

## AN EXPLORATORY STUDY OF THE MOTIVATIONAL PRACTICES USED IN ROMANIAN SME'S

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### **Abstract**

*Due to the progress of international business practices, nowadays, more and more companies are starting to understand that the real engine which pushes forward an organization towards its fundamental goal of maximizing its profit is the human resource, in a degree larger than the financial or material resources. This approach will make the managers focus more on the motivation of the human resource and will make them try to understand which are the best methods of leading your employees to line up with the company's objectives and vision, thus increasing their own productivity and the company's profitability.*

*The present paper's aim is to study which are the most common motivational practices used by the SME's from Craiova and, at the same time, to assess the degree in which these practices are actually perceived by the employees as motivational factors. In order to fulfil this goal, we have used a 22 questions survey which was distributed among 100 employees from small and medium enterprises from Craiova. The survey tackled general motivation subjects such as the satisfaction with the current workplace and the current salary, the influence of the managers' and colleagues' attitude upon an individual's productivity, what methods of motivation are used by the managers and how are these methods perceived by the employees.*

*The results have shown us that, generally speaking, the managers of SME's from Craiova tend to use old and outdated motivational methods, focused on financial incentives, instead of trying to motivate their employees through modern, non-financial stimulants*

*Keywords: Motivation, Employees, Small Business, SME, Small and medium enterprises;*

*Classification JEL: M40, M41*

### **1. Introduction**

Due to the progress of the international business practices, nowadays, more and more companies are starting to understand that the real engine which is driving the organization toward its fundamental objective of maximizing the profit, are the employees, in a higher degree than the financial or material resources. This approach is driving the managers to focus more on human resources' motivation and to try and understand which the best methods are for aligning the employees towards the organizational vision and objectives, thus increasing their own productivity and the company's profitability (Burlea Schiopoiu & Idowu, 2016).

From a psychological point of view, motivation can be defined in many ways, most of the referring to the way in which a company or a manager can use this concept as a tool for increasing the productivity. Generally speaking, motivation is the aspect which energizes, maintains and controls an individual's behaviour, acting as a stimulant for accomplishing the desired action. Thus, through adequate motivation, an employee can adopt a behaviour based on the will to fulfil objectives (both his own and the organization's), being able to consider his effort as an investment which will bring him a future benefit. It is worth to mention that this benefit is not always a financial one, as we will explain in the following pages.

When he has to fulfil a task, the motivation drives an individual to work in the desired way and according to his superiors' expectations. Moreover, the absence of motivation will lead to a decreased performance from the employee, which will eventually lead to a low productivity and profitability for the company. Because of this, large companies tend to assign large sums of money for the training sessions, recreational activities and other motivational methods.

In most cases, the companies (at least the ones from Craiova’s business environment) tend to focus on the financial stimulants (salaries and bonuses) as the main motivation technique. Moreover, for many individuals, other factors such as the satisfaction that comes from work itself are at least as important as the financial incentives (Mihai et al., 2018). As a result, the people who are in charge of the human resources policies should take into account these factors too, when they establish the motivation techniques that are to be used in their company (Burlea Schiopoiu & Remme, 2017).

The importance of the work-place motivation is a theoretical aspect, hard to measure in an empirical way. Establishing the level at which an increase in motivation leads to an increase in productivity is difficult due to the fact that is hard to measure an individual’s will to accomplish a certain thing. Despite this, the fact that the employees’ motivation leads to an increase in the company’s productivity is a fact which is generally accepted by the theoreticians from the human resources management field. Thus, we can say that the employees’ motivation is a critical element of success in any business, through the maximization of the added value brought by the human factor (Mihai, 2018)

Thus, through the aforementioned aspects, we can safely say that the human resources management, in general and the employees’ motivation, in particular represent a very important subject both for researchers from the academic field and for the professionals which deal with this subject in their everyday activity.

## 2. States of the art

### 2.1. Introductory notions regarding motivation

According to the Romanian Explanatory Dictionary, motivation can be defined as “*All the reasons and incentives (conscious or unconscious) which determine an individual to accomplish a certain action or to aspire towards certain goals*” (www.dexonline.ro). Transposing this definition in a business language, we can say that it refers to a series of incentives (financial or non-financial) which drive individuals to act in a certain way, usually towards fulfilling the organizational objectives.

#### ***What is motivation?***

Employee motivation represents an intrinsic incentive developed and maintained by a set of extremely particularized factors, which can vary from one time period to another, according to the wishes and needs of the employee (Noe et al., 2016). External factors, such as those regarding the work and the organization themselves, are not fundamentally linked with the motivation itself, but with its level. Thus, the internal and external factors decide an employee’s behaviour. Motivation was seen, as well, as a multidimensional perception which manifests itself as the employees’ behaviours, which, in a certain measure, can be predicted (Burlea Schiopoiu, 2007; Rue et al, 2015)

Motivation is the incentive that makes the employee fulfil his duties at his workplace. According with Chaudhary (2012), motivation represents the internal resort that helps an employee to make decisions regarding his work. More often than not, management does not fully understand the significance of workplace motivation and the consequences it has regarding the fulfilment of the organization’s vision, mission and objectives (Burlea Schiopoiu, 2008). Even if the managers understand the premises of motivation, many of them do not possess the knowledge, the abilities or the necessary tools in order to efficiently motivate their employees. Lussier and Hendon (2015) have underlined the following characteristics of motivation: it is an act of management; it is a continuous process; it can be positive (based on rewards) or negative (based on sanctions); it is goal oriented and complex.

Employee motivation is the internal force that determines an employee to fulfil his work-related responsibilities in order his employer to help him fulfil his personal needs and expectations. The needs and expectations are guiding an individual to better handle his work, because he knows

that if he fulfils his duties, he will be rewarded and he will thus, be able to fulfil his needs. Chaudhary (2012) and Idrees and his colleagues (2015) have shown that motivated employees tend to be more productive than unmotivated employees, because they know that better results will help them fulfil more needs, or the same needs at a better level.

## 2.2. Motivational Theories

The motivational theories are trying to explain how can a certain behaviour be induced, sustained, driven in a certain direction and stopped when the said behaviour is no longer considered acceptable by the organization's standards. According to their orientation towards the motivational content or process, these theories can be divided into two categories:

- a) *Content oriented theories*: These theories are trying to find an answer to questions such as “WHAT motivates people?” and “WHY do people act in a certain way?” Our analysis will start from this point and we will critically discuss Maslow's Hierarchy of Needs, McClelland's Needs theory and Herzberg's Motivation – Hygiene Theory (Mohr, 1982)
- b) *Process oriented theories* are trying to answer questions such as “HOW does motivation appear?” and “WHICH is the relation between the different factors involved in the motivational process”. The most representative of these theories are Vroom's Expectations Theory and Locke and Latham's Goal Setting Theory. (Mohr, 1982)

### 2.2.1. Content oriented theories

These theories are also named “needs based theories” and define the human need as a state of necessity which is manifested through a tension or imbalance in the organic or personality system, which needs to be eliminated. (Mohr, 1982)

In order to reinstate the balance, we satisfy that need and we must set an action course or adopt a behaviour which sustains the satisfaction of the said need. Thus, we can say that individuals and their behaviour are motivated by unsatisfied needs (Armstrong, 2003)

#### a) *Maslow's Hierarchy of Needs*

The basis of the theories of motivation is represented by the humanist approach through Maslow's pyramid classification, which he had stated in his works regarding personal development and motivation (Eysenck, 1998). In Abraham Maslow's conception, the human is a being which wants to obtain more and more, and his wishes depend on what needs are already satisfied. Thus, the human needs are placed on several hierarchical levels, according to their importance. This five-level model has been published in 1940 and the needs are the following: physiological, safety, social, esteem and self-actualization.

From Maslow's point of view, the superior levels of motivation do not appear until the inferior ones have been satisfied (Maslow, 1943). Thus, the force of a certain need is defined by its hierarchical level and by degree in which the previous needs had been satisfied. The satisfaction of a need from a certain level will lead to dissatisfaction regarding the need on the next level. If during this time, an inferior need is in danger, it will become again dominant and will be on a higher level in the individual's motivational system (Maslow, A theory of human motivation, 1943). Thus, if a person suddenly loses his job, he won't be focus anymore on professional recognition, for example, but on his financial security.

The first three categories of needs (physiological, security and social) are known as deficiency needs (the absence of satisfaction on this levels has a direct influence upon the individual's physical and mental health), while the next two levels (esteem and self-actualization)

are also known as development needs, because their satisfaction will lead to the individual's personal development and achievement (Maslow, 1954).

b) *McClelland's need theory*

This model, created by the American psychologist David McClelland in the 1960s (following Maslow's model from the 1940s) is a motivational model which tries to explain how the needs for achievement, power and affiliation are affecting the human behaviour in an organizational context (McClelland, 1961). McClelland stated that all the individuals are led by one of these three needs, regardless of their age, sex, race or culture and the type of motivation specific to each individual can be influenced by his life experiences and the social and cultural context in which the said individual lives (McClelland, 1961)

- *The Need for Achievement.* Achievement motivated individuals usually prefer to specialize in a certain domain. They usually prefer moderate difficulty tasks, in which the result is influenced by their own effort and tend to avoid both high risk and low risk tasks. This type of individuals are motivated by achievement in their workplace and by an organizational environment which offers promotion opportunities (McClelland, 1961).
- *The need for Affiliation.* The persons which have a high need for affiliation usually spend their time forming and maintaining interpersonal relationships, being part of a group and wish to feel loved and accepted in their social circles. At the same time, they tend to prefer to collaborate instead of competing with their colleagues and tend to avoid high risk situations (McClelland, 1961).
- *The need for Power.* This need comes from an individual's desire to influence, lead and/or encourage the people around him. They focus mainly on discipline and enjoy being recognized by their statute, winning arguments or competitions and controlling the environment in which they live (McClelland, 1961)

c) *Herzberg's Motivation – Hygiene Theory*

Herzberg, Mausner and Snyderman (1959) had stated a theory based on two factors, referring to the workplace satisfaction, which has been adopted as motivation theory (Saal & Knight, 1988).

The initial study was based on a series of structured interview with 200 engineers and economists from nine different companies. During the interviews, the subjects had to describe in which work circumstance they were feeling very good or very bad and how long did these feelings last. The information has been registered and include in different categories of events that were compelling the subjects to develop positive or negative feelings towards the workplace (Herzberg, 1964). The results of this study has led to a distinction between the following categories of factors:

- **Motivating factors** (intrinsic, satisfaction or content factors): events usually associated with positive attitudes regarding the workplace: achievement, the nature of the work, responsibility, promotion (Hackman & Oldham, 1976)
- **Hygienic Factors** (extrinsic, unsatisfactory or context factors): events usually associated with negative attitudes regarding the workplace (Hackman & Oldham, 1976) are extrinsic to the activity itself and most times are associated with the organizational context: the company's management and politics, job security, wage, interpersonal relationships and general work conditions (Herzberg, 1968)

A very important aspect of Herzberg's studies is the fact that the opposite of satisfaction is not dissatisfaction: if the aspects which lead to dissatisfaction are eliminated, the work itself does not become more satisfying, it merely becomes less dissatisfying. Thus, the author proposes a model

in which the opposite of satisfaction is the lack of satisfaction and the opposite of dissatisfaction is the lack of dissatisfaction (Herzberg, Mausner, & Snyderman, 1959).

### 2.2.2. Process oriented theories

Process oriented theories focus on the psychological factors which influence motivation, trying to explain how it appears. They are also named cognitive theories because they are based on the individual's perception regarding the environment and on the way they understand and influence this environment (Mohr, 1982).

#### a) Victor Vroom's Expectation Theory

According to this theory, the intensity of an individual's effort depends on the value of the reward that he is expecting to receive (Oliver, 1974). This theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients (Montana & Charnov, 2008). It is based on rational-economic concept which states that individuals make decision through the selection and evaluation of different known alternatives, choosing the one which benefits them most (Nicholson, Personality and entrepreneurial leadership: A study of the heads of the UK's most successful independent companies., 1998).

This theory is based on three elements: *expectancy (the relationship between effort and performance)*, *instrumentality (the relationship between performance and result)* and *valence (the perceived value of the result)*, which, if combined, will lead to intense motivation (Rao, 2000). Basically, for an individual to be highly motivated into acting in a certain way, the reward must be perceived as having a high value and he must be confident that he is able to realize the said task and that his performance will be rewarded.

#### b) Goal Setting theory

This theory is based on Locke and Latham studies (which began in the 1960s and continued for over 30 years) and it is based both on the individual's and the organization's objectives; the main idea of this theory is the fact that certain organizational goals must be “negotiated” between the managers and the employees (Locke, Motivation through conscious goal setting, 1996). According to this theory, motivation and performance are high when the individual is setting specific goals and these goals are somewhat difficult but realistic (Locke & Latham, 2006). A very important aspect is represented by the feedback, which is necessary for maintaining motivation (Locke, 2001). According to this theory, in order to obtain maximum motivation and performance, the goals need to respect the SMART model (Doran, 1981):

- **Specific:** the goal must be clearly expressed, without interpretations and must refer to concrete results;
- **Measurable:** a goal must be measured in a quantitative or qualitative way, so we can evaluate the degree in which it was accomplished and we can track the progress in real time;
- **Achievable:** the goal must not be impossible to fulfil, according both to manager's and the employee's standards;
- **Relevant:** the goal must be relevant for the current or future activity;
- **Time-related:** it means that the goal must be time framed.

### 3. Research Methodology

The purpose of the present paper is to analyse the motivation level of the employees from Small and Medium Enterprises from Craiova, starting from the following research objectives:

- Identifying the motivation methods and techniques used in the SME's from Craiova;
- Identifying the correlation between the motivation methods used by the employers and the factors which actually motivate the employees;
- Identifying the perceived utility of the different motivation methods and techniques used by the employers.

In order to fulfil this purpose and to achieve our objectives, in this empirical research paper, we have tested the following hypothesis:

**H1.** The respondents who consider that they are undergoing a challenging activity at their workplace are not happy with their salary.

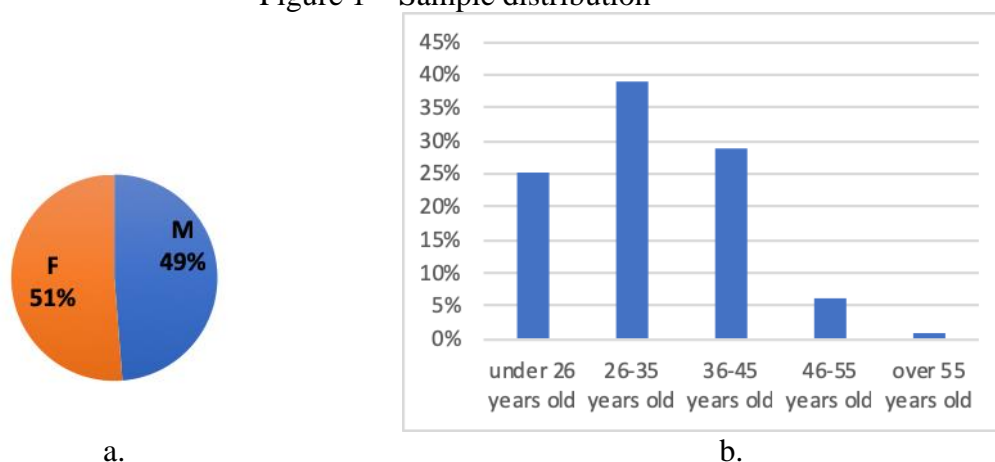
**H2.** The respondents are, generally speaking, happy with their current workplace, but they are most discontent with their salary.

**H3.** The stimulants given to the employees are perceived by them as motivational factors.

In order to collect the necessary data, we have used as a research instrument a 22 questions survey. The used sampling method is the quota method, which permits the construction of a sample with the same repartition as the studied population, following well known criteria (sex, age, etc.). The sample will contain individuals whose characteristics are very close to the reference population. The structuring criteria (age and sex) were chosen according to the research objectives, and the size of the sample (100 respondents) was determined according to the organizational restriction that the present study has faced. We have used the quota method as a non-random sampling method, because this method is currently the most used method in commercial surveys.

Figure 1 shows the distribution of the sample in terms of sex and age.

Figure 1 – Sample distribution



The sample consists of 51% female respondents and 49% male respondents, while the largest age category is 26-35 years old (almost 40% of the sample).

#### 4. Results and discussion

**H1:** *The respondents who consider that they are undergoing a challenging activity at their workplace are not happy with their salary.*

Table 1 – *The correlation between the perception of the workload as being challenging and the satisfaction degree offered by the current salary?*

|  |                     | Are you satisfied with your current salary? |          |     | Total |
|--|---------------------|---|----------|-----|-------|
|  |                     | No  | Somewhat | Yes |       |
| Your activity at your current workplace is challenging | Completely Disagree | 100%  | 0        | 0   | 1%    |
|  | Disagree            | 27%   | 64%      | 9%  | 11%   |
|  | Neutral             | 27%   | 46%      | 27% | 15%   |
|  | Agree               | 21%   | 60%      | 19% | 43%   |
|  | Completely Agree    | 23%   | 54%      | 23% | 30%   |

Source: the author's analysis through MS Excel and IBM SPSS

From the analysis of table 1, we can observe that the majority of the respondents are somewhat content with their current salary (56%) and, at the same time, 73% agree (in a higher or lower degree) that their activity at their current workplace is challenging. Correlating this information, we can observe that 60% of those who agree that their activity is challenging and 54% of those who completely agree in this matter, are somewhat content with their current salary.

These results confirm Victor Vroom's theoretical model, the expectancy theory (Vroom, 1964), according to which there is a direct relationship between the effort that an individual is undertaking, the obtaining performance and the expected result. In this case, we have analysed two of the three variables specific to this model: the effort (the respondent's activity at their workplace) and the result (the salary). Thus, the respondents who consider that their activity is challenging (high effort) are not fully satisfied by their salary (thus expecting a better result which in this case means a higher salary). However, the result (the salary) is above the minimum level (reason for which they have selected „somewhat” instead of „no”).

Thus, according to this analysis, we can conclude that H1: „The respondents who consider that they are undergoing a challenging activity at their workplace are not happy with their salary”, is partially verified.

**H2:** The respondents are, generally speaking, happy with their current workplace, but they are most discontent with their salary.

Table 2 – The correlation between the degrees of satisfaction

|  |                   | At your current workplace, you are most unhappy with: |                 |          |                        |                          | Total |
|--|-------------------|---|-----------------|----------|------------------------|--------------------------|-------|
|  |                   | Salary  | Work conditions | Activity | The managers' attitude | The colleagues' attitude |       |
| Are you happy with your current workplace? | Extremely unhappy | 33%   | 0%              | 0%       | 67%                    | 0%                       | 3%    |
|  | Unhappy           | 50%   | 17%             | 0%       | 25%                    | 8%                       | 12%   |
|  | Neutral           | 56%   | 6%              | 13%      | 19%                    | 6%                       | 16%   |
|  | Happy             | 49%   | 11%             | 0%       | 11%                    | 29%                      | 45%   |
|  | Extremely happy   | 29%   | 13%             | 4%       | 21%                    | 33%                      | 24%   |

From this analysis, we can observe that 45% of the 100 respondents are happy with their current workplace, while 24% are very happy. This distribution of the responses (69 favourable, 16 neutral and 15 negative) does not automatically imply that the respondents are also motivated and satisfied. A satisfying workplace represents a workplace where certain aspects (salary, work conditions, nature of the activity) are above a certain level, considered as minimum by the employee.

As a result, for 29% of those who declare that they are very happy with their current workplace and for 49% of those who are happy with their workplace, the most unsatisfactory aspect is the salary. The reasons for which an employee can be dissatisfied by the salary can be diverse, such as following:

- they consider that their work values more;
- they consider that due to their seniority in the company, they should have a higher salary;
- they consider that they are paid less than some colleagues who undertake similar activities.

Considering the fact that there is no majority of employees being happy with their workplace but extremely dissatisfied by their salary, we consider that H2 is partially verified.

**H3:** *The stimulants given to the employees are perceived by them as motivational factors.*

In order to verify the validity of this hypothesis, we have used IBM SPSS Statistics to analyse the correlations (further processing the results through MS Excel) between the answers for question 13. *What kind of stimulants does your company offer for the motivation and satisfaction of its employees?* and question 14. *From a 1 to 5 scale, where 1 is the least important and 5 is the most important, currently, how important are for you the following factors:*

a) *Periodical salary increases*

The periodical increase in salary is one of the motivational factors that, in our opinion, should be present in every company. Even if the salary is a hygienic factor (Herzberg, 1964), the fact that the employees are aware of the fact that seniority and high performance will bring an increase in their salary, represents a strong motivational factor, which will stimulate their loyalty and their productivity.

Table 3– *The correlation between using the salary as a motivating factor and its perceived relevance by the employees*

|  |           | How important is the periodical salary increase for you? |             |         |           |                |
|--|-----------|--|-------------|---------|-----------|----------------|
|  |           | Very unimportant   | Unimportant | Neutral | Important | Very important |
| Your company uses the periodical increase in salary as a motivational factor?? | No – 48%  | 8%   | 2%          | 19%     | 23%       | 48%            |
|  | Yes – 52% | 6%   | 8%          | 21%     | 19%       | 46%            |

From table 3, we can observe that from the 52 respondents whose companies use the periodical increase in salary as a motivational factor, 65% consider this factor as being important or very important. Moreover, the situation is similar in the case of the 48 respondents whose companies do not periodically increase the employees' salaries, where 71% consider this factor as being important or very important.

b) *Bonuses for holidays or other occasions*

The bonuses for holidays or other occasions (birthday, wedding, etc.) are financial incentives, which, if offered at the right moment, can significantly contribute to the employees' motivation. Unlike the salary, this bonuses can be considered motivational factors according to Herzberg



(1964), because, their absence does not bring a lack of satisfaction, while their presence will certainly bring satisfaction to the employees.

Table 4 – *The correlation between using the holiday bonuses as motivational factors and the perceived relevance by the employees.*

|  |           | How important are the bonuses for holidays or other occasions for you as motivational factors? |             |         |           |                |
|--|-----------|--|-------------|---------|-----------|----------------|
|  |           | Very unimportant   | Unimportant | Neutral | Important | Very important |
| Your company offers bonuses for holidays or other occasions? | no – 38%  | 5%   | 13%         | 16%     | 24%       | 42%            |
|  | yes – 62% | 5%   | 8%          | 18%     | 24%       | 45%            |

Analysing table 4, we can consider that for 62 out of the 100 respondents, their companies give out bonuses for holidays or other occasions and 66% of these 62 respondents consider that they are important or very important for them. The percentage is similar in the case of the other 38 respondents, whose companies do not give out this kind of bonuses: 69% think that these bonuses are important or very important.

#### c) *Performance bonuses*

The performance bonuses are a very efficient motivational strategy. Even though, as we have mentioned before, the financial incentives are not the only available motivational methods, these bonuses can be very efficient if they are implemented in the right way.

In order to offer performance bonuses, the company evaluates the long- or short-term productivity or the performance of their employees and uses this evaluation as a basis for giving out financial rewards. More often than not, these bonuses do not have a pre-set value, this being decided according to the individual's performance and the company's financial situation. The employers must very careful with these bonuses, because they might give out the impression that the management is discriminating in favour of a certain employee and this can lead to conflicts.

Table 5 – *The correlation between using performance bonuses as motivational factors and their perceived relevance by the employees*

|  |           | How important are the performance bonuses for you, as motivational factors? |             |         |           |                |
|--|-----------|---|-------------|---------|-----------|----------------|
|  |           | Very unimportant  | Unimportant | Neutral | Important | Very important |
| Does your company offer performance bonuses? | no – 71%  | 11%   | 3%          | 11%     | 21%       | 54%            |
|  | yes – 29% | 0%  | 0%          | 31%     | 17%       | 52%            |

In our study, we can see that only 29% of the respondents work in companies which give out performance bonuses in order to motivate their staff. Despite this, we can see that 69% of these respondents consider that these bonuses are important motivational factors. The things look similar for the other 71% of the respondents, which despite not being given performance bonuses by their companies, still consider them as important motivational factors (75%).

#### d) *Adequate logistic support*

In this case, the adequate logistic support refers to certain benefits that the company is offering to its employees, such as a work car, cell-phone, laptop, etc. These are aspects which can significantly contribute to an increase in employees' motivation, because they alleviate their workload and, in some cases, even cut out some costs from the employees (gas for traveling for work purposes, the cell-phone bill, etc.).

Table 6 – *The correlation between using the adequate logistic support as a motivational factor and its perceived relevance by the employees.*

|  |           | How important is the adequate logistic support for you as a motivational factor? |             |         |           |                |
|--|-----------|--|-------------|---------|-----------|----------------|
|  |           | Very unimportant   | Unimportant | Neutral | Important | Very important |
| Does your company offer you adequate logistic support? | no – 72%  | 19%  | 14%         | 29%     | 15%       | 22%            |
|  | yes – 28% | 4%   | 18%         | 29%     | 25%       | 25%            |

Analysing table 6, we can observe that only 28 of the 100 respondents, benefit from these incentives and 50% consider them as being important or very important. At the opposite side, for the 72 respondents who do not benefit from adequate logistic support, only 37% consider that this factor is important or very important. This means that the employees perceive the adequate logistic support as a hygienic factor: they are motivated and perceive its importance when it appears, but, at the same time, its absence does not imply demotivation or lack of satisfaction.

#### e) *Teambuilding*

The teambuilding is a tool that has recently become part of the management practices of Romanian companies. It refers to a diverse range of activities, meant to develop the performance and the efficiency of the interpersonal relationships between a company's employees. These activities can vary from simple exercises for team-work development to complex simulations and group activities that can last for a couple of days.

Table 7 – *The correlation between using the teambuilding as motivational factor*

|  |           | How important is the teambuilding as motivational factor? |             |         |           |                |
|--|-----------|---|-------------|---------|-----------|----------------|
|  |           | Very unimportant  | Unimportant | Neutral | Important | Very important |
| Does your company organize teambuilding for their employees? | no – 76%  | 25%   | 18%         | 25%     | 11%       | 21%            |
|  | yes – 24% | 4%  | 4%          | 21%     | 21%       | 50%            |

A very important aspect is the fact that the teambuilding should not be seen as a recreational activity, but as one that is treated seriously, in order to fulfil its purpose. Moreover, the teambuilding can be informally implemented in the day to day activities and the team's dynamic can be improved through efficient leadership practices. Therefore, the teambuilding aims to develop the employees from a personal point of view, to encourage positive communication, leadership abilities and team-work capacity (Burlea Schiopoiu, 2009).

In the case of this study, we can observe that even though only a small percentage of the companies have adopted this practice (24%), 71% of the people who encountered these activities consider them important or very important. Regarding the 76 respondents whose companies do not implement this form of motivation, only 32% consider it as being important. An explanation would be the fact that this kind of motivational tools are used mostly in multinational corporations (being

brought from the Western world) and they entered in a lesser degree in Small and Medium Enterprises, and the employees from this sector are not yet aware of the benefits of such activities.

#### f) *Training*

The trainings are one of the most efficient methods for the professional development of an individual and, if they are implemented in the correct way, they can be an important motivational tool. Because of this, the modern management practices are focusing on this aspect and recognize the value of the benefits that these activities bring upon the team. As we explained before, the most valuable resource for a company is its staff. In order to have loyal, productive and motivated employees, a company must understand their needs and expectations and to create adequate working conditions. Different studies have shown the strong direct link between the organisational development and the development of its staff, reason for which the companies must focus on the education and the development of their employees.

Table 8 – *The correlation between using the training as a motivational factor*

|  |           | How important are the trainings, as motivational factors, for you? |             |         |           |                |
|--|-----------|--|-------------|---------|-----------|----------------|
|  |           | Very unimportant   | Unimportant | Neutral | Important | Very important |
| Does your company use training as a motivational factor? | no – 82%  | 26%  | 2%          | 18%     | 11%       | 43%            |
|  | yes – 18% | 0%   | 6%          | 6%      | 6%        | 82%            |

Unfortunately, only 18 of the 100 respondents from this study benefit from trainings and from them, 88% consider them important. In the case of the 82 respondents which do not benefit from this motivational factor, 54% consider it important or very important

From the analysis of all these aspects we can observe, that in most cases, more than 50% of the respondents consider that the incentives used by their companies are important motivational factors, the only exception being the „adequate logistic support”, where exactly 50% of the persons who benefit from this incentive consider it important or very important. Thus, we can consider that H3 „The stimulants given to the employees are perceived by them as motivational factors” is partially verified.

## 5. Conclusions

As we have discussed before in this paper, there is a large variety of theories, techniques, methods and models for the employee motivation. In our opinion, none of these models is perfect and cannot be applied with maximum efficiency in every given situation. The best method to choose the motivation techniques is to carefully study each individual from your team, because, different individuals, with different personalities require different approaches, and an efficient manager should be able to apply different techniques to different employees (Burlea Schiopoiu, 2013). This approach should be used with extreme care, because managers might be accused of discrimination if they treat their employees differently. Because of this reason, the managers should try and build a strong interpersonal relationship with their employees, in order to understand their needs and expectations and at the same time, for the employee to better understand the manager’s actions.

In Small and Medium Enterprises from Craiova, the employee motivation is not always a main focus for the management. More often than not, old and outdated methods and techniques are used. Thus, from the analyses of the results of this study, we found the following conclusions:

- 65% of the respondents declared that they are somewhat happy with their current workplace, but this thing does not imply that they are also motivated, but only that they have a minimum level of satisfaction that allows them to continue working there.
- 54% of the respondents who consider that their activity is very challenging and 60% of those who consider their activity to be challenging are somewhat content with their salary
- in general, there appears to be a correlation between the incentives offered by the companies and the employees' perception of them to be useful, but, at the same time, we can see that the SME's from Craiova are focusing on old, outdated techniques such as a periodical increase in the salary (52%) and holidays bonuses (62%), the modern tools being, largely, neglected: bonus for performance (29%), adequate logistic support (28%), teambuilding (24%) and trainings (18%)

From the aforementioned analysis, we have the following recommendations for the SMEs' managers from Craiova:

- to establish a clear motivational plan and with long term objectives;
- to take into account the complexity and the heterogeneity of the human needs;
- to establish strong interpersonal relationships between managers and employees;
- to establish a transparent and fair Rewards and Recognition system, based on employee performance;
- to establish a balance between the classic motivational techniques (salary and other financial incentives) and the modern ones (teambuilding, trainings, etc.).

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