

## HUMAN RESOURCES MOTIVATION AND IDENTITY OF MEDIUM SIZED COMPANIES

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### ABSTRACT

*The process of creating the identity of corporations is influenced by their internal factors, meaning the resources they have, on one hand, and the external factors on the other hand. The human resource is one of the most important resources of an organization. Productivity and performance at work are among others, the result of a moral condition, a motivation and the satisfaction of the employees' needs. It is important and necessary for every employee to understand his place and role within the organization, together with the contribution made towards the development of the organization, which is work satisfaction. But it is equally important to have his work results acknowledged by financial satisfaction. Satisfying the two means work performance, loyalty, persistence, interest towards work, increased productivity, and, naturally, a good reputation of the organization. A low motivation will represent an issue for the organization, as it leads to increased absenteeism, employees leaving the organization in order to search for other work places, low productivity etc. While multinational companies have a continuous concern for finding new motivational methods, in the case of the small and medium-sized organizations from Romania, this search is performed empirically and only when the owners' interests are in their own favor. The problem that the Romanian companies are dealing with at the moment is the lack of personnel. In these conditions the management has to find methods and technics to keep the personnel. The present paper aims on one hand the motivations of the employees to remain with the company and on the other hand to identify the methods, techniques and types of motivation that should be applied in the activity of some public food service companies. These new motivation solutions will support companies in creating their own identity and reputation on a market where the client satisfaction is increasingly difficult to achieve.*

**KEYWORDS:** *identity, motivation, human resource, services, reputation.*

**JEL CLASSIFICATION:** *L84/Industry Studies: Services-Personal, Professional, and Business Services*

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### 1. INTRODUCTION

Creating an organizational identity implies the identification and analysis of the factors that influence their activity. An organizational identity leads to a growth in reputation, which further leads to a growth of the economic and financial advantages. The lack of an organizational identity will lead to a decrease of the reputation, that is the loss of the advantages that were gained at some point and, naturally, to a declining profit. It is known that the reputation of an organization is influenced both by internal (the resources of the organization) and external factors (economic, social, political, demographic, legislative, cultural, technological, environmental factors).

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The internal factors that are influent are the resources of the organization. These financial, technological, human, physical, organizational factors are decisive for the organization. It is important that the resources are acknowledged and used in the benefit of the organizations. Regardless of the classifying method of these resources (specialists in the area have elaborated a series of classifications according to various criteria), what matters is the capacity of the organizations to coordinate them in the performed activity. Some specialists highlight the importance of the way in which these resources are being managed, the managers being the ones who will elaborate and implement the strategies, politics and targets within the organization. The managers can exploit the benefits of some theoretical leading models that already exist and are applied and they can easily avoid disadvantages, which is easier than implementing new management models that have never been put into practice. This does not mean, though, that new models won't need to be applied. These methods need also to be used by experienced managers, managers that can minimize the issues that appear during implementation. All specialists in the area agree that human resources represent the core of the organizations. This is the resource that uses all the other resources of the organization.

The reputation can be easily affected if the human resource does not have the abilities and competences necessary for the positions it holds within the organization. The positive impact of the human resource can be found in the good reputation of the organization. The management who is concerned about achieving some positive results will consider the financial and non-financial motivation of this resource. According to some specialists from the management area, "the managers lead the organization depending on its culture, too" (Challis, 2014). From some research, it has been concluded that "as far as priority and motivation are concerned, managers can take into account a personal risk before the risks for other individuals" (Challis, 2014). Human resources managers, the main responsible for the human resource have to take into consideration "four key aspects: the reward, the relations, the training and development of the human resource" (Ritson, 2013).

The companies' management is bound to organize the activity of the human resource by establishing an adequate organizational structure, internal organizational and operational regulations, working procedures, conduct and ethics codes as clear as possible. Multinational companies issue working procedures for all structures, and impose ethic codes or/and conduct codes at a global level. The motivation of the organization's personnel and the rewarding of the results represent a constant concern of the organizations which have a good reputation.

From the author's point of view, the human resource is the one that operates and combines the other resources. It is the resource that has to be used in the most efficient way. The concern of the human resources managers, and not only, has to exist in regard to all the subcomponents: staff management, standardization and payroll, recruitment and selection, training and motivation. Motivation does not have to be a secondary concern of them, but a central and continuous one. Employees are increasingly difficult to be pleased, and lack of motivation makes a difference within daily activities. A defective management will lead to the loss of some valuable employees. The ability of the organizations to attract and maintain talents has become a necessity for the organizations which want to keep up with the customers' requests and with the competition. Motivation influences the human resource activity in the organization, which further influences the building of identity and reputation of organizations.

## **2. MOTIVATION OF THE HUMAN RESOURCES CREATING IDENTITY**

Some authors define motivation as "a major management component which represents the total set of decisions/actions that determine the stakeholders of the organization to directly/indirectly contribute towards the achievement of superior functionalities and performance, based on correlating interests in approaching and achieving the targets of the organization or its subsystems"

(Nicolescu, 1999). In short, the same authors consider that “motivation consists in correlating the necessities, aspirations and interests of the personnel within the organization with achieving the targets and performing the duties, competences and responsibilities assigned within the organization” (Nicolescu, 1999). In this context, specialists from the human resources management area state that motivation is an internal and individual process strengthened on a certain behavior. Concerns regarding defining this concept have existed and still exist and from the author’s point of view, they represent the impulse for sustaining the individual’s activity.

Motivation of employees is effective on a social, economic, functional (within the organization) level, the degree of satisfaction (at work), leading to efficiency and employees’ performance. Motivation is an integrated component of the managerial processes and relations that are related to organizing. The lack of employees’ motivation has to be perceived by the managers because, otherwise, this will lead to the decrease of their performance and even their loss. The achievement of good results at work has to be promptly rewarded and the reward does not necessarily have to be financial, but moral. Regardless of the type of motivation: financial/non-financial, positive/negative, cognitive/affective, intrinsic/extrinsic, economic/moral, managers have to be permanently concerned about this.

Motivation, another concept related to the motivation of the human resource, is a concept primarily defined by specialists in the psychological area. The author considers that the most comprehensive definition is the one given by Vallerand and Thill and it consists in “the hypothetical building used to describe the internal and/or external forces that produce the release, direction, intensity and persistence of the behavior” (Micle, 2006). From this definition, one can draw the conclusion that is very difficult to directly observe the motivation of an individual.

Research in the area established that motivation consists in a plurality of factors which determine the behavior of every individual. At the organizational level, the managers are the ones responsible with observing the employees in terms of motivation at work. They have to interfere if they notice that an employee is not motivated enough. Whether it is about needs, reasons, interests, principles or ideals, the managers have to be aware of them for each employee and to exploit them in the benefit of the organization. These have to be identified from the moment of selection of personnel. The motivational processes within the organization have to be permanently improved in order to prevent the phenomenon of motivations obsolescence.

A research conducted by Ipsos Research in 2008 in Romania shows that Romanian people are the most unsatisfied with salaries and bonuses. 73% from the respondents want higher salaries, with only 64% stating the fact that they are satisfied with the salaries they earn and 69% state they are unsatisfied with the received bonuses (Răduță, A., 2008). PayWell Romania 2014, another more recent study conducted by PwC Romania highlighted the fact that “although there has been noticed a salary growth for certain areas like IT or banking, the financial bonuses are only given to employees for holidays. More important bonuses emerged as commissions for employees in the sales area. Other non-financial bonuses emerged (after the difficult period of time from 2008 to 2010, when many costs were cut): training courses, medical insurances for all the family members, life insurances, private pension schemes, holidays paid by the employer, sport subscriptions and transport pass, food and gift vouchers, work from home etc. These studies are conducted on multinational and big-sized companies. From the author’s point of view, the owners of medium-sized companies have started to concern about rewarding the employees by applying techniques used in big-sized companies.

### **3. THE SERVICE SECTOR – SOURCE OF MOTIVATION FOR EMPLOYEES**

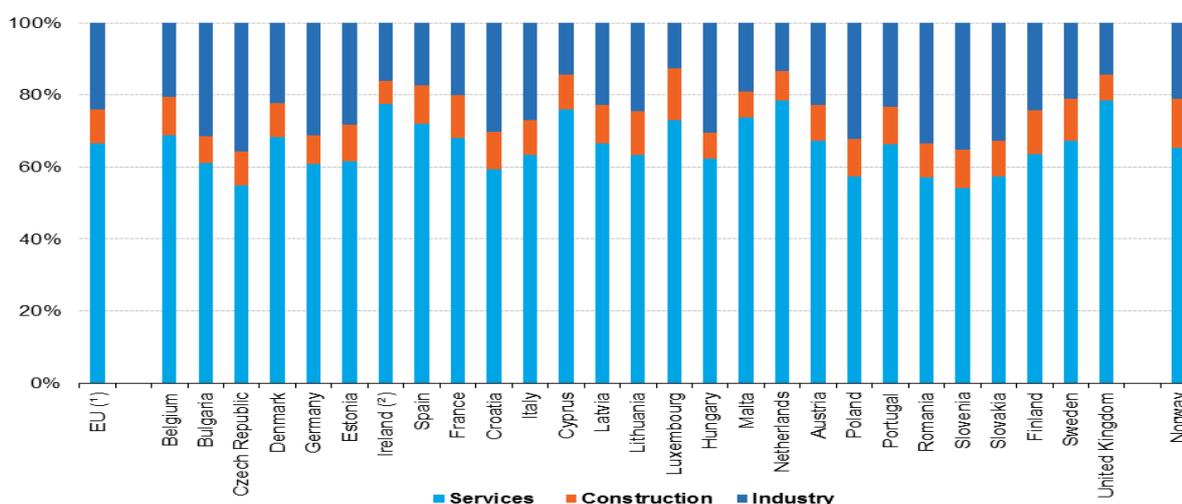
From the analysis globally conducted by specialists, there has been recorded a significant growth of the services sector in the recent period, reflected by its contribution to the gross domestic product and to the numbers of employees in the area. From the data presented by the World Bank, we can

conclude that the services sector of every country has developed. Therefore, for the period of time from 2012 to 2013, the situation of the services sector was the following (table 1):

**Table 1 Contribution of Services sector to GDP and employees globally**

Country	Number of persons employed 2012	Number of persons employed 2013	Value added to GDP 2012 %	Value added to GDP 2013 %
China	787 632 272	793 307 655	44,6	46,1
India	472 125 599	481 235 954	56,3	57,0
SUA	158 666 072	158 959 242	77,7	-
Indonesia	118 378 606	120 289 413	38,7	39,9
Brazil	104 745 358	106 169 639	68,7	69,3
Bangladesh	76 038 745	77 609 689	56,2	56,1
Russia	76 872 229	76 977 332	59,2	59,8
Japan	65 281 090	65 545 688	73,2	-

Source: Balica, Strategic Business Areas, (2015), pp. 32



(\*) EU-28 excluding Greece  
 (\*\*) Ireland - 2012 data.

**Figure 1. EUROSTAT data show the development of the services sector for all the UE countries**

Source: EUROSTAT, Structure of employment by sector, business economy, (2013) (%)

There has also been recorded a significant growth of the services sector for Romania. The World Bank holds data in this respect, as for Romania were recorded “9.602.079 people employed in the services sector and a contribution to GDP of 51.6% in 2012, while in 2013 the number of employed people decreased to 9.578.659 and the contribution to GDP was 50.4%” (Balica, 2015).

The active population of Romania in 2013 suffered a “slight increase compared to the previous years and recorded 9247 people, out of which 55.5% were men” (INS, 2014). According to the National Institute of Statistics, the services sector comprised 44% of the active population, agriculture - 28%, industry – 21% and constructions – 7% in 2013 (INS, 2014). The data regarding the private sector are close to the general ones, so that the services sector comprised 34.2% of the active population, agriculture – 34%, industry – 23% and constructions – 8.8% in 2013 (INS, 2014). Data released by EUROSTAT also show that the number of the active population in small and medium-sized companies grew in Romania: (table 2.).

**Table 2. Situation of employees in Romania – categories of companies**

<b>Romania Companies</b>	<b>Active population 2010</b>	<b>Active population 2011</b>	<b>Active population 2012</b>	<b>Active population 2013</b>
0 employees	17.204	46.374	46.931	25.941
1-4 employees	17.881	28.145	27.657	122.571
5-9 employees	2.413	2.953	2.901	2.849
10 and more employees	1.713	1.812	1.873	1.683
Total	39.211	79.284	79.362	153.044

*Source: EUROSTAT, (2013)*

The analysis “made by the Edenred company for 2013, with data taken from the annual balance sheets belonging to organizations published on the Ministry of Finance website ranks the first 10 organizations from Romania also by the number of their employees as following: OMV Petrom SA had 19016 employees; Automobile Dacia had 14002 employees; Kaufland had 12589 employees; RCS & RDS had 9374 employees; Delphi Packard România had 8518 employees; BRD had 7347 employees; Sews Romania had 7254 employees; ArcelorMittal Galați had 7115 employees; Carrefour Romania had 6703 employees; Dedeman had 6489 employees, all these being companies that mainly offer commercial, IT and banking services, etc.” (Balica, 2015).

From the analysis of the statistic reports of the National Trade Register Office one can ascertain that “the activities related to services are prevailing and they increased from 53.35% in 2010 to approximately 61.40% in 2014, a growth that has been perceived by the contribution of this sector to GDP” (Balica, 2015). The result of these growing is also due to the fact that a great number of the employees’ activities have been outsourced for cost reasons. From these activities I cite: management advice, human resources advice, economical-financial advice etc.

The financial motivation of the Romanian employees is high in the IT services area, financial intermediaries and insurances, where the highest salaries are paid. A report made by Syndex in 2013 shows that “air transports, information technology services and telecommunications are among the best paid salaries in Romania, while salaries for hotel and restaurant services are on the opposite side” (Syndex, 2013). Regarding the services sector, Syndex expanded the research to cover the matter of given bonuses (for work during the night, for extraordinary work conditions, for noxious conditions, for work during the weekend) and gratuities and it was concluded that: “in the field of other service activities people are paid by salary only. For hotels and restaurants they receive a percentage of 1.36%, in commerce - 6.26%, financial intermediaries - 8.5%, real estate - 9.3%, information and communication - 10.5% and logistics and storage - 23.8%” (Syndex, 2013). Regarding the hotel and restaurant services, the salaries are low and the bonuses and gratuities are almost non-existent, as employees receive from customers the so-called tips, which complete their income and assure motivation at work.

The medical services that are free of charge, gift vouchers for special events, food vouchers, holiday vouchers, optional life and pension insurances are a few ways of motivating the employees which are applied in multinational and big-sized companies. Regarding the non-financial motivation, from the author's point of view it applies mainly in multinational companies that perform on the Romanian market. These companies have elaborated and implemented politics of non-financial motivation from the moment they have decided to develop their business globally. Each manager is trained to be careful with his employees when they have a professional achievement, when their dues need to be given. Small and medium-sized companies still have to learn about the motivation of employees.

### **3.1 Selection of companies to be analyzed**

In order to select companies, I used as a research method the analysis of the researches and studies conducted until present by specialists in the field, specialized publications, and specialized sites. I chose two companies from Romania, Bucharest, from the service sector. As concluded from the data presented earlier, these companies have undergone a significant development in the recent period. I selected two companies that perform in the public food services sector (main activity – restaurants) and which are situated in the category of medium-sized companies according to the law in force, with the same approximate number of employees and the same personnel fluctuation (which is very small).

The first selected company, which we will further refer to as company X, has been present on the market since the end of 1995 and underwent a significant growth during 2005-2014 which has been reflected by the results declared at the end of each year. At the moment of the research, the company had a single place of business and a number of 45 employees (waiters, bartenders, cooks, dish cleaners, kitchen workers etc.). The company is located in a student campus, therefore it mainly addresses to students. It owns approximately 1000 square meters, including the restaurant and the terrace. In summer, the terrace has a capacity of 300 customers and in winter, a capacity of 150 customers. The restaurant offers Romanian cuisine.

The second selected company, further referred to as company Y, has been present on the market since 2004. The company has two business places: the first one has restaurant as main activity and the other, which has been recently established, has catering as main activity. At the moment of the research, it had a number of approximately 40 employees (waiters, bartenders, cooks, dish cleaners, kitchen workers etc.). The company's restaurant is located in a university campus, so it mainly addresses to students. The food served here is Indian. The surface is smaller, of approximately 300 square meters, with a very small, almost non-existent terrace and a capacity of 100 customers. The other business point is currently developing and it is located in a well-known business park in Bucharest, with a very good outlet market.

The limits of this selection of companies for the research consist of the management's reticence to allow the employees to be involved in the inquiry. The management (made of associates and the management of the company) believe that participating to the research gives new ideas to the employees, and they are not willing to listen to them as they are busy with other problems of the company.

### **3.2 Methodology**

The purpose of the research was: to improve the motivation of employees from the Romanian public food service companies by using some existing motivation techniques:

Objectives:

1. To identify the satisfaction degree of the employees from public food service companies related to: profession, the activity they perform, work schedule, working environment, safety, salary and bonus plan.
2. To identify the motivation degree of employees at work, from the selected companies.

3. To evaluate the organizational climate – relationships between colleagues, between the subordinates and the direct superiors, relationships between the staff and the managers of the selected companies.
4. To identify the factors which influence the motivation of the personnel from the selected companies.
5. To identify the management role models which are implemented for the motivation of employees in Romanian companies.
6. To elaborate some proposals for improving the performance of the employees by motivating them.

The method used was: The investigation.

The instrument used was: the self-applied questionnaire (applied to managers and qualified personnel) and the questionnaire applied by the interview operator (for the unqualified personnel).

The steps of the investigation: the period of time for collecting data: April-May 2015.

The analyzed population included 41 employees from a total of 85: 51.2% of the company X and 48.8% of the company Y (29.3% of the restaurant location and 19.5% of the catering location).

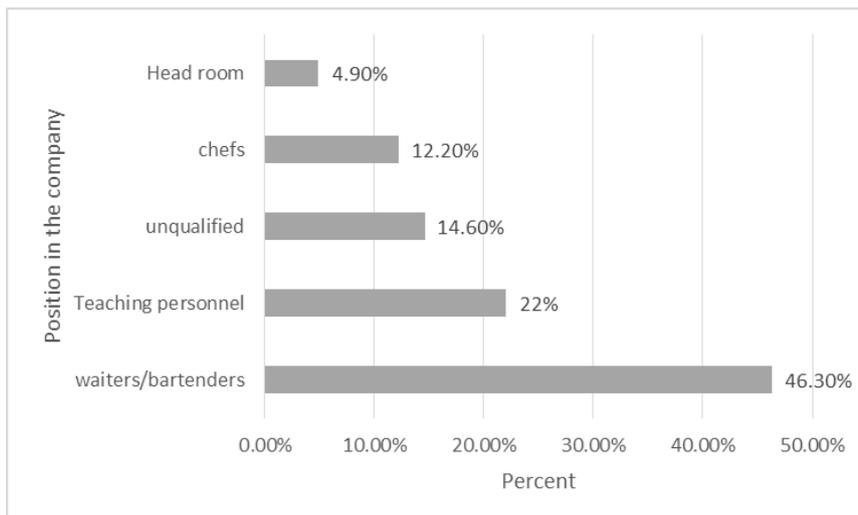
Limits: Not all the employees participated at the research as they work in shifts (and the period for applying the inquiry did not allow to meet with all of them). It was impossible to be applied to all the employees as some of them can't read. Although the inquiry was quite clear there were situations when the inquired employees requested explanation for some terms. There was a reticence from the management upon applying the inquiry.

The inquiry was structured on three dimensions: information regarding the company where the inquired personnel is working, information about the motivation at work and information regarding the person who answered the inquiry. At the dimension regarding the motivation at work the next aspects were followed: the degree of satisfaction regarding the profession, the way of perceiving the usefulness of the activity deployed at work from the employer's point of view, the climate at the workplace, considerations on the techniques of motivation at work, the importance of applying motivation techniques at work, etc.

### **3.3. Analysis results**

These selected companies represent companies which have been performing for many years and which have created their reputation over time. The questioned employees were 39% men and 61% women. The greatest part of the questioned individuals was from the operative department – 70.7% and 29.3% from the administrative department. The prevailing age within these companies was between 26-35 years old, which means 36.6%, followed by the people under 25 years old – 29.3% and by those between 36-45 years old, with a percentage of 21.8%.

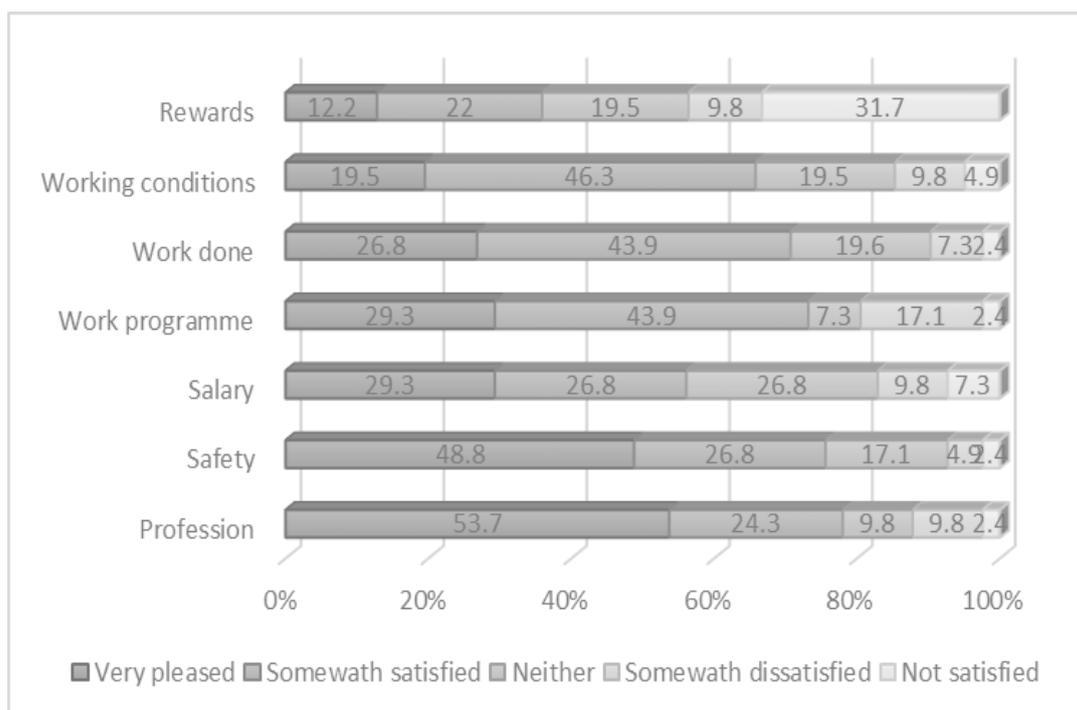
Regarding the socio-demographic features, the questioned employees were mainly high school graduates, 43.9%, followed by vocational school graduates – 22%, then university graduates - 17.1% and middle school graduates – 14.6%. Most of the questioned employees held the position/job of waiter – 46.3%, according to figure 2.



**Figure 2. Position/job owned by employees in selected companies**

Regarding the seniority, most of them had between 11 and 20 years - 38.9%, followed by the ones with less than 5 years of work experience - 24.4% and by the ones between 6 and 10 years - 21.9%. The smallest percentage having more than 21 years of accumulated service represented 14.5%. The accumulated service for 34.3% of the respondents was between 2 and 3 years, 31.7% for 4 to 10 years, 26.8% for less than one year and 7.2% for more than 10 years. The conclusion is that employees from the selected companies have mostly a high school graduation diploma, with a total accumulated service of more than 11 years out of which they spent more than 2 years at the current workplace.

The satisfaction degree of the employees in terms of the profession, work safety, salary, work schedule, the performed activity, the working conditions and the received bonuses are presented in figure 3.

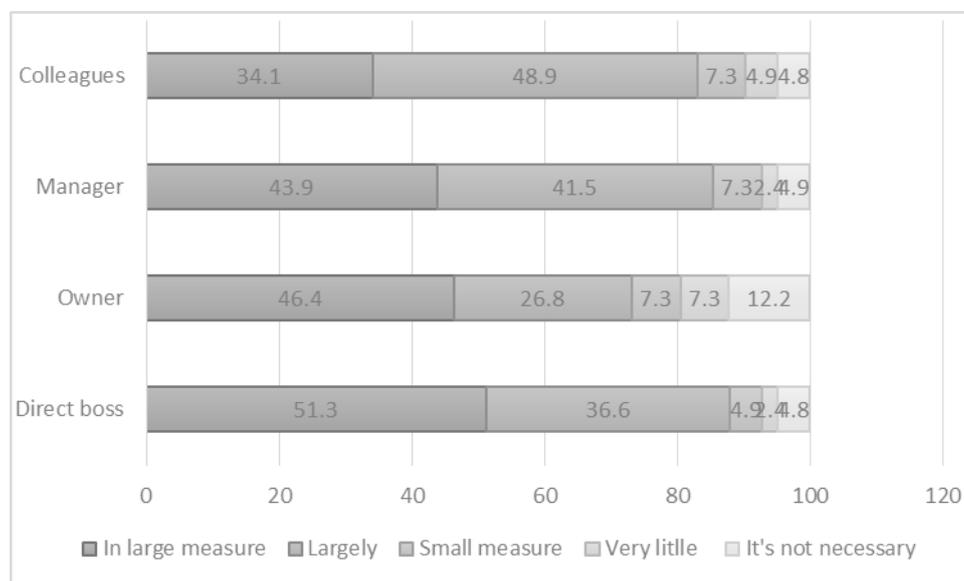


**Figure 3. Level of satisfaction of employees in relation to**

We notice that they are very pleased with the profession they have – 53.7% and with the work safety – 48.8%. They are somehow satisfied with the working conditions – 46.3%, work schedule – 43.9% and the performed activity – 43.9%. They are neither satisfied nor unsatisfied with the salary and with safety of the workplace - 26.8%, and with the profession - 24.3%. Overall, we notice that employees are satisfied with the profession, work safety, salary, work schedule and the activity they perform. They are not satisfied with the bonuses – 31.7%, which proves that the tip given by customers is not motivating enough, although owners count on this as being motivation enough for employees.

The employees consider that the activity they perform within the companies is useful – 48.8%, very useful – 46.3% and only 4.8% consider the activity useless or refuse to answer.

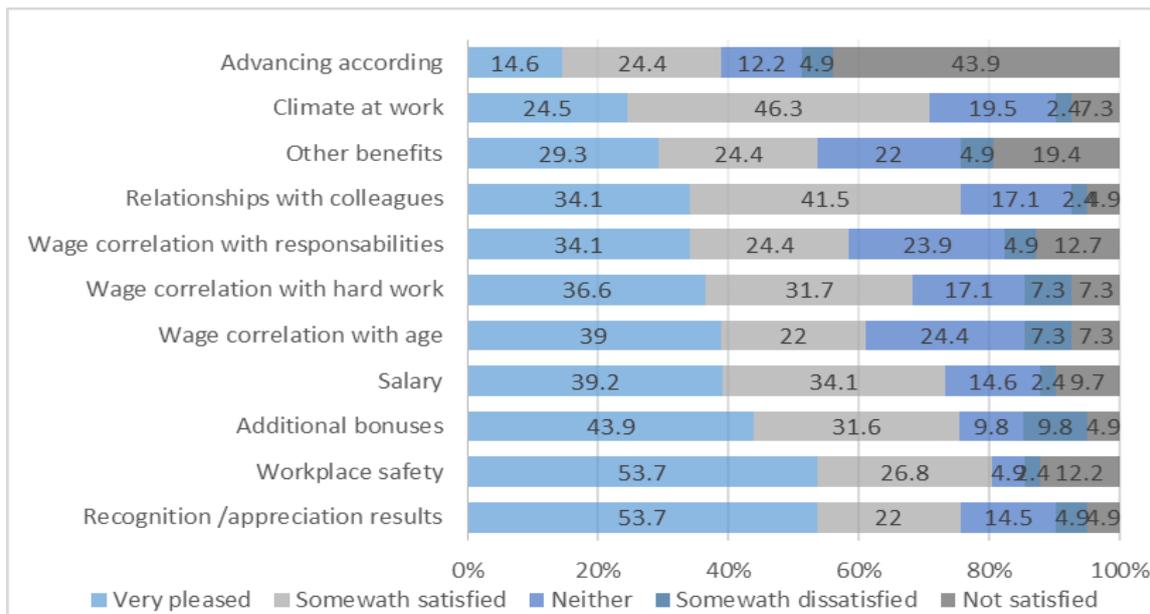
Regarding the organizational climate, the results are presented in figure 4.



**Figure 4. Organizational climate - relationships within the organization**

We observe that they have a very good relationship with their direct superiors – 51.3%, with the owner – 46.4% and with the managers- 43.9%. Regarding their colleagues, they have good relationships in general terms – 41.5%. As they are medium-sized companies, with few employees, the organizational climate is built by owners and managers. Colleagues contribute to creating a good working climate, but not in the same way as the leaders do.

The motivation to remain within the company and to contribute to the creation of a good reputation is perceived by employees according to figure 5.



**Figure 5. According to employees on important issues**

To conclude with, employees consider that the workplace safety is very important, together with the appreciation of their work results (53.7%), the additional bonuses- 43.9%, the salary – 39.2% and the existence of a correlation between the salary and the accumulated service – 41.5%. In general terms, they consider important the relationship with colleagues at work – 41.5% and the correlation of the salary with the responsibilities. It should be noted the fact that they do not consider important to be promoted – 43.9%. This is maybe due to the fact that their professional training is mainly medium. The employees are somehow satisfied with the current workplace – 56.1%, considering that the working conditions within the company they work for are very important- 63.4%.

From the point of view of the employees motivation should come mainly from bonuses – 51.2% and from recognition/results appreciation – 46.3%. Participation/ involvement in making decisions is not at all important for employees- 46.4%, as well as being promoted, which is also insignificant for their motivation (36.6%). To conclude with, although these companies have a good reputation, they completely fail to motivate the employees. Maintaining a good working climate is important, but it is not sufficient. Employees want to have their results acknowledged through extra bonuses. The small salary that is offered, compared to the other salaries from the market is not motivating enough. The participation in making some important decisions for the company is not a factor of motivation for them. Managers and owners have to be more concerned about motivating the employees, because the reputation of the companies relies on them. The vast majority of the employees have direct contact with the customers and the quality of the provided services can be affected by their frustrations.

#### 4. CONCLUSIONS

Big-sized and multinational companies apply motivation techniques and are concerned about finding new techniques. Small-sized companies are, in general, family companies and the participation to the economic activity represents a motivation itself. On the other hand, for medium-sized companies, when the business has developed so much that it can no longer be a family business, a concern about motivating employees should exist. It has to be taken into account the fact that in the services sector, the employees are the representatives of their company in front of the customers and reputation depends on this representation. The quality of the services provided is reflected in the number of satisfied customers who will be pleased to return to the same place

several times. The analyzed companies are part of this last category. Low salaries do not motivate the employees of these companies, and the gratuities that are provided are exclusively the ones imposed by the law. Bonuses are rarely given, especially on public holidays, Easter and Christmas. Although employees want their professional results to be recognized, this does not usually happen. The connection between the company and its customers in the services sector is realized by the human resource and motivating is highly important. The managers' ability to motivate the employees will lead to organizing a team with favorable results for the company's reputation.

The conducted research will be brought into notice to the management of the companies (keeping the anonymity of the respondents) in order to take action on motivating the employees. In the future the author intends to apply these enquiries on several companies in order to get results that could become an instrument in the management of the Romanian companies that care for a good reputation on the market.

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