directed towards others (demand to increase their burden or decrease reward)
- changing the compared object.
- cognitive distortion of efforts and rewards, that is, that meaning they distort themselves perception of their own efforts and rewards;

McGregor's Theory X and Y

Douglas McGregor highlighted the need to increase the importance of the social factor in motivating behaviors. Through theory X and Y, he sets out the motivation modalities for the two types of employees.

Theory X

The suppositions of the X theory are as follows:

- the human being is prone to laziness;
- to make a certain effort, most human beings must be forced, constrained, controlled and threatened with punishment;
- the average man avoids responsibility, has low skills and prefers to be driven.

This conception reflects the point of view of those who lead by guidance and control using vertical leadership structures.

Theory Y

It outlines a modern point of view, of integration of the individual and organization's objectives, based on the consideration of human resources in the management process being applicable to workers who show attachment for work and positive-motivated attitude.

The assumptions of this theory are as follows:

- the physical and intellectual effort required by the work is similar to the one made for fun and rest, and as such work can be the source of satisfaction (if it is voluntarily) or punishment (being avoided as much as possible);
- the average man is able of self-management and self-control so that he can do his work not only through external control and threat of punishment;

- by rewards proportionate to the degree of achievement of the tasks can be obtained the effective involvement in activities;
- under normal circumstances, the average man assumes responsibility on his own initiative;
- the high degree of imagination, ingenuity and creativity in solving the organization's problems;
- under the contemporary conditions, the intellectual potential of the performers is only partly used.

3. Case study: The analysis of the motivating factors for employees into an ALPHA financial institution in Romania

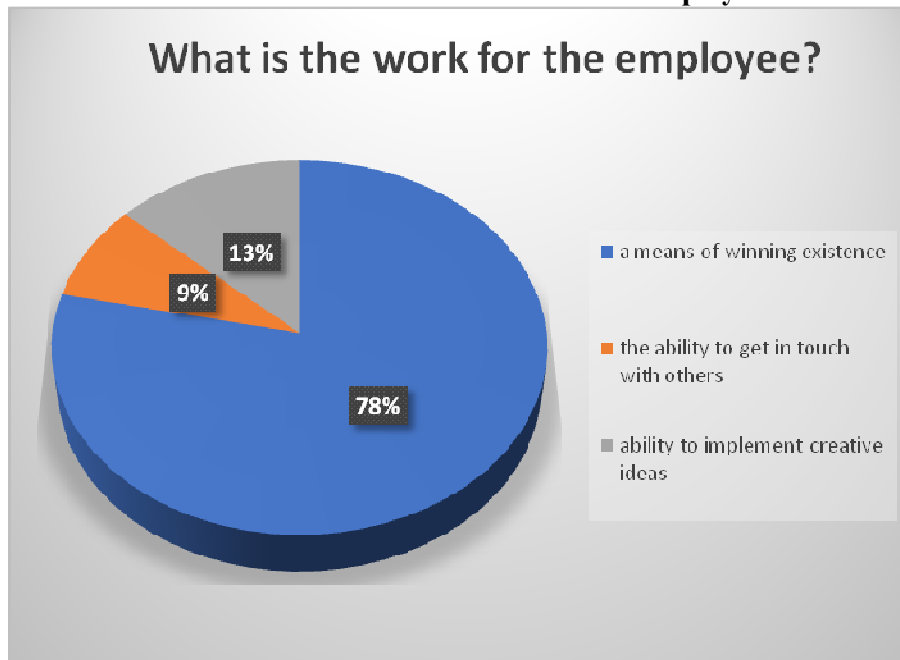
In order to meet the established objectives, we used as a method of research, a quantitative analysis, based on a questionnaire, which was applied among the employees of an ALPHA financial institution in Romania. The questionnaire used aims to collect information based on the experience and perception of respondents about the importance of employee motivation and its role in achieving organizational goals that lead to performance. The questionnaire was applied to 60 respondents with different ages, different years at workplace, different levels of education, women and men and different hierarchical positions.

Structure of respondents:

- 53% of respondents are women and 47% are men;
- 78% have higher education, 22% have high school education;
- the hierarchical position of the respondents was as follows: 11% occupy a management position and 89% do not occupy managerial positions.

Interpretation of research results:

Chart no. 1. - What is the work for the employee?

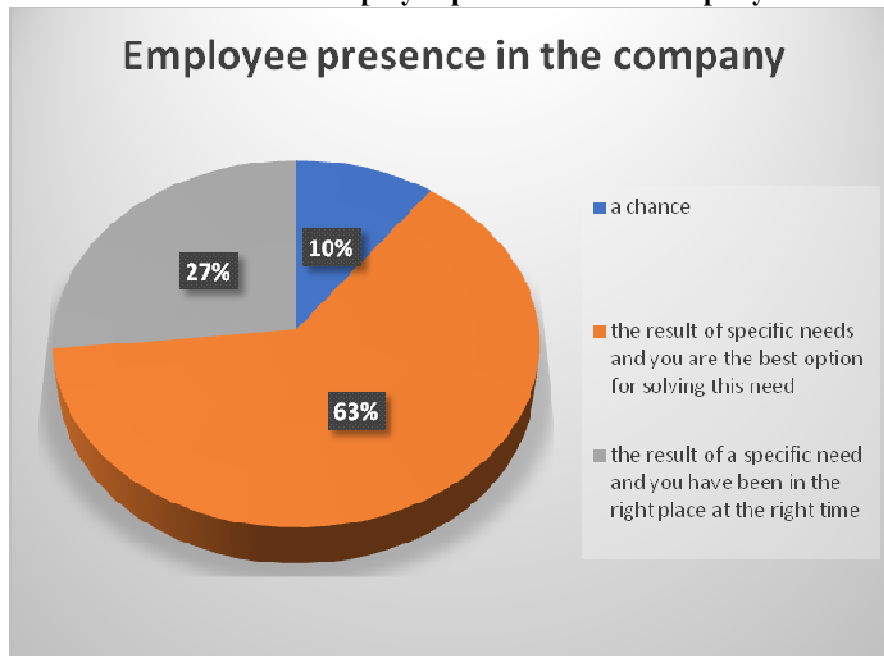


Source: processed by authors

According to the research results, to the question "What is the work for the employee?", most of the respondents in the Alpha financial institution have appreciated that the work is a means of gaining life, fact which shows that employees have the sole purpose the remuneration and all they do is just because they can survive or from a social obligation. It is noteworthy that only 8% of respondents consider work as a possibility to use their creative

ideas. This result confirms that the motivation is "the difference between mediocrity and excellence, this is the bond that put together the goals and strategies of the organization." (Sherman A., 1992).

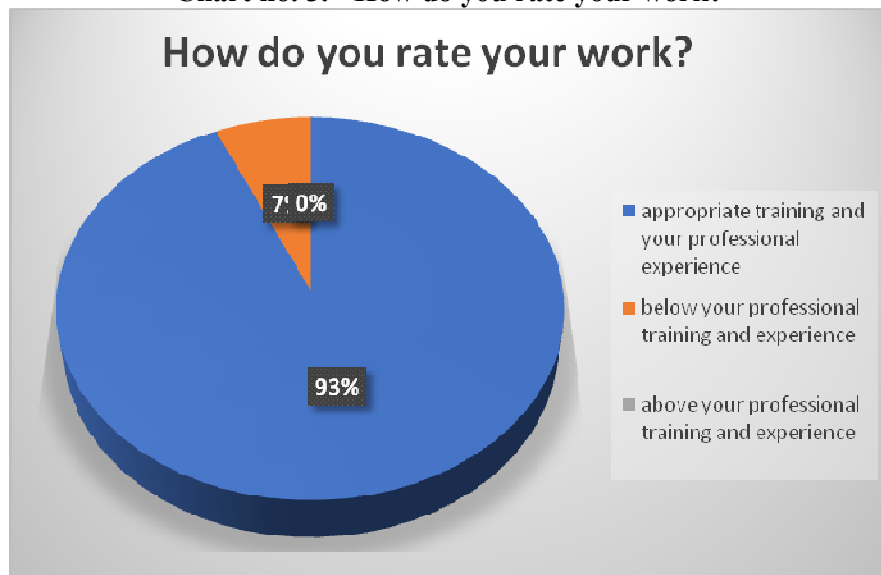
Chart no. 2. - Employee presence in the company



Source: processed by authors

Follows the research results analyze revealed that 63% of the respondents consider their presence in the firm to be the result of a concrete need of their organization and they consider that they are the best way to solve this need. On the opposite side, 10% there are employees who have come into the organization by chance, so they did not choose what they wanted to do, but they were committed to the need to have a paid job.

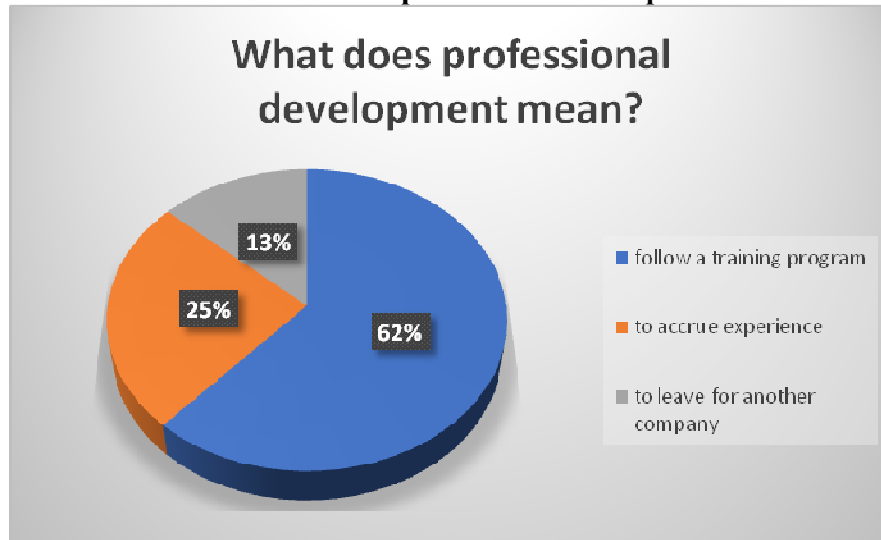
Chart no. 3. - How do you rate your work?



Source: processed by authors

The results of the research demonstrate that 93% of respondents consider that their position in the financial institution in which they operate is in line with the training and professional experience of each of them. There are also 7% respondents who appreciate that they can more and deserve higher positions in the organization because they have professional training above the level of current tasks.

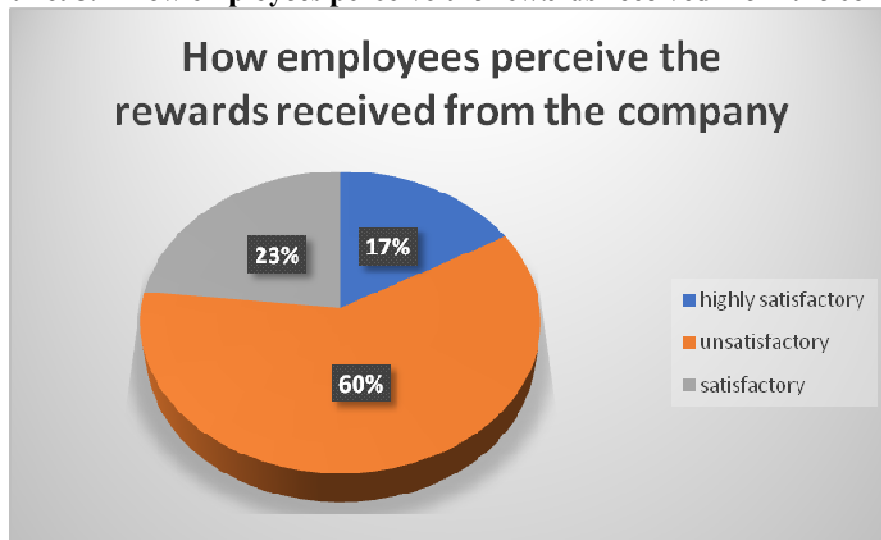
Chart no. 4. - What does professional development mean?



Source: processed by authors

Following the interpretation of the research results, the majority of respondents in the Alpha financial institution (62%) have appreciated that in order to evolve professionally they have to follow a vocational training program, 25% of respondents said they needed to gain experience for a professional development and 13% think that if they go to another company they can get a higher position than they currently have.

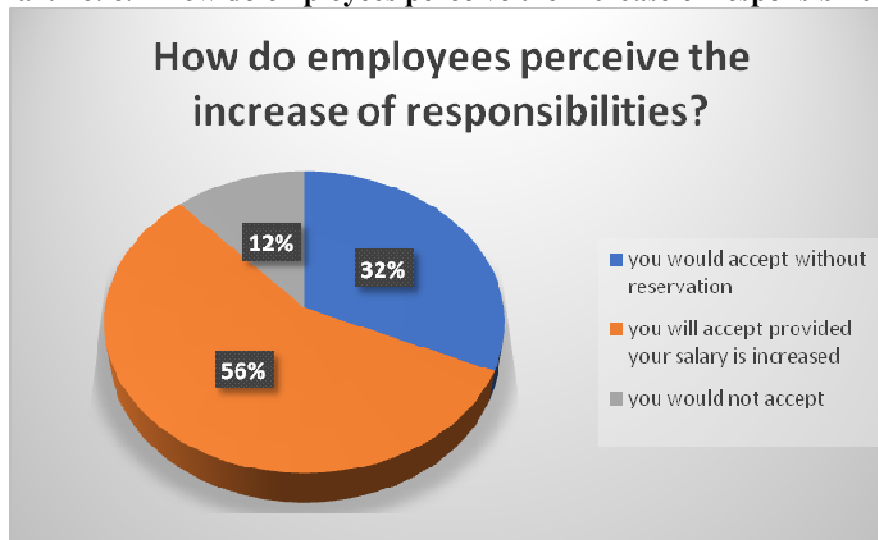
Chart no. 5. - How employees perceive the rewards received from the company



Source: processed by authors

Respondents, in their capacity as employees of the Alpha Financial Institution, appreciate, in a proportion of 60%, that the reward package offered by the company it's wrongly designed, unfairly and employees do not feel motivated, 23% of respondents appreciated the reward package as a satisfactory one. Only 17% of respondents consider the rewards offered by the company to be excellent, so they correspond to their expectations. The high percentage of unmotivated employees should awaken the company's interest in rethinking the reward package.

Chart no. 6. - How do employees perceive the increase of responsibilities?



Source: processed by authors

Research based on the questionnaire applied to employees of the Alpha financial institution have provided information on employees' perceptions of the increase in their job responsibilities which they have in the job description, 31% of those interviewed would unreservedly accept new responsibilities. To a large extent, 57% of respondents would accept more responsibilities if their salary would increase proportionally with new tasks. Not too neglected is the 12% of employees who do not want to taking on extra responsibilities, being content with the current work report.

Conclusions

Between motivational theories and managerial practice there is a defining link to the success of the organization. As a result of the study, I came to the conclusion that the human factor within the Alpha institution the human factor corresponds in terms of training, and has a strong desire to develop skills in order to provide the potential for increased revenue. In order to achieve the proposed objectives, we recommend that managers know the theories of motivation and intelligently to apply the motivation techniques, considering both their own leadership style and the subordinate personality too. People are characterized by different aspiration levels and what motivates an employee may not be enough for another. As a result, the motivation process must be personalized. It is essential to identify what motivates the employees in order to develop a motivation plan to achieve optimal results.

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