The Impact of Employee Motivation on Romanian Organizational Performance

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ABSTRACT

Employee performance evaluation is an essential management practice for any organization, because the progress of employees is of real importance in enhancing the efficiency and development of every organization. The authors propose a model that ties employee motivation to organizational performance. The research objectives were designed to identify strategies that take into account all the factors contributing to quality and superior productivity of labor, in other words, to identify motivation strategies conducive to efficient management. The assessment was conducted through quantitative analysis using a questionnaire. The questionnaire, through the statements contained therein, assessed how public and private organizational performance reflect employee motivation characteristics.

KEYWORDS
Employee Performance, Firm Performance, Motivation, Organizational Performance

INTRODUCTION

Theory and managerial practice tends to show that the main goal of every organization is to increase performance and so implicitly financial results, but in a way that is highly complex in meaning (Pfeffer, 2012). For example, organizations in Romania that have had to restructure because of recent economic upheaval must rethink and reconsider what until now seemed taboo: profit and development (Sementelli, 2016). Traditionally, achieving goals has not been been perceived to be acceptable when at the expense of individuals. Increased organizational performance comes about largely because of management. Good leadership can ensure technical, human, informational, financial, organizational, and motivational labor productivity growth through a strategic use of the time at work (Robescu & Iancu, 2016). But we also often find that, in organizations, individual employee objectives are not necessarily aligned with business strategies, and that feedback from supervisors is not easy to measure or understand (Brown & Harvey, 2006).

A performance management system for assessing performance and motivating employees identifies weaknesses in human resources management (Cristescu et al., 2013). On the one hand, those who occupy managerial positions often avoid giving positive feedback or holding open conversations with their employees, the actors they expect to see complete the goals set by the organization in all the departments they coordinate (Weiss, 2001). On the other hand, employees often do not share that managers do not know how to communicate the importance of performance, and are not able to guide them how to develop the necessary skills for achieving good performance.

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In many organizations, performance management systems are cumbersome, bureaucratic, and time- and money-consuming. However, despite these shortcomings, performance management systems remain an important tool for organizations that seek to achieve high performance, one of the most important responsibilities of the manager. Proper implementation of a performance management system in the organization, one oriented to its needs and organizational culture, can lead to significant profits for shareholders, managers, and employees.

In most cases, performance management systems are involved in decisions regarding remuneration issues, and issues related to employees’ promotion, development and repositioning (Cristescu et al., 2013). It is very important to understand that there is a recipe, or a system, involving a set of objectives that can be applied to all organizations. To develop such a system requires, based on organizational needs, establishing objectives and integrating not only human resource management functions but also the organizational culture. Making decisions based on evaluating results and the performance of employee development programs are clearly interdependent. Creating an effective performance appraisal system within the organization must be a well-articulated process, with a clear definition of roles and objectives for all stakeholders.

This paper is structured in the following way: in the first section, the authors introduce a number of previous studies; in the second section, the research methodology is discussed, and the main hypothesis proposed; in the third section, the results of the study and a statistical analysis will be shown; and finally, the authors draw some conclusions.

BACKGROUND

Motivation is a complex process that is rooted in the world of instincts and feelings. In motivation, every act is based on meeting needs (Robescu & Iancu, 2016).

McDougal in his 1908 work titled ‘An Introduction to Social Psychology’ stated that human motivation is driven by the instincts born in each person. The organization is considered a social place where cultures have substantially changed the identity of workers. The more workers identify with the organization in which they work, the more they express their instincts there.

Performance cannot be associated with just any result achieved, but only with a special one, a great result. Kane et al. (1996) believed that performance is “something that a person leaves behind,” while Bernadin et al. (1995) stated that “performance should be defined as the sum of the effects of labor.” The emphasis is often on the idea that only the results should be important in an organization because only they can satisfy organizational objectives, like ensuring customer satisfaction or obtaining the forecasted financial objectives.

Caplow (1976) argued that every organization has one thing to do in the real world, and a way of measuring how to achieve it. His conception of organizational performance was based on the idea that organizations need a way to identify a specific purpose and to guess its evolution.

After 1940, more descriptive aspects of the concept of performance began to appear. In the 1950s, the concept of performance referred to the extent to which an organization met its objectives (Georgopoulos & Tannenbaum, 1957). Some objectives were more abstract, whereas were others more generic (Likert & Hayes, 1957).

In the early 1960s, analysis of organizational structure became an important aspect in determining the company’s performance in both the public and private sectors. Bureaucracy became the most efficient form of organization, and businesses were evaluated according to this (Weber, 1964). The assumption was that the more bureaucratic and organization, the more efficient its performance. Managers began to describe private sector organizations and the state in terms proposed by Weber (1964).

In the 1960s and 1970s, Yuchtman and Seashore (1967) defined performance as the ability of an organization to exploit its environment to access scarce resources. Gradually, terms such as efficiency, effectiveness, and morale gained ground in the management literature and, by the late 1960s, were
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