

## THE IMPACT OF MOTIVATION ON PERFORMANCE THROUGH LEADERSHIP

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### ABSTRACT

*The present paper puts forth an evolutionary description of leadership maintaining the belief that nowadays leadership must appreciate teamwork, acknowledge the importance of diversity, know how to share power, knowledge, success and failure with subordinates. Power is an ingredient of leadership, which skillfully used, shared with subordinates can produce unexpectedly positive effects. Synthesizing the ideas presented above represents the research topic of the present scientific approach, the starting idea being the issue that most organizations are facing: employee turnover. The main objective of the present paper focuses on the idea of identifying those elements that work together in the process of performance achievement and their logical hierarchy when determining the effects of each on the expected results. Starting from the leadership styles identified as relevant, through a comprehensive documentary study, a series of processes that play moderating and mediating roles such as the motivational process and the employees' attitude reflected in the degree of job satisfaction have been highlighted. The research aims at establishing a diagnostic tool within organizations or work teams, with which to analyze multiple aspects of leadership behaviors so that the employees' motivational thresholds may support job satisfaction and lead to performance. Based on the research model, twenty-one hypotheses were formulated in order to give an overview as comprehensive as possible of the statistical analysis of data. The results of the case study for the research contribute to the practical support of the goal of leadership: the evolution towards a modern ideal, different from the traditional and paternalistic style rooted in the Romanian culture.*

**KEYWORDS:** leadership, team work, motivation, job satisfaction, performance

**JEL CLASSIFICATION:** M 12, M 52, O 15

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### 1. INTRODUCTION

According to the theories of organizational resources, the resources and the capabilities are the main drivers of sustainable competitive advantage, particularly those which are simultaneously considered rare, valuable, difficult and costly to imitate and also irreplaceable. The chosen research topic is not topical due to the novelty of the aforementioned organizational issue - employee turnover, but to the new effects of this phenomenon and implicitly the new perspectives that the organizations tend to shape for the workforce, the human capital, the strategic resource or "knowledge workers" as Peter Drucker calls them. The main objective of the present paper focuses on the idea of identifying those elements that work together in the process of performance achievement and their logical hierarchy when determining the effects of each on the expected results. Starting from the leadership styles identified as relevant, through a comprehensive documentary study, a series of processes that play moderating and mediating roles such as the motivational process and the employees' attitude reflected in the degree of job satisfaction have been highlighted.

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## 2. LITERATURE REVIEW

In many studies in the field of reference, (apud. House, 1976 in Hunt, Larson, 1977: 68-81) charismatic and transformational leadership are described and treated as synonyms, although other authors, such as Bass (1985), consider charisma only as an essential component of transformational leadership. Starting from the problem of the type of relationship between leader and subordinate, from some conceptual doubtfulness, Northouse (2007: 193) brings into focus criticisms regarding transformational leadership. Thus the conceptual and measurement gap, the elitist and undemocratic character (after Avolio, 1999 and Bass and Avolio, 1993), the confusion with "heroic leadership" (after Yukl, 1989), as well as the possibly abusive character of **transformational leadership** are rendered evident.

Some of these vicious remarks would find an answer if research on transformational leadership continued focusing mainly on the relationship leader -subordinate and not just on the leader as a central element. An argument of this transformational leadership gap can be found in the main concept of servant leadership. The term "**Servant Leadership**" was found in Greenleaf's paper from 1977 "The Power of Servant Leadership. Essays", a collection of essays through which the author makes a first presentation of the concept. The idea interests many researchers, servant leadership being the subject of many study papers for planning an empiric model. (Spears, 1995, Laub, 1999, Stone, 2002, Patterson, 2003 after Dierendonck, D. Nuijten, 2010).

Nowadays' leaders learn that alignment of the organizational and leading systems with the process of power sharing – which servant leadership represents – will be the decisive point as far as their success or failure on the market is concerned. We could say it is a new ethics, a new mentality which should be adopted by most leaders and organizations. It implies a long transition, but at the end it will become a real competitive advantage.

Research on cultural interactions regarding leadership have pointed out that understanding of national cultures is essential as far as developing the leadership phenomenon inside organizations is concerned, where acceptance of different types of leadership is unconceivable. In the context of economic globalization an efficient interaction, unrelated to cultural realities is unimaginable. Therefore, knowledge, understanding and acceptance of the cultural differences become essential elements for projecting and implementing of the organizational strategy. The culture of an organization is influenced by the cultural preferences of the leaders and employees, as well as by the technologies it uses and the domains it regards. **The culture of an organization** is also defined under the form of a mental, collective programming, which distinguishes the members of that organization from the members of another (Bibu, 2003: 77). **The teams**, the real ones and not just the groups which management calls teams, should be the basic unit for most organizations, no matter their extent. In any situation, considering the demand in real time of the combination of multiple abilities, experiences and different ways of thinking, it is inevitably that a team will obtain much better results than a gathering of individuals who operate through separate roles and responsibilities. The teams are much more flexible because they can be easier to assemble, concentrated on a certain subject, usually through means that rather strengthen than interrupt permanent structures and processes. In an uncertain, turbulent, frequently changing environment, as the one today, nobody has all the answers to what leadership really means. The leadership style within teams is based on emphasizing of strong points as well as of weak accepted ones of the members in role distribution. Thus, solving problems, team work, making decisions and innovation are supported and developed by a kind of participating leadership, holistic, leading towards a high level of performance (Bolden et al, 2003:14).

**Motivating** people at their workplace means helping them give their best, be productive and feel satisfied of their position and personal development within the organization. (Goldsmith, Greenberg, Robertson, Hu-Chan, 2003: 32). The most accepted and used method of systematization of motivational theories, based on the thematic criterion, considers only two categories: theories of content and theories of process. The motivational model of Nitin Nohria et. al. (2008), a part of the first category, starts from Maslow's principles, but the criticism of its theory is taken into account,

like the fact that nothing certifies that the five needs are enough to be considered sources of work motivation.

The motivational model of Sărătean (Cizmaş) is part of the second category, a model which is integrated into organizational change which explains the way the behaviour modifiers interact in initiating, orienting and blocking of a specific type of behaviour. (Sărătean, 2003:87).

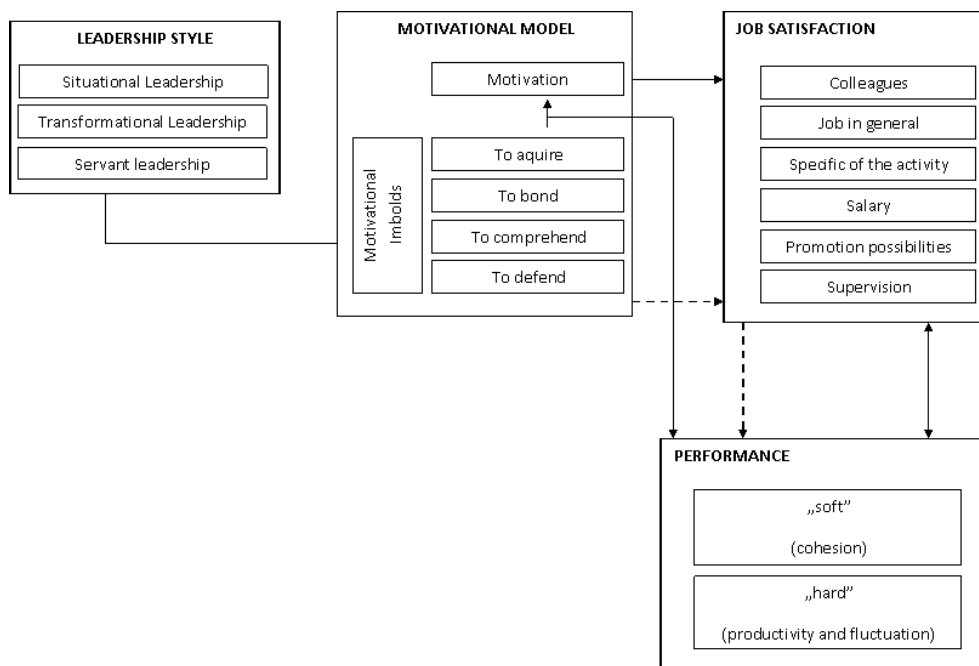
### 3. RESEARCH METHODOLOGY

In order to have the best image possible, starting from identifying the research theme: increase of group performance and reduction of turnover, several investigations took place at a theoretic level, analyzing the possible influence factors. Thus the documentary study helped confine the analysis domain to these main factors: leadership, processes of employees' motivation, job satisfaction and group performance. Once the concepts defined and clarified, in association with the analysed organizational context, exploratory research sustained the pursuit of formulated objectives and research hypotheses to build a conceptual model subjected afterwards to analysis through quantitative research and using sample surveys. Thus the survey was distributed within a multinational company from Romania, the valid sample being of 202 respondents. Analysis of SPSS data lead towards validating the research model (presented in figure 1).

The leadership style has been evaluated starting from the principles of the three concepts considered as relevant: situational leadership, transformational leadership and servant leadership. The motivational model represents a readjustment of Nithin Noria et. al.

Job satisfaction is evaluated within the research study through "Job Descriptive Index" reviewed 2009.

Depending on the pursued variables and the impact of other constructs two types of performance have been revealed during the presented scientific approach: "soft" performance which derives from the subjective approach of the results, whereas "hard" performance is that for which economic indicators have been used and which involves an objective approach, an analysis of the absolute values of the indicators used.



**Figure 1. Operational research model**

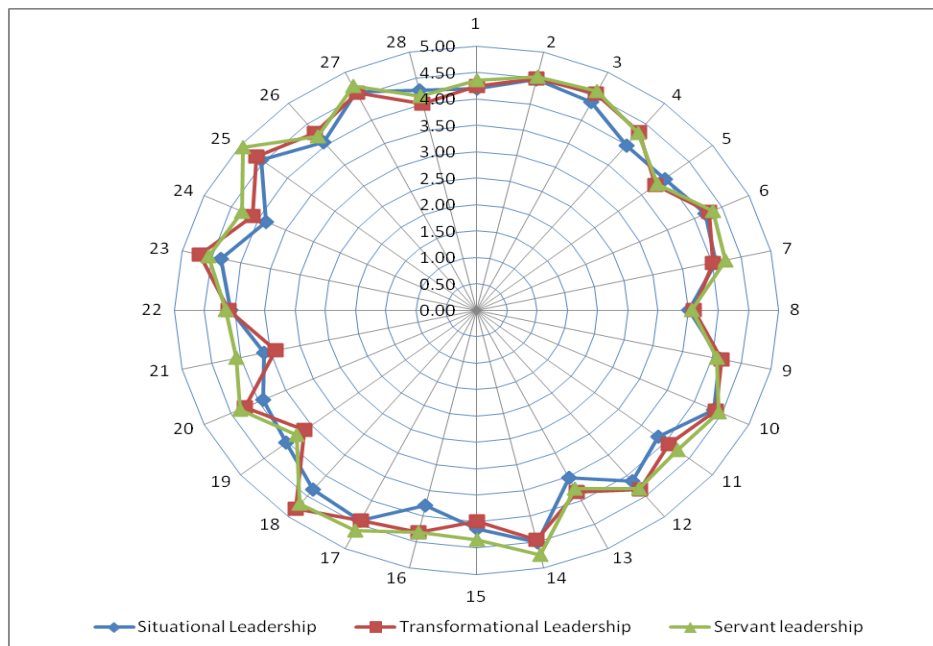
Literature review and identification of the real problems were the basis for addressing research hypotheses and for building the conceptual model. Based on the research model, twenty-one hypotheses were formulated in order to give an overview as comprehensive as possible of the statistical analysis of data. The five main hypotheses are listed below:

1. The leadership style has a direct, positive and statistically significant effect on the subordinates' motivation.
2. There is a direct, positive and statistically significant relationship between the motivational model and job satisfaction at the individual level.
3. There is a bidirectional and statistically significant relationship between job satisfaction at the individual level, and group performance.
4. There is a direct, positive and statistically significant relationship between the subordinates' satisfaction and 'hard' performance.
5. Job satisfaction at the level of the individual mediates the relationship the subordinates' motivation – 'soft' group performance .

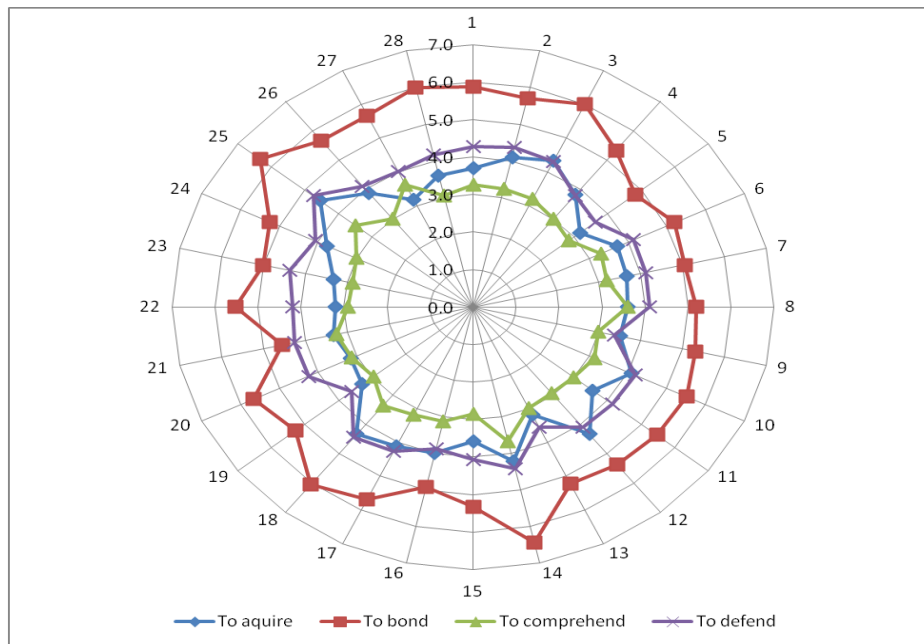
#### 4. FINDINGS AND DISCUSSIONS

Data analysis focuses firstly over each construct of the research pattern: Leadership, Motivational model, Job Satisfaction and Performance. Each will be analysed at the level of the 28 teams that represented the sample of the case study.

The weight of every leadership style does not have significant differences from one team to another. Another cause of this apparent homogeneity may be given by a culture strong enough to make its influence felt at an operational level as well.



**Figure 2. Graphical representation of data on leadership style at the level of the 28 analysed teams (author's own graphical representation)**



**Figure 3. Graphic representation of data concerning the motivational model recorded at team level (author’s own graphical representation)**

The least stimulated is the employees’ drive to understand, that there are too few explanations regarding certain situations, contexts, change in organization, etc.

All these aspects covered by the analysis process have overtones in the specific cultural characteristics of the organization. One can firmly state that powerful stimulation of the drive to form connections stems from an accelerated collectivism, and offering freedom in expressing opinions and supporting points of view (the drive to protect) indicates the bent for reduction of cultural dimension of power distance, tendency which is also reflected by the result of GLOBE study in Romania according to people’s desire for how “things should be” and how “they are”.

Out of the six dimensions that define employees’ job satisfaction, at the level of the 28 teams, colleagues, the workplace in general and supervision have registered the highest values. On the last places, with some variations, there are the type of activity, salary and the opportunity for promotion. As far as the low satisfaction level generated by the activity’s specifics, this can come as a consequence of poor stimulation of the stimulus of understanding. Poor motivation and explanation of each employee’s role can lead to boredom and monotony at the workplace.

Within the 28 teams one can notice that the turnover registered over the past year has rather high variations from one team to another. The goal represents a lower turnover. The majority of teams have registered medium turnover values, which does not raise major problems. The risk is represented by the teams where turnover is high, especially in areas where the labour market does not bring the possibility of fast replacement of employees’ knowledge and experience. This is why observation of the phenomenon is recommended as well as its causes in order to be able to act ahead when quick decisions are needed.

According to the research model, the third and the fourth hypotheses highlight the phenomena which have a direct impact on “soft” and “hard” performance. From this point of view, a continuous supervision process of the status and motivation of team members and job satisfaction can prove to be efficient when performance indicators signal a major risk.

Quick decisions in risk situations can lead to temporary solutions to problems, but in the case of turnover or cohesion, there are actions which need to be taken constantly and on a long term. Thus the phenomena with a direct influence on “soft” performance must be considered, as well as employees’ motivation and satisfaction, but also the phenomena and processes which operate in time. These are the organisational culture and the leadership style.

#### 4. CONCLUSIONS

The conclusion of the first set of hypotheses supports the idea that leadership has a major effect on employee motivation. The greater efficiency of transformational leadership may be explained and supported by other studies in the specialized literature which show that transformational leadership has better results in a dynamic, turbulent, with frequent changes and with a higher risk rate environment, while servant leadership is recommended in a steady context, so with a low risk value. (Smith, Montagno, Kuzmenko, 2004: 80). On the same topic, John Humphreys (2005), supports the same idea with a new argument: historical investigation. Another explanation could be the Romanian national cultural dimensions that characterize the present-day organizational culture. Thus, a high degree of collectivism, a high level of uncertainty avoidance and of power distance - as they are shown in comprehensive studies such as the GLOBE study (2004) and in a corresponding analysis for Romania conducted under the direction of Bibu (2008) - call for a tighter coordination within the team and the need to receive clear guidance is more obvious among employees. All these features lead to an authoritarian leadership style.

The second main hypothesis, along with its sub-hypotheses, investigates the relationship between employee motivation and job satisfaction. The whole set was confirmed based on the undertaken statistical analysis. Thus, the conclusion based on the correlation between employee motivation and each dimension of satisfaction point out a strong effect of motivation on the dimension concerned with supervision methods and with the colleagues at the workplace. In other words one may say that 25% of the variance in employee satisfaction given by the style of supervision is due to the level of motivation and 18% of the variance in employee satisfaction given by the colleagues' perception is due to the employee motivation levels. These two relationships are so powerful that one may say that the effect is both statistically and practically significant. In other words, a major influence on job satisfaction at the workplace is determined by the leadership style and by the colleagues at the workplace, but the other dimensions of satisfaction should neither be neglected.

The third set of hypotheses supports the idea of a relationship of mutual dependence between job satisfaction and the team's performance.

The conclusion concerning the result of testing these hypotheses should not pass unnoticed because it refers to the impetuous trait of achieving employees' job satisfaction where performance is a goal both at the team and the organizational level.

The fourth hypothesis seeks to establish a correlation between the motivational model and performance. The tested variants highlight a correlation that is statistically positive and significant only in terms of the "soft" dimension of performance. That is, one may say that the motivational model is a predictor of team cohesion in 99.9% of the cases.

The conclusion drawn from this validation is emphasizing the idea of laying great emphasis on the motivational process. Now it is clear that the leaders' actions in terms of style undertaken by them must simultaneously consider all the four prompts stimulating positively employee motivation, which then generate work motivation, all of them having a major effect on team cohesion. This aspect is also supported in this case by the results of the second hypothesis that certify the importance of the colleagues at work.

Taken as a whole, job satisfaction cannot be considered a factor mediating the relationship between the considered motivational model and the performance reflected in the team cohesion. This leads to the conclusion that job satisfaction comes after motivation (fifth research hypothesis).

The classification of the strategic dimensions of management is a reflection of the vision, of the decisions made and of the management involvement in forecasting the future and its attempts to reshape its organizational environment. There are frequent situations in which top managers focus on daily activities (tactical), most having little impact on organizational functionality and efficiency. The process of making strategic decisions is one of the most important areas that require the involvement of top managers, but this is often being overlooked. The managers' competence is reflected by the results obtained and the strategy is a great tool for those who know how to use it,

making it indispensable both for the top managers and for most employees (Verboncu, Nicolescu, Năstase, Popa, 2009: 948).

From this perspective, the present paper describes the adjustment of the leadership style as being a strategic tool.

Value-orientation, i.e. that inspirational and motivational ability is seen as an auxiliary factor in the leadership process. Thorough knowing and understanding of the subordinates facilitates communicating with them. It is acknowledged that one of leadership's characteristics is that of encouraging the employees in carrying out the assignments and achieving the objectives. As long as each individual has a certain dose of free will, one cannot persuade the individual into doing something unless that person is convinced (by someone) that it is in his/her best interest (Bennis, in Kurtzman, 2010:17). Although directing towards performance is not favoured by the national Romanian culture, foreign cultural influences, with which organisation's employees are in permanent contact, have been borrowed, and an improvement of directing towards quality can be observed, improvement which is strongly sustained in organizational principles. This feature complements the focus on values, leading the human resource to higher levels of expectation and towards formulating of a set of principles.

People-orientation is encouraged in management practice by the relatively high scores of servant leadership. The results of the case study of the doctoral research contribute to the practical support of the goal in leadership: that evolution towards a modern ideal, different from the traditional and paternal style rooted in Romanian culture. Exclusion of the self-absorption of leaders, autonomy and the pursuing of self interests is desired. Concern towards people, involving them in the decision making process cannot be achieved without individual knowledge of the subordinates and open communication. „Primus inter pares” (first among equals) - the idea behind servant leadership emphasises integration of the leader within the group. Accepting this slogan as a daily practice will create a new mentality among team leaders. Obeying written rules is not enough to create a team. Sincere bonding and open approach towards subordinates is required, to strengthen existing relationships within the group and enhance group cooperation, so that objectives can be achieved with greater efficiency and effectiveness.

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