

THE MONTHLY SALARY AS A MOTIVATIONAL FACTOR FROM THE PERSPECTIVE OF THE DEGREE OF SATISFACTION AND THE QUALITY OF LIFE

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ABSTRACT

Over the time, mankind had to perform different types of activities that generated income and enabled them to ensure the daily living and to find the necessary resources to achieve a high the quality of life. Starting from physiological needs (need for water, food, shelter, transportation or security) and continuing with higher needs (recreational activities, the desire for esteem or personal development), every individual desires to create a well-developed system of his own needs. Any activity is undertaken in order to obtain revenue large enough to satisfy all the necessary requirements for the daily living, to tend to well defined aspirations and to have an important place in the society and the environment in which one live

This article includes both a theoretical part, having the role of presenting the most important motivational theories, the classification of needs that underlie the development of an individual and a practical part, which presents the results of a questionnaire, which aimed to identify the extent to which basic needs are satisfied, the extent of the help provided by monthly income and the economic situation of households in Romania.

The objective of the article is to determine the degree of satisfaction of the employees in Romania with their monthly salaries (wages).

KEYWORDS: *motivation, income, salary, satisfaction, quality of life*

JEL CLASSIFICATION: *M520, J310*

1. INTRODUCTION

Motivation is the key element that determines the behavior, the decisions and the quality of life. Thus, any action performed is based on a system of factors that support and feed ones behavior. The Romanian Explicative Dictionary defines motivation as the sum of the reasons or motives (made aware or not) that cause a person achieve a particular action or to strive for certain purposes. The motivated behavior is the lever by the means of which one get to the goal.

The motivation is intrinsic, which makes people act from their own will. It's what makes them happy or proud that are working on a specific project or for a particular company.

From a managerial point of view, Nicolescu and Verboncu (2008) define the motivation as a linkage between the needs, aspirations and interests of the employees of the firm and the achieving the objectives and the tasks, assigned within the firm.

Lefter, Deaconu, Marinas and Puia (2008) consider the motivation as having two separate perspectives:

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- An economical perspective, defined as all the reasons that determine and influence the behavior of an economic agent;
- A psychological perspective, defined as the actions of all known and unknown forces that influence the behavior of a person.

Individuals judge their own success or failure depending on the level of remuneration received from the workplace. Thus, the salary, or monthly wage, can be considered as a survival factor. With the money earned from their daily work, people can purchase those goods and services which can define a satisfactory standard of living. According to the theories of motivation, especially Maslow's theory, the factors that motivate people are their needs and their own hierarchy model.

Nicolescu & all (2004) consider that motivation should be different for each and every employee, complex and, last but not least, gradual.

Money is one of the most important motivating factors. Regardless the form money are regarded, they reflect most of the other motivating factors. Using them, one satisfy his needs, insure that level of living which satisfies him and ensure them a high quality of life as well.

2. MOTIVATIONAL FACTORS FROM A THEORETICAL POINT OF VIEW

Maslow's theory is one of the most popular in the area of social sciences and is also known as the "hierarchy of needs". Maslow's pyramid is a concept that the American psychologist has first mentioned in his work "A Theory of Human Motivation", published in 1943, when he tried to decipher the motivations that lie at the origin of human actions. According to the author, each person should have as a personal target a well-defined path to reach a final level of individual development. The author also believes that some personal needs are more important than others, and that one must first satisfy the basic needs, and then move to those at the top.

- The first level of the pyramid is the physiological needs. It is considered that without satisfying them, the human being ceases to exist. In this category falls the need for water, food, shelter or transportation.
- The second level is the safety need of the individual. A safe home, a secure job, the insurance of a pension is some examples of how this need can be satisfied. Security can be described as avoiding or blocking certain conditions that threaten the physical integrity of a person. Thus, it is important for people not to feel threatened by job insecurity; allowing them to feel sure that psychological comfort needed for an efficient work, such as job security and pay wages above the minimum level of survival.
- The third level is dedicated to the social needs of belonging. Starting from ancient times, man has felt the need to socialize, to enter into groups, relationships with others and to fit into the broader social groups. When people are isolated and alone, the need of belonging is not satisfied, which contributes to a "loss of power" that could be used to achieve a new level.
- On the fourth level, Maslow puts the need for esteem, each individual need to feel valuable, competent, respected and appreciated in the environment where he lives and where he develops its activity.
- On the fifth level, Maslow puts the need for self-actualization and personal development. In a modern language, it can be defined as the need for the fulfillment of one's potential. During his research, Maslow found that there are many people who are reluctant to fulfill their potential, this originating from the fear of what one might become. It is also believed to be the hardest to reach.

Over time and in the light of numerous studies, there were trends to reduce Maslow's hierarchy of needs in just three categories of needs:

- Needs of Existence (E-existence) - which insure the basic requirements of existence;

- Needs of Relatedness (R-relatedness) – which reflect each person's desire to establish and maintain interpersonal relations
- Needs of Growth (G-growth) - which reflect the needs that make one's efforts to become creative and stimulating for himself.

This approach belongs to the American psychologist Clayton Alderfer and represents the attempt of increasing the applicability of the theory of needs to the organizational conditions. The needs of Existence correspond to the lower levels of Maslow's model, whereas the needs of Relatedness and the needs of Growth correspond to the top levels of Maslow's pyramid. By light this aspect Alderfer, is more dynamic and allows making a distinction between chronic and occasional needs.

Between Maslow's theory and that of Alderfer stand two differences:

- Seen in the perspective of Maslow's theory, the hierarchy of needs resembles to a process of a progressive satisfaction of the needs (some person can focus on satisfaction higher needs only after being fulfilled needs on lower levels). In contrast, Alderfer shows that a person maybe be preoccupied with self-actualization, although some lower level needs are not satisfied or that all the three can act in the same time.
- Another major difference consists in the number of active needs a person has at a given time. Alderfer model shows that all the three need scan be active in the same time, whereas Maslow's model shows that people can have a single active need at a time.

After some research that started from Maslow's theory, another scientist of motivational theories, Frederick Herzberg concluded that an individual's feelings and affection towards their own work are influenced by two sets of factors:

- Motivators – which result in extreme satisfaction (performed work , recognition of effort and the contribution to the work, responsibility, promotion, career development);
- Hygiene factors - in opposition, leading to extreme dissatisfaction (such as wages, job conditions and security. firm policies, interpersonal relationships, manager competences).

Herzberg theory describes the aspects that motivate the workers, starting from these two categories of factors.

By approaching them through the Maslow's classification, the hygienic factors can be associated with the first 3 levels of the pyramid, while the motivators correspond with the last two levels of the pyramid. Based on this theory, Herzberg promotes the idea according to which the motivators are those that influence job satisfaction, whereas hygienic factors are those that contribute to dissatisfaction at work (e.g. if a certain corresponding level is not reached, it will contribute to ones dissatisfaction).

John Adair, a prominent British researcher and theoretician in the subject of leadership is loyal to the "50:50" rule, according to which 50% of motivation rests on the person, and 50% is influenced by external factors. This is a theory that contradicts the theories of other researchers in this field, according to which most of the extent of an individual's motivation comes from himself.

3. DETERMINING THE DEGREE OF COMPTENT OF THE EMPLOYEES THROUGHOUT THEIR INCOME

In order to understand if a person is truly satisfied with his salary, we should consider his daily expenses.

From our point of view, the monthly expenses can be classified in two major groups: basic expenses (food, rents, bills, medicines, owing a house) and lifestyle expenses (owing a car, a holiday house, going into trips, buying books, cigarettes, going out with friends).

The basic needs can be linked with Maslow's first 2 levels of the pyramid or with Herzberg Hygiene factors and are the basic needs that one's salary must cover in order for him to be able to survive.

The lifestyle needs can be linked with Maslow's next 2 levels of the pyramid are the needs that allows the individual to cover his caprices, habits or wishes.

The overall picture of the quality of life in Romania, in terms of self-evaluation, can be characterized both by both positive and negative reviews (such as items which are considered sources of dissatisfaction in people's lives and which may create a risk of marginalization). The quality of life in general can be characterized by all the elements that reflect the economic, cultural and social situation of an individual, the circumstances in which he works, the goods and services that he can afford, the consumption, the way he spends his time. The measures needed to improve living conditions are based on what people consider "good life" or "standard of a decent life". The life experience, the level of aspirations, the system of values is aspects that define these two concepts. Evaluating the living conditions, the degree of satisfaction with various other fields are influenced by each individual aspiration towards a better life. The quality of life describes a feeling a fulfillment felt life both at individual and community level.

Another dimension of the standard of living refers to the leisure activities, these being considered as activities that facilitates the social integration. These can be considered "absolutely necessary" or "necessary" on the one hand, or "desirable but not necessary", on the other hand.

This article captures a brief analysis of population income, viewed as means of satisfying the criteria of a certain degree of quality of life assessment.

The analysis was compiled based on the responses of a sample of 500 people, which were obtained through the collection methodology CAWI (Computer-assisted web interviewing), which is encountered also as the online interviewing methodology.

The CAWI collection methodology is a technique used for data collecting via the Internet in which the respondent follows a script from a web site. The questionnaire reaches the respondents through an invitation that includes a link to the questionnaire, unique for each respondent, and other elements, such as the deadline for completing the questionnaire, the incentive value, or the length of the questionnaire measured in minutes. The questionnaires are sent to potential respondents based on a sampling sheet created upon the characteristics of each research and on the national representative structure required to reach the target. Ensuring sample representativeness is achieved by allocating a percentage to each demographic variable; so that when the percentage is reached, the questionnaire cannot be filled by other respondents. Andrei (2001) calls this quota sampling method and the condition of obtaining a good sample is meeting the rates (percentage which is established for each variable).

As it is a technique of collection via computer and the Internet, the questionnaires can be completed from anywhere, at any time and by any person over the age of 18. It also allows an implementation of the filters and logical equations and inserting multimedia content (such as images or videos / audio files). As the usage of Internet has grown, online surveys have become a popular way of collecting data and the methodology has become one of the best techniques of data collection.

The structure of the sample is composed of respondents with ages between 18 and 64 years. The demographic variables based on which sample was formed were chosen in order to restore the population structure in Romania, as presented in Figure 1.

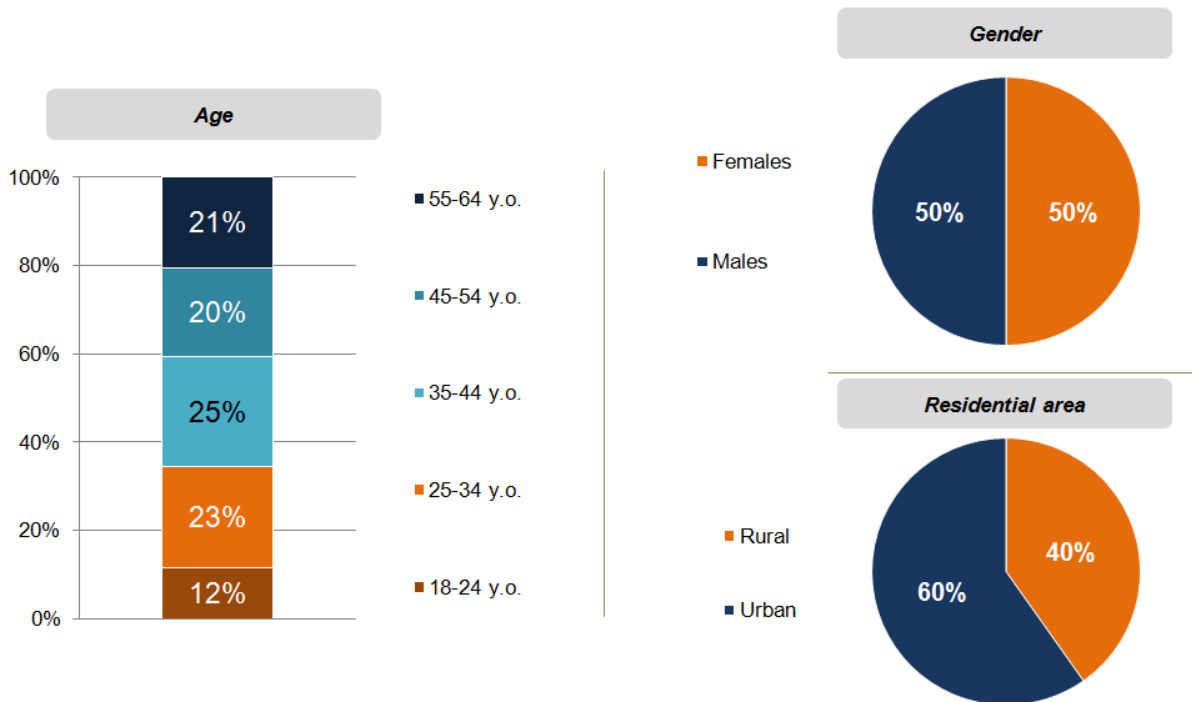


Figure 1. Respondent's profile 1
(Source: made by authors)

The sample was composed of 50% women and 50% men, 60% of whom live in urban areas, while 40% live in rural areas. In terms of distribution by age groups, 12% of respondents are aged between 18 and 24 years old, 23% are young people aged between 25 and 34 years, 25% are aged between 35 and 44 years, 20% are aged between 45-54, while 21% are over 55 years old.

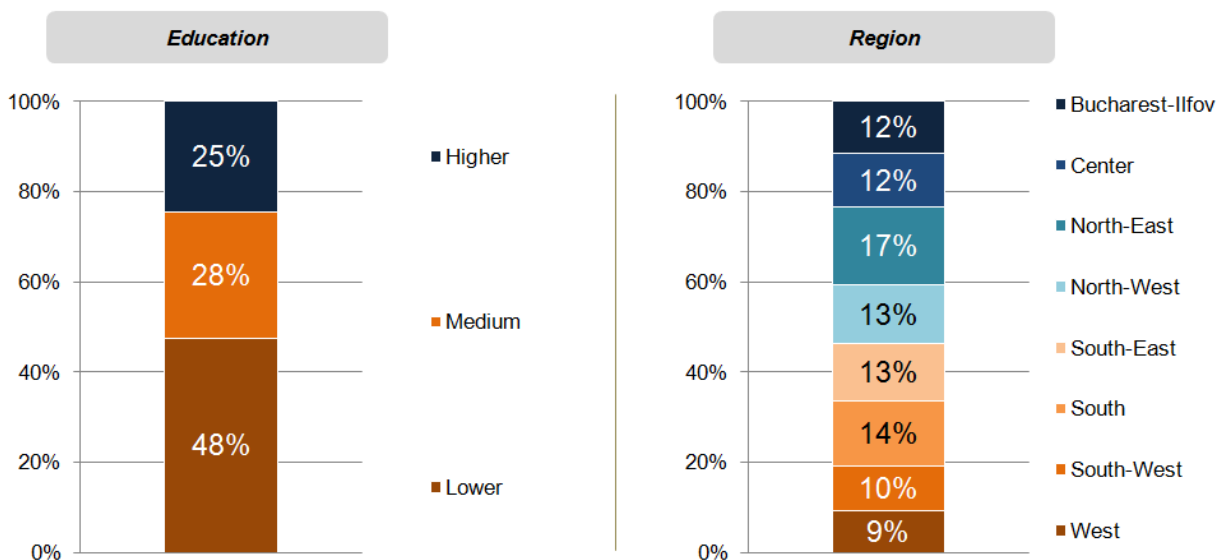


Figure 2. Respondent's profile 2
(Source: made by authors)

In terms of the level of education, the selected sample follows a representative national structure. Thus 48% of individuals have graduated 8 classes, 10 classes and / or vocational school, 28% are high school graduate, while 25% have a bachelor's / master / PhD degree. If we are referring to the geographical region of the respondents, 9% are located in the West Region, 10% are located in the South-West Region, 14% are located in the South Region, 13% are located in the South-East Region, 13% are located in the North-West Region, 17% are located in the North-East Region, 12% are located in the Central Region and 12% are located in Bucharest-Ilfov.

From a financial aspect, a decent standard of living may refer to an individual's ability to cope with all daily expenses, to cope with unforeseen expenses, and, if possible, to save. In Romania, the financial aspect is considered to be a great concern. Furthermore the idea according to which the increase of revenues is the main focus for improving the living conditions of the population is highly spread.

After analyzing the results of the questionnaire we could identify the source that generates the biggest part of the monthly income, as follows:

- The monthly wages;
- The pension;
- Revenues generated from personal businesses;
- Allowances / Scholarships;
- Money granted by parents or family;
- Wages generated by other activities then the daily job;
- Money granted by parents or family from abroad;
- Revenues generated from agricultural activities or lease;
- Bonuses;

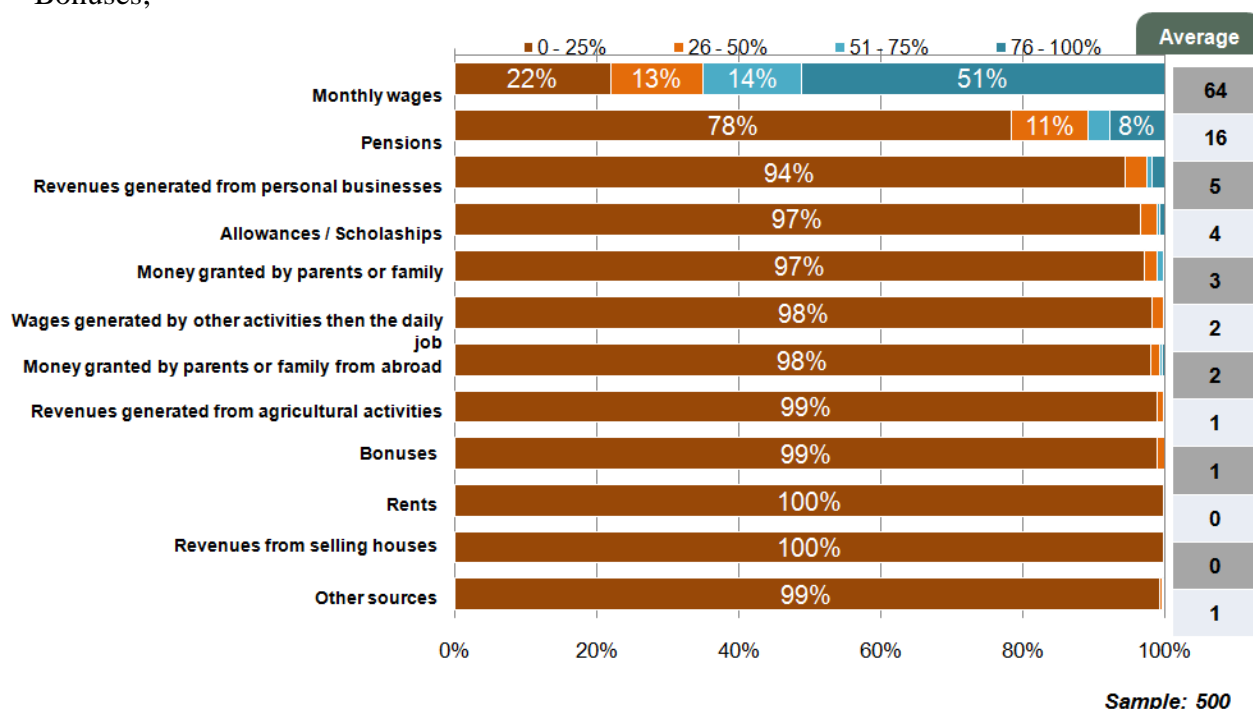


Figure 3. Sources of income
(Source: made by authors)

The chart from Fig. indicates that, for the respondents, about 64% from their monthly total revenue is generated by the monthly wages received from their job. Thus, in our opinion, the fact that more than 1/3 of the monthly income is generated by other sources than the monthly wages is of great

importance. This is equivalent to the fact that the total wages generated within a household are not enough to cover the total amount of monthly expenses.

Both the level and structure of all revenue recorded at the level of a household is calculated by summing all sources of income from all family members. In light of the variable character, all the revenue can be influenced by the number of people that generate income, their employment status and the specific of the activity.

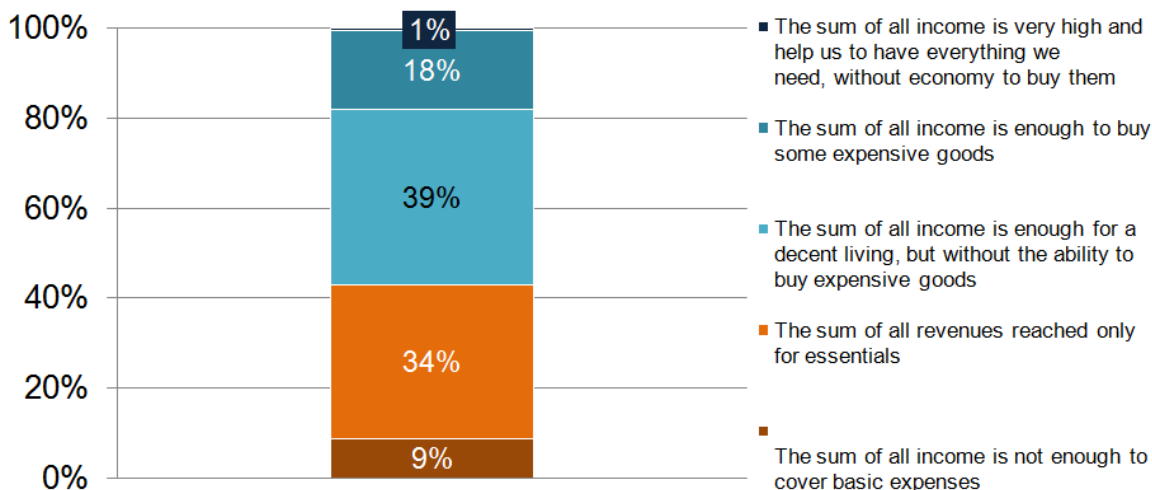


Figure 4. Economic situation of the household
(Source: made by authors)

The questionnaire, based on which the data was collected, includes a section in which the respondents were able to self-assess the specific economic situation of their household. Thus, out of the total of respondents, about 1% believes that they have very high incomes without having to save significant amounts of money in advance. On the other hand, approximately 9% of the respondent registers very low incomes within their households, which summed up, are not enough to ensure a decent day-by-day living. About 39% come from households where the cumulated income is sufficient to ensure a decent living, but without afford buying expensive goods and another 34% record cumulated revenues they can sustain only the basic needs. The data show that, in order to purchase some goods or to insure a decent living, these people need to supplement their income. Thus, besides the normal revenues, they would need to access a particular type of bank loans, depending on the needs of every household.

Out of the total sample of 500 people, about 60% said they had at least one bank credit. The most frequent type of bank credit is personal loan (are characterized by a process for obtaining relatively easy and advantageous), in a proportion of 77%, followed in equal proportions by mortgages or real estate loans (14%) and loans for acquisition the durable goods (12%).

Therefore, in order to cope with their monthly expenses and, moving further, to be able to save a certain amount of money, one must find a way, or better said, a different source of income. In the light of Herzberg's theory, this would mean that, because of the fact that one's monthly wage is not sufficient to cover his household expenses, he is experiencing a great dissatisfaction with his job, and thus he is not motivated to perform his daily work.

Because of this, one must find alternate sources of income to be able to cover the monthly expenses and to reply on a loan for purchasing goods or services.

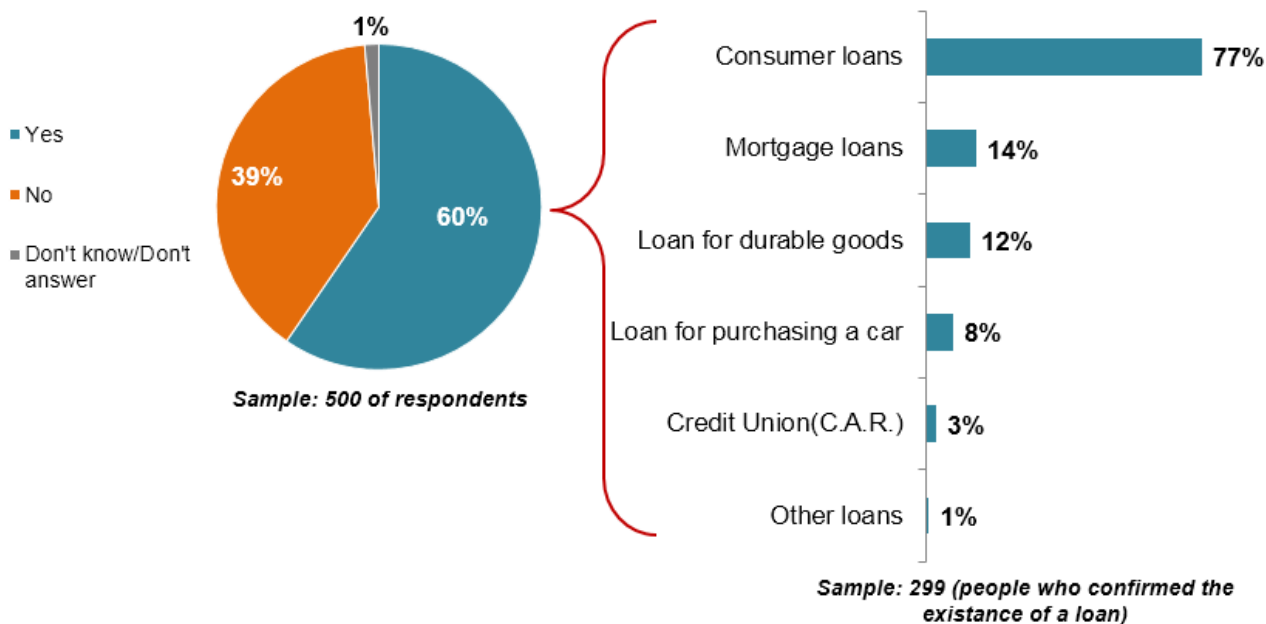


Figure 5. Existing loans
(Source: made by authors)

Generally, the evaluations that people make upon their own way of life are positive. In this context, owning a home is emerging as a support element in people's lives, especially in relation to other aspects of life.

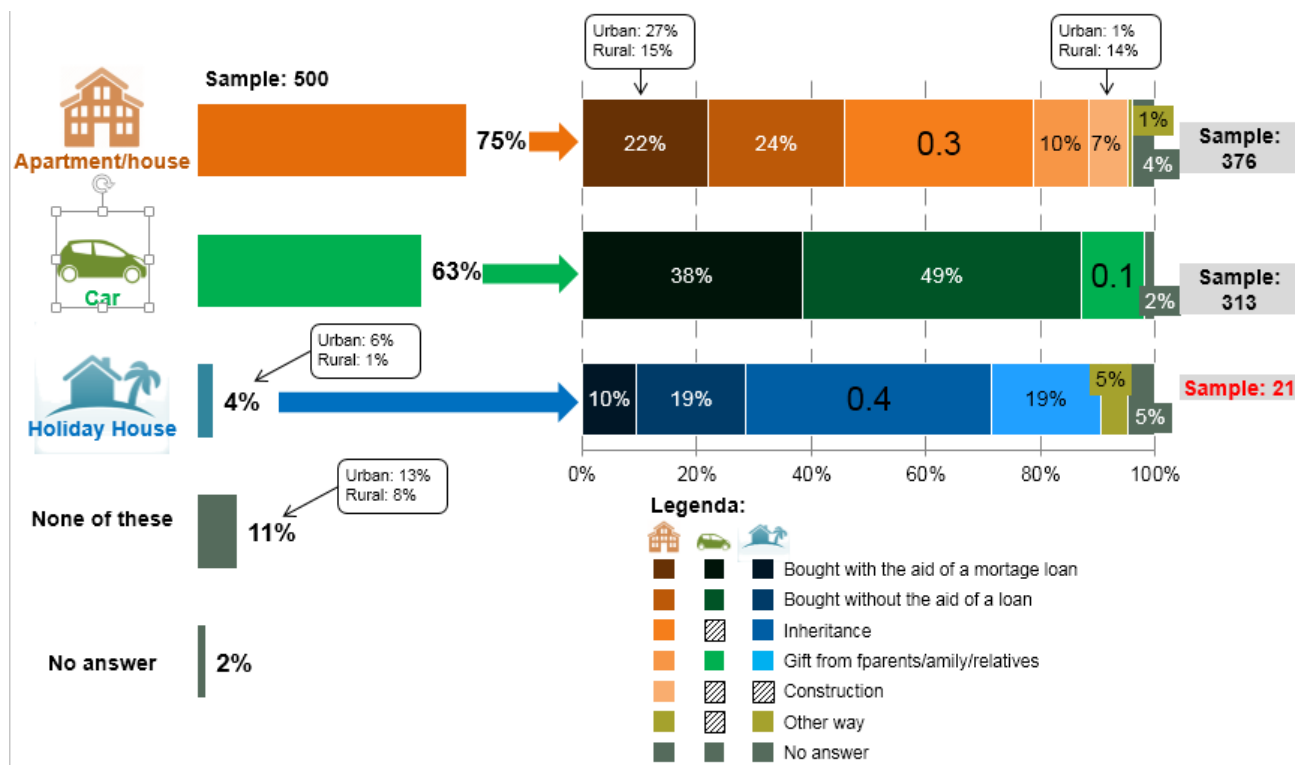


Figure 6. Existing goods in household: incidence and acquisition
(Source: made by authors)

The results obtained in this analysis show that the need of owning a home is satisfied for 75% of the respondents and that the need of owning a car in the household is satisfied for 63% of the respondents. Thus, one can conclude that basic needs are met for a significant number of the respondents.

In the section related to the need to access a loan within the next 24 months, a large proportion of respondents (63%) believe that will ask for a personal needs loan. Hence, it follows the continuing need to increase the financial potential of the household, in order to increase the standard of living. Also, about 22% of the respondents have stated that they plan to access a real estate or mortgage loan within the next 24 months. From these results, it is noted that 75% of respondents have stated that they already own a home and that some 22% intend to access a loan to purchase a home.

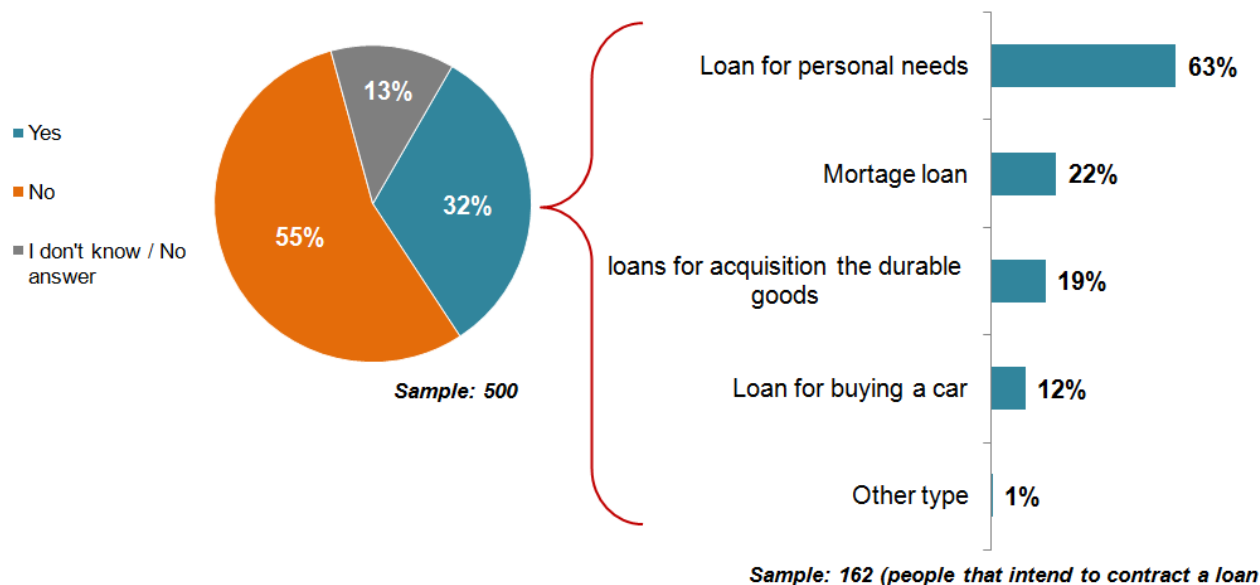


Figure 7. Perspective of contractive a loan within the next 24 months

(Source: made by authors)

The living conditions of the population and satisfying the need of owning a home are among the most important components of quality of life. Thus, housing can be viewed both as a basic element in providing a decent living and, also, as an element without which one cannot continue the sequence of needs that and he desires to be fulfilled.

In order to achieve a proper degree of population which owns a house, fulfilling technical and comfort characteristics of houses, from both the hygienic-sanitary norms and the requirements of a civilized living point of view, INSSE organizes certain surveys on houses and housing conditions, in order to monitor the housing situation in Romania.

4. CONCLUSIONS

Abraham Maslow's pyramid of needs defines the basic needs of the individuals and classifies them based on their importance. This way a chain of the succession of needs is defined, allowing us to understand ones motivations at a certain point in time.

Moving further, Clayton Alderfer has reduced the classification to only 3 groups and has developed Maslow theory so that an individual can be motivated by multiple factors at a certain moment.

Last, but not least, Frederick Herzberg and John Adair have discovered the link between the individuals motivating factors and the well-being and the development of a firm's activity.

We believe that money remains the greatest reason why a person is searching and accepts working for a company. However, we consider that this reason and its implications were misunderstood for a great period of time.

As proven in our research, the monthly payment received as a salary represents an average of about 64% of the total monthly revenue of a household, the rest being generated by pensions, scholarships, rents or money received from friends and family.

Furthermore, 43% consider that the total monthly revenue is not sufficient to cover the monthly expenses, whereas up to 39% are satisfied with their revenues, as is sufficient to ensure a decent life style, but not extravagant, nor which would allow a constant increase of their quality of life.

The balance of the two groups in the total amount of the needs is different from one individual to the other, thus we cannot appreciate whether the 64% generated by the monthly wages are or are not sufficient to cover the basic needs.

Therefore, main reason which stands behind money as the individual main motivator is not having the money, but the subconscious need of satisfying needs that either allows him to survive, either provides him a certain degree of pleasure, generated from doing the things that makes one happy.

As a final conclusion, given the results of the research, we strongly agree to the fact that nowadays salaries cannot be considered satisfying, nor they can ensure a proper quality of life.

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