# **Trends in Non-Financial Motivation Policies of Employees**

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Abstract: The main purpose of the paper is to identify the main non-financial motivation strategies, to emphasize their advantages and disadvantages, as well as to involve the management in achieving the motivational objectives within the organizations. Studies in the field have shown that there are a number of factors of great importance in motivating the staff that managers need to consider in improving the company's performance. Motivating human resources is not a simple process, it is complex and continuous and managers need to find the optimal mix for motivating and performance-oriented employee. Appropriate motivation of employees is the main cause of employee dissatisfaction that is unsatisfied with their work. Motivating staff means creating opportunities for individual and team goals, responsibility, recognition, reward, etc. Motivation implies the totality of the internal and external motives of the personality, which condition the transformation of its development potential into real and functional psychological structures and is in itself a complex and cumulative psychological system. Most reward processes are based on philosophies and reward strategies and contain policy arrangements, principles, practices, structures and procedures that are designed and managed to deliver and maintain the types and adequate levels of benefits and other forms of reward.

Keywords: motivation, performance, motivation strategies, employee, reward.

#### **1.** Theoretical aspects of lending

The motivation policy, regardless of where a person is active, aims to stimulate the employee to achieve performance. Motivation is what really causes people to work, and this has two major types of action on resources: financial and non-financial.

Researchers or academic colleagues such as Porter & Lawler, Naylor, Pritchard & Ilgen, Katzell & Thompson have experienced motivational models, later building analytics that are applicable to companies.

The strategy of motivating the human resource is one of the most important components of the organization that generates much and the evolution or deterioration of the economic situation. Also, organizational culture undergoes major mutations based on how the motivational system is built inside an economic entity and not only.

Financial methods such as salary, commission, bonus, bonuses, dividends, etc., are all forms of cash reward or the results obtained by the employee.

Although they are the most frequent forms of motivation, financial methods reveal major shortcomings in terms of motivation: on the one hand, in the perception of the employee, the respective amounts are entitled to what makes their motivating role very small, money clearly does not generate employee loyalty to the organization, (when the money is the only thing that keeps the employee connected to the organization they work in, the employee will leave the team at the first opportunity for a better offer, in Romania about 80% of the employees spend all their income from one month to the next, and when this occurs, the employer tends to blame the employee for not rewarding the employee's time and abilities in the right way). From psychological and social studies, it turned out that most employees did not retain more than 30 days the value of premiums/bonuses or

successful commissions. The effects of financial motivation are strong, but they are not everything, which causes people to really work, not the magnification, but the motivation. Researches in this field have demonstrated the lack of long-term efficiency of financial incentive systems.

Motivation implies the totality of the internal and external motives of the personality, which condition the transformation of its development potential into real and functional psychological structures and is in itself a complex and cumulative psychological system.

Motivation should not be considered and interpreted as an end in itself, but served to achieve high performance, performance being a superior level of accomplishment of purpose.

The first and best-known need-driven motivational theory has been developed by American psychologist Abraham Maslow and is based on the concept of a "hierarchy of needs", according to the theory that needs can not be felt simultaneously by the individual but successively.

Clayton Alderfer recognizes that needs are in close relationship with motivation. At the same time his research does not find a strict hierarchy of needs comparable to that of Maslow. Alderfer classifies the needs in three great classes: necessities of existence, sociability and development.

Alderfer's model represents an attempt to increase the applicability of the theory of needs to organizational conditions (the theory of needs postulates that human beings have characteristic needs and that people can be motivated by giving them what they need in exchange for the effort they make, are motivated to meet their most important needs).

American psychologist David Clarence McClelland, in his reference paper, Theory of Needs, explained that in the general picture of the human psyche the needs occupy a prime place, which is why he leaned on the theories that the person's needs influence his actions, including at work. Thus, the American psychologist, although identifying 20 needs, focused only on three in explaining connections to the workplace, and these are the need to achieve, the need for association, and last but not least the need for power.

From these listed needs, the main thrust is the need for realization because it is closely linked to the individual and the other is linked to the individual's relationships with others. Also, people who have a strong need / personal desire to choose will choose the situations they can control and the results of their actions will depend on their abilities and training and less chance

## 2. Motivation-performance relationship

Psychological studies show that employee motivation within a company contributes to performance, but performance increases are not always directly proportional to the intensity of motivation.

The "Yerkes - Dodson" law demonstrates that increasing the intensity of motivation leads to improved performance only up to a critical area, after which, if the intensity of motivation continues to increase, performance is declining (chart 1).

#### Chart.no 1. Relationship between performance and intensity of motivation



Intensity of motivation

Experimental research has shown that the critical area of motivation intensity varies depending on several factors: the simplicity/complexity of the task the individual has to accomplish, the degree of perceived difficulty of the task, the personality particularities of the individual, etc.

According to the graph, in the case of simple repetitive tasks, as the intensity of motivation increases, the level of performance also increases. In the case of complex tasks, increasing the intensity of motivation increases the performance but only to one point, after which a stagnation and even a decline begin. It is thought that too strong a motivation leads to the emergence of emotions, which in turn leads to a certain degree of disorganization, which prevents progress, even leading to regress.

The moment when the decline begins depends on the complexity of the task: a heavy task speeds up the occurrence of the inflection point and thus the occurrence of the decline, whereas in the case of simple, repetitive, routine tasks, this point appears very late or not at all.

Thus, the optimal motivational concept was introduced, namely the intensity of the motivation to achieve high performance. The motivational optimum is obtained by acting on two variables: on the one hand, the habit of individuals to perceive as accurately as possible the difficulty of the task (in which case the optimal motivation is obtained by an equivalence relation between the intensity of the motivation intensity and the degree of difficulty perceived ) and, on the other hand, by manipulating the intensity of motivation to increase or decrease it, depending on the situation.

To achieve optimal motivation, a permanent combination of extrinsic positive motivation with intrinsic motivation should be considered, with the goal not only to increase performance but also to develop the human potential of personal life.

In this context, an important role belongs to the individual psychic particularities of the employees (emotivity, equilibrium, self-control, etc.), these being elements that can stimulate or, on the contrary, can brake the fulfillment of the tasks.

## 3. The importance of applying theories to organizations

Motivational theories highlight the fact that employees within any department within the company have different needs that need to be met and depending on their degree of achievement, so staff are more or less motivated to work for the achievement of goals, hence that important in the company is that the activities within the organization are as stimulating and why not as attractive for the employees.

In my opinion, at present, the most popular forms of motivation of employees in the Romanian companies are salary, work / work, position in the organization, career development perspectives, differentiated or delocalized work program, information possibilities on the company's objectives, financial situation development perspectives etc., how to solve problems, crisis situations.

Salary as a factor in employee motivation - improper use of this form of incentive, but also the exclusive use of this form of motivation will also have negative effects. In particular, in order to have a motivating effect and to increase the performance of the organization, it must necessarily be linked to the performance of the employee.

Position in the organization as a means of motivation - is about an intrinsic motivation, since this motivation is closely related to the direct relationship between the occupant and the tasks he / she has to perform. When it comes to enriching a post, this can often become a factor that motivates and leads to positive results, but negative effects may also occur in this case when the target is occupied by the position does not have the necessary skills or not has the necessary professional training.

Work itself / work done - In order for the activity to be motivating, the individual objectives of the job description must be built by the SMART type. Thus, they must be specific - they are targeted at a measurable, measurable area - or at least have a progress indicator. accessible - specific to those who realize them, realistic - as close as possible to the truth by using the available resources. measurable - specify the time when objectives will be met. In this context, I appreciate that only using this motivation is useful for motivating those who perform simple tasks. For those performing complex high-skill activities, several factors need to be combined.

Differentiated or delocalized work program - can be done in several forms - a flexible program with start and end time activities that vary according to the needs of the person's employee), weekly weekly program (involves running all weekly activities in fewer days, observance of the number of normal weekly hours), division of the job (contributes to the motivation of the staff by the fact that an employee can perform the duties related to the job together with other persons).

Information: The more employees know about what is happening in the firm, and especially how much they know about their work, the more they trust their work, and this affects their morale in a positive way. It is also important to ensure that they receive accurate and up-to-date information. Lack of information would reduce morale, and consequently motivation;

#### 4. The importance of motivation management

In our century, the biggest challenge for managers is to build human resources departments capable of increasing employee productivity, yet leaving the primary idea of economic perceptions to lower costs and maximize profits.

This task will dominate the managers' work agenda and will ultimately make a difference between the competitive capabilities of organizations and their survival in the global economic environment.

Motivating human resources is not a simple process, it is a continuous and complex one, and managers need to be able to find the optimal mix to motivate and result-oriented employees.

The motivation for work is, first of all, a personal matter, and it can be influenced by the policies and strategies of the organization. The manager believes that a company employee can motivate another, so he adopts the term "encouragement" instead of "motivation". Company managers are concerned with eliminating workplace dissatisfaction, improving working conditions, and providing as many facilities as possible to employees.

The manager understands the role of the human factor in achieving the desired economic performance and knows how to stimulate the entire collective of employees to effectively contribute to the achievement of the objectives without neglecting the staff's concerns for satisfying their own desires and needs.

The manager of the organization plays an important role in motivating employees; the ability to lead employees is one of the tasks the manager has and hence aims to permanently stimulate employees to do the best and to make the most of their capabilities to reach the organization's goals. An aspect of real importance is that in order to ask for and get the most out of employees, the manager is an example to them, in other words, the employees admire the person who leads them, and at the same time, they expect the hierarchical superior to or at the same time competent and responsive to their desires and suggestions.

The manager must also be involved in creating a team spirit in which each employee feels at ease, as a useful part of a whole. Collaboration between manager and employees increases staff motivation and therefore influences employee competence and performance.



Chart no.2. Motivational model

The successful manager is concerned with finding ways to motivate employees to get the job done. In this sense, they will have to be able to make their employees produce more, being interested in increasing the quality of their work and persuading them to spend less time recreating themselves and taking a long time thinking about the work and to their careers.

Once employees become motivated, they try to maintain that state; First, performance standards must be maintained at a high level (if you do not see when results start to be below the expected standards, people will think managers do not care about this). Secondly, another factor that is taken into consideration for the motivation of employees not to disappear is their morale, the mental state.

Maintaining performance: Following employees' motivation, it is useful to get the highest performance from them and maintain it at this high level. This is based on three elements: constant supervision (requires the manager to be constantly mindful of what is happening in the organization and the work of employees, to make sure what works well and make small adjustments where necessary - with as the mistakes are observed earlier, the more satisfied the world), periodic analysis of the situation (if the results of human labor are weak, it is not advisable for managers to react negatively to such situations, but to control, identify the causes that impede the achievement of the desired performance, it is important to identify the "culprit" and to agree with him an action plan to improve the situation), the review (the subjects to be discussed during the review are related to past performance, future plans, responsibilities). A periodic review of the results allows human resources to have an overview of their work, gives them a direction to follow, a feeling that they know where they are going).

## 5. Non financial motivation

In order to achieve optimal results, the manager is required to clarify from the outset the contractual relationships that are his projections regarding the financial or non-financial rewards and how they intend to use them. Many problems identified on the human resources component stem from the fact that managers do not know how to reward effectively the staff they coordinate.

The power of reward depends on the person who has the ability and the resources needed to reward employees.

Managers have a great reward potential, which is often exemplified by employees as follows: keeping or improving motivations, praise, recognition in front of others.

Rewards management is the process of developing and implementing strategies, policies and reward systems that enable the organization to meet its objectives by recruiting and selecting the necessary employees, as well as by properly motivating them.

In most human resource management theories, there are some aspects about the relationship between managers and employees: reward, recognition, appreciation, and last but not least benefits.

Relational needs. I am in correlation with the social needs component defined by Maslow, and the link with the work environment explains the need for individuals to come into contact, but also the social interaction that takes place in the workplace.

If it is based on the fact that maintaining good collegiality is an important aspect, it can be confirmed that the need for social interaction is an element that motivates employees in a company very much.

Development needs. It is the combination of Maslow's need for self-esteem and self-overtaking and refers to the need to be creative and to experience growth and development through the work done in the organization.

Most organizations recognize the need to use non-financial motivation methods. Non-financial methods are those forms of reward and incentive that do not involve direct payment of money to the employee. On the most important I will detail them in the following:

Expanding workplace activities involves the addition of additional tasks. In this situation, the employee desires to experience less repetition and monotony. When extending the workplace, the job itself remains essentially unchanged. With the expansion of the workplace, the employee rarely needs to acquire new skills to fulfill the additional burden. One possible negative effect is that the expansion of jobs can be viewed by employees as a requirement to do more work for the same payroll!

Rotation of jobs - involves moving employees through a range of jobs to increase interest and motivation. This method of rotation of jobs can have both advantages and disadvantages, on the one hand, it offers the advantage of solving the absence of staff, on the other hand it can generate a reduction in productivity because people are not familiar with the new task. Rotation of jobs often involves the need for further training.

Diversification of work - improving work tries to give employees greater responsibility by diversifying the work and complexity of tasks they have to do, while giving them the necessary authorities. This method creates the opportunity for employees to use their abilities to the fullest. Successful diversification of business requires almost always additional investment in employee training.

Teamwork and empowerment - involves ensuring greater control over professional life. Organizing the workforce in teams with a high degree of autonomy can achieve this. This means that employees plan their work, make their own decisions and solve their own problems. Teams are set targets to get and can receive rewards to do so. Teamwork is a popular way of organizing employees at work.

Compared to financial motivation, the non-financial one has a number of advantages: it has far more powerful effects, appealing to elements of emotional nature; costs less; has an effect over a longer period of time; is kept by the employee for a longer period of time; has positive effects on team cohesion; does not create resentment when the employer has to suspend it; creates loyalty to the company.

Non-financial motivation is the optimal solution for a number of situations naturally occurring in the company's activity. Below we can list a few:

Increase the company's productivity, as the financial situation does not allow for other employment or the additional payment of the existing employees;

Increasing the company's productivity in peak periods (especially in the service area);

Diminishing unjustified absences from the work program - with a clear impact on the company's productivity;

Developing the creativity, imagination and dedication of the staff in times of crisis of the organization;

Increasing loyalty to the organization and reducing departures - specific to sectors where finding qualified staff is difficult;

Improving the image of the company both internally and externally (supplier area);

Increasing the quality of products / services offered at no extra cost;

Increasing teamwork and improving the working atmosphere.

Non-financial motivation is a widespread practice in Western countries, especially in large companies. These strategies cover a wide range of stimulators, which can be divided into three distinct categories: employee / employee-related benefits, related to the company or related to the activity being carried out.

From my point of view the instruments of non-financial motivation are multiple and they can be constructed depending on the type of employee and type of organization. We enumerate the clear set of rules, respect for employees, but also respect for the bosses, relaxed work environment, atmosphere and right relationships between employees, the existence of personal development opportunities, but also career advancement prospects, team building activities to strengthen the spirit teamwork.

In the table below we have structured some non-financial motivation factors identified in different studies, broken down by category.

EMPLOYEE	WORK	ORGANIZATION
Possibilities to advance	Resources	Quality of service offered
Public recognition of merits	Features	Legality
Advantages in nature	Tools	Economic Stability
training		
Professional	Data	Defined objectives
Development	Ergonomics	Declared values
Information	Physical security	Mission
Affiliation	Systems of self-reliance	Competitive strategy
Professional realization	Autonomy	Fast decision making system
Identification with the	Responsibility	Consistency in decisions
organization		
State of mind	Flexibility	Clear communication
Trust in colleagues	Diversity	Transparency
Trust by colleagues	Efficiency	Accept the heroes
Personal goals consistent with the	Utility	Leadership
company's objectives		_
Development	Level of stress	Ethics
Pride	Risk level	Social image
Security	Professional training	Human Resources Policy
Acceptance	Clarity of pregnancy	Employee status
Success		Supervision style
Recognition		Competitiveness
Satisfaction		Harmony
Work-life balance		Equity
Respect		

## 6. Conclusion

It is increasingly evident that the organization, the company, can cope with the changes required by competitiveness and progress only by focusing the managers' efforts on the motivation and satisfaction of the employees.

Practice has shown that there are a number of factors of great importance in staff motivation and which managers always account for. These factors are defined as positive and negative. From the first category, among the positive factors (which maneuver correctly lead to motivation) are: the possibility of professional realization; recognition of personal value; opportunities for training and professional growth; incentive activities (free entry to courses, gymnasiums, participation in team-building, participation in volunteer activities); assigning responsibilities; interpersonal relationships and the most pleasant environment at work.

Among the most important factors that have negative effects on the motivation of the staff are: unpleasant ambience or excessive stress; very stable salary policy.

Appropriate motivation of employees is the main purpose on which good management of a firm is based. Practice shows that poor leadership quality is the main cause of employee dissatisfaction that is unsatisfied with their work. Motivating staff means creating opportunities for individual and team goals, responsibility, recognition, reward, etc.

Assuming responsibilities creates the possibility of achievements that offer the possibility of individual or group recognition, and recognition ensures.

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