THE IMPORTANCE OF PERSONNEL MOTIVATION IN THE MANAGEMENT PROCESS

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Abstract

General research area of this article is the motivation of personnel, essential tool in the management process, and also a component derived from human resource management.

In economic activity, personnel motivation should be regarded as an internal process, not as an imperative that can be imposed from outside the economic entity. Managers of economic entities must, first, understand personnel motivation strategies, how they influence positively or negatively the internal motivations of employees.

Personnel motivation by itself attracts an end, just as profitable and moral, individual and social welfare making.

Key-Words: motivation, human resources, management process, free enterprise, performance, professional competence

JEL Classification: M21, M41

Introduction

Under competitive market economy based on free enterprise, economic entity is free to produce, to spend or to save its resources to be able to realize their interests derived from the real needs of society as a whole.

A very important and even indispensable resource in economic activity is human resource entity. Human resources must be linked permanently to the size, structure and economic needs of each entity and must at the same time, represent the central element that ensures cohesion, efficiency and stability of the real system.

Compatibility between components of the economic system is strongly influenced mainly by factors of production (capital and nature) and the degree of deepening division of labor. The economic entities are directly concerned by precise management of staffing, its structure and the organization of an effective system of motivation in close correlation with the performance and efficiency at work, but also the financial resources available. The human factor is an essential element because, when used sensibly, has inexhaustible resources.

According to several authors, including and Băbeanu etc. (2000) “ensures that the factor labor and other inputs through the market. The labor market surprised in modern economic system and structurally functional complexity, revealing the processes and patterns that ensure the supply and demand for labor, and mechanisms underlying operations occupation and its efficient use.”. [4]

Financial motivation versus non-financial motivation

Personnel motivation will boost employee to work better, more efficiently, with love, with reluctance, without necessarily about financial incentives.

Countless studies show the ineffectiveness of long-term financial motivation systems. The first bonus functions as a “drug”. Financial motivation effect on time but on a longer time makes employees not to work unless they receive financial bonuses. Also, long-term financial bonuses make them be dissatisfied employees and enter into a kind of competition with their peers and thus can no longer speak of teamwork. In this case, the best solution is to implement a non-financial motivation system, namely a system of Reward and Recognition.

The purpose of non-financial motivation is economic entity productivity growth, improve the quality of production, and, not least, to have happy employees, which must be in a directly proportional increase employee performance.

Non-financial motivation systems are found in our country especially in large multinational companies and proved to be beneficial for both companies in financial terms but also because they contribute to increasing the company's productivity, because it no longer must spend money for granting financial bonuses.

Non-financial motivation policy can be applied with instruments shown schematically in Figure 1.
Financial motivation is very important in economic entities of our country and considered the best way to achieve performance, sometimes even synonymous with performance. Performance means both good quality and a high workload, means keeping old customers and winning new ones, or may simply mean customer satisfaction. A strong indicator of performance is given by the cost-benefit ratio. The cost-benefit ratio is bigger means that we have to do with performance. In addition, if we analyze the factors that provide performance in economic entities in Romania, we can not remember the volume and quality of work of employees, but also the efficiency and speed of service tasks when the financially motivated.

If it emerges, economic entities, a lack of staff motivation, performance can know the significant reductions that can be alleviated with a plan to improve the professional competence shown in Figure 2.
The system of rewarding personnel

Each economic entity reward system personnel is an essential and important managers with which it can influence the efficiency of the economic entity. According to several authors, including Lefter and Deaconu (2008), the reward system can be defined as “all tangible and intangible revenues, financial and non-financial, facilities and benefits awarded to the individual based on the activity and competence proven.” [7]

A reward can be a motivator, stimulating if:
- an employee is granted improved performance at work;
- is awaited with great interest by the employee;
- there is a direct proportion between the employee extra effort and reward system granted.

The performance of each economic entity is strongly influenced by the manner of delivery of rewards.

In the literature and practice of economic entities use a variety of synonymous terms to define reward, as shown in Figure 3.

Source: own processing

Figura nr. 3. Overview of the terms used to define the concept of reward

We consider it necessary to mention that, in the opinion of many authors, including Manolescu etc. (2007), as a reward or result of an act as an effective motivator must meet the following prerequisites: [9]

- the person must want the reward, otherwise it becomes a motivator;
- the person have to be clear that extra effort will improve its performance, which should not be hindered by factors beyond its control;
- the person must be convinced that his performance will bring improved as a result, the desired reward.

According to Armstrong and his Murlis (2004), personnel reward system can take different forms, shown in Figure 4. [2]
In the opinion of specialists, including and Armstrong (1996), rewards strategies must meet several important requirements, among which:

1. derive from the objectives and strategies of the organization;
2. support organizational values;
3. be linked performances;
4. identify and support the desired behavior at all levels;
5. harmonize with the desired management style;
6. provide a competitive level of staffing required for qualification as high.

In establishing direct reward to consider certain variables, shown in Figure 5.
In motivating personnel, an important position belongs indirect rewards. These are determined by an employee of a person, it is composed of a set of facilities with a strong socio-economic and eligible employees of an economic entity. These rewards have a very large extent, character invariable be independent of the volume of work undertaken within the entity. In the indirect rewards may occur if changes are enacted relevant legislation or economic entity management decisions tending to modify the structure and amount of indirect rewards.

**Conclusion**

In our opinion, the starting salary of each employee must be so designed as to achieve a balance between the current market reality and training of its employees and your performance should adequately rewarded with a salary in a direct proportion the tasks performed.

Salary and employee benefits have the effect of inducing satisfaction, and thus motivation. Motivation is linked to the deepest feelings of growth and development. Increasing levels can help increase employee productivity.

We believe that one of the most important tasks of human resources management at the economic entity, is the design and implementation of an appropriate reward system that contributes to boosting performance and boost the productivity of each employee. Financial and nonfinancial rewards contributes to increasing the welfare of each individual and increase the performance of the economic entity.

We also believe that the reward system is differentiated from an economic entity to another, depending on the business, the specific work of employees, the zone where the entity is situated and not least the environment in which it operates, urban or rural.
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