

EVALUATION AND MOTIVATION OF HUMAN RESOURCES

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Abstract: *Why do we need motivated employees? The answer is survival. Motivated employees are needed in our rapidly changing workplaces. Motivated employees help organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform.*

Key words: *Swot analysis, companies, questionnaire, hierarchy, motivational theories.*

1. Introduction

There is an old saying you can take a horse to the water but you cannot force it to drink; it will drink only if it is thirsty – so with people. They will do what they

want to do or they must be motivated to do what they are required to. In order to excel in the workplace they must be motivated or driven to it, either on their own or through an external stimulus.

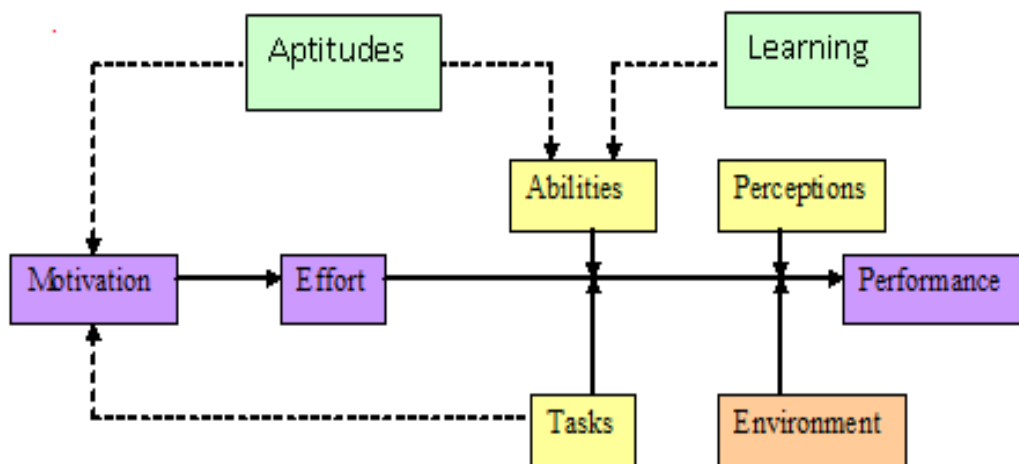


Fig. 1. *Factors of employees' performance*

For a better understanding of the elements that influence the individual behaviour, in working groups and at the

level of the organization, I will present a “model of the principal interest variables” [3], illustrated in Figure 1.

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2. Motivational theories

There are a number of different views as to what motivates workers. The most commonly held views or theories are discussed below and have been developed over the last 100 years or so. Unfortunately these theories do not all reach the same conclusions!

The classification of motivational theories is presented in the following:

A. Hierarchy of needs theory – elaborated by Abraham Maslow, splits the human needs in five categories, each of them implying more distinctive types like:

physiological needs, safety needs, social needs, esteem needs and self-esteem.

The basic hypotheses are as follows:

- *energizing function*, given by the fact that a need had not been already satisfied;
- *drag motivation*, after a need had been satisfied;
- *bigger power need*, meaning that each of these needs becomes substantially satisfied, the next higher need becomes dominant;
- *progress tendency*, which urges the upward ascending of the pyramid (Fig.2).



Fig. 2. Motivational hierarchy

3. Company's presentation

In 2001, URSUS Ltd. bought the majority share package from Timișoreana Beer Ltd. and the next year, URSUS Ltd. and Timișoreana Beer merged into a single integrated company, ROMANIA BEER COMPANY, headquartered in Cluj-Napoca. The same year, SAB plc. acquired Miller Brewing, changing its name into

SABMiller plc. In 2004, Romania Beer Company and Aurora S.A. Brasov merged into one company, and the following year URSUS Breweries became the new name of SABMiller operations in Romania.

The company currently owns four breweries, with a total capacity of over 7 million hectolitres and approximately 1,500 employees.

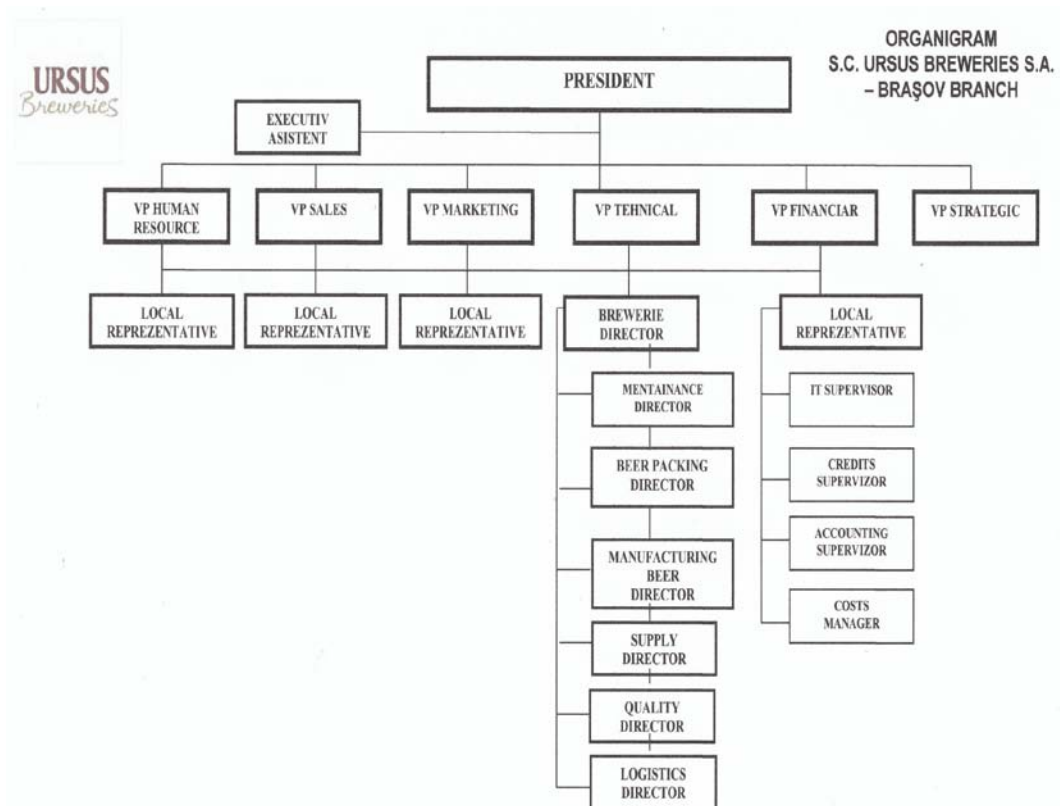


Fig. 3. URSUS Breweries reorganizational structure

The organizational structure is a hierarchical-functional one, the executors being hierarchically subordinated to their chief (Fig.3).

4. Short SWOT analysis of URSUS Breweries Company

The SWOT model analysis is a method by which we know the position of the

company in conjunction with environmental internal and external influence factors.

In the following matrix (tab.1), some of these elements are identified, as well as the proposed strategies for URSUS Breweries company, as a result of the SWOT analysis.

SWOT analysis of URSUS Breweries Company

Table 1

	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ▪ Tradition and experience in brewing ▪ Management-oriented to improving labour ▪ Developing a research department ▪ The majority shareholder, SABMiller is one of the largest producers of beer 	<ul style="list-style-type: none"> • Sales department personnel fluctuation • Seasonal sales • The merge of technical unemployment

O OPPORT.	▪ SO STRATEGIES	• SW STRATEGIES
<ul style="list-style-type: none"> • Distributors' desire to develop • Employees' desire for further train and job stability • High labour offer 	<ul style="list-style-type: none"> • Grant under custody of materials and capital goods (dozers, refrigeration displays and other equipment necessary for refrigeration) • Promoting and improving human resources through various internal training courses <ul style="list-style-type: none"> ▪ Improvement and diversification of the evaluation system 	<ul style="list-style-type: none"> • A system of direct subsidy in accordance with clear personal responsibilities for sales employees, accomplishing a closer link between business and customers • Diversification of employees' activities by means of new specializations • Diversification of product portfolio and distribution channels for consumption steadily throughout the year • Staff employment policy on a determined period (summer); in line with seasonality, ensuring minimal costs
• T THREATS	• ST STRATEGIES	• WT STRATEGIES
<ul style="list-style-type: none"> • Unfavourable economic climate for business development • Intensifying competition on the beer market • Declining living standards • High taxation system 	<ul style="list-style-type: none"> • Boost sales by steadily improving quality • Portfolio analysis and product promotion, according to market requirements • Diversification of motivating staff system • Ensure payment in time of all debts 	<ul style="list-style-type: none"> • Improving free communication between superiors and subordinates, and between departments • Optimize production flow to reduce technical unemployment • Understanding the value of all employees: "We work and win as a team" • Ongoing analysis of sales and revenue, reducing risk.

5. Opinion Questionnaire

By analyzing some financial statements indicators of the company in the last five

years, we can notice the evolution of the activity in this period and how it has been influenced by the national economic crisis.

Financial indicators of URSUS Breweries

Table 2

INDICATORS	RON mn				
Year	2 006	2 007	2 008	2 009	2010
Turnover	5 38	6 64	9 29	1 199	1205
Net profit	5 8	1 24	1 35	1 46	21
Total salary fund	8 3	7 5	8 6	9 5	93
Premiers Fund	3	5	9	8	7
Social Expenses	1	3	7	6	3
Training and specialization	7	5	8	1 4	13
Staff nr.	1 559	1 442	1 593	1 742	1709

Out of the upward turnover trend, it results that the company has a top management, which has used all levers to obtain a continuous business growth.

The questionnaire used contains the following questions, the answers being used only for statistical purposes:

1. For how long have you been working for S.C. Ursus Breweries S.A.?
2. Do you consider that the length of service is important in carrying out the tasks implied by the job description?
3. How would you characterize the tasks implied by your current job position?
4. Do you consider your revenue to be suitable for the responsibilities assigned to your position in the company?
5. What is your opinion about the following statement: "Ursus Breweries Company is permanently interested in the evaluation and motivation of its employees."
6. How would you characterize the employees' performance evaluation system applied by the company?
7. What kind of evaluation have you participated in within the company until now?
8. How often do you consider that the evaluation should take place in order to be effective?
9. What are the outcomes of an effective evaluation? You can choose more than one answer.
10. What is your main motivation at your current workplace?
11. Please rank the following types of bonuses according to your preference (1 the least important, 5-the most important)
12. Do you believe that the monthly bonus given by the company according to the mark obtained at the monthly evaluation has significant results for improving the company's performance?
13. Which of the following situations would determine you to put more effort in your activity? (choose only one)
14. How important is it for you to fulfil your obligations as part of the team before doing any other task?
15. Assign the level of importance according to your opinion for the following company's statements:
16. How satisfied are you with the rewards that you receive for the extra-hours spent at your workplace, performing tasks that are not related to your position obligations?
17. In which way do you think the periodical evaluations help your performance at work?
18. Which of the following components of the evaluation system of the company do you consider to be the most important to take into consideration in your everyday activity?
19. Do you consider that the economic crisis affected the motivational process? If yes, which are the types of motivation that had been subject to these changes and that affected you personally the most?
20. What is your opinion towards the following statement: "Revenue dissatisfaction can cause..." (choose only one answer)
21. What is your position in the organization's hierarchy?
22. What is the last education program that you attended?
23. What is the level of your net income?
24. Please include your age in an appropriate category from the following:
25. Gender:

As a result of the evaluation process, the motivation system was carefully analyzed and, while taking into consideration the employees typology and their needs, the motivational means were chosen.

A final recommendation regards the fact that the employees acknowledge the economic crisis through the decrease of the allocated budget for qualification and specialization courses. This aspect must be taken into consideration in the future, with the measure of allocating a bigger percentage from the budget to this area, given that for the employees it represents an important aspect, which the company must consider.

In conclusion, nowadays every aspect in our lives is changing faster than ever, the environment could not longer offer us the same resources as before, but when it comes to the most important resource of all, the human resources, things are more complex than ever. However, a strong company, with clearly defined goals and objectives will always survive, managing to evaluate and motivate the human resources and give them the means to bring into reality the pre-established strategies.

After the period of evaluation, the human resources in charge with the business management will require the completion of an evaluation questionnaire, in which each employee can express their opinion regarding the assessment system applied in Ursus Breweries.

By interpreting the results of the assessment questionnaire, the way in which the assessment system satisfies the vast majority of employees is determined, tracing the positive and negative aspects that come up when carrying out this process.

On the whole, it is really important for any organization to find the closest motivational levers to its employees' needs and expectations.

In its simplest form, the hypothesis is a supposition that may help to clarify issues that we want to address through our research. Based on the data processing results, researched assumptions may be confirmed or rejected.

The purposes of the research are formulated in such a way as to set the way for measuring and conducting the research. The research starts from dividing the issues when formulating the questions, with a view to reaching our final objectives. The research objectives established are mirrored by the subsequent sections of the questionnaire.

6. Conclusions and recommendations

The research was made using a questionnaire which was applied to employees with a view to gathering information and test the initial hypothesis.

By analyzing the responses to the questionnaires, the following conclusions can be drawn and recommendations given, based on the specific literature and on my own opinion, as to what can be improved in the ways that are now practiced by the firm.

The research questionnaire shows that employees are aware that only working together as part of a team, in a good environment can they perform a profitable activity, both for the company and for themselves.

The financial efforts the company made for investing in the employees' trainings have yielded results, this being a reason for the organizational culture prosperity.

Considering the responses of the questionnaire, we can conclude that the company has a young to maturing work force with an overall good educational background (few of them attended the high-school only). The executive is continuously trying to reach feedback concerning the evaluation and motivation system from the employees at every level, in every department, with great emphasis on supportive departments: financial, human resources, IT and legal. The reason for choosing these departments was to have an overview of the company

The company, with the collaboration of the technical department, maintains and controls the procedures and policies compliance which represent the foundation of the entire company's activity. This aspect may explain why the questionnaire responses were gathered from a higher percentage of female employees (58% of the responses) than male employees. This ratio did not have any effect on the outcome of the issue relating to the main motivators at the work place. However, even if the hypothesis does not generate any major differences, from the priority ranks, we can see that besides the salary, women want a safe and relaxing working environment, while the men search for the possibility to advance in the company's hierarchy.

Any work is followed by its compensation. In case that the firm aimed to make a directly proportional connection between the wages and the responsibilities implied in each job position, we can find out the influences by analyzing the results of the research. The results show that more than half of the employees are convinced that the wage is suitable for the responsibilities involved, which means that the positions were fairly evaluated and distributed to the right employee. Even so, I consider that this percentage, not much greater than 50%, can also raise the question whether employees are stagnating. This means that a part of the employees entered a routine state and they are happy with what they already have. This is an effect unwanted by companies, such as Ursus Breweries, which has concentrated in the last years on the continuous evolution and has invested much in the employees' development. Even the MBO (management by objectives) evaluation method presents the risk implied in dealing with the routine state, if the objectives proposed are not well identified and put into practice, they

do not bring any benefit to the company. In order to avoid this, I propose the following: Identifying the strategic objectives, which can be detailed to the level the individual employee, irrespective of department, and also, a closer look at the personality and skills of each individual, in order for them to feel that the job dimensions are well suited for their personal development.

Managers must allocate a greater amount of time for the evaluation interviews and be more open when it comes to the subordinates' initiatives. This aspect was confirmed and results from hypothesis no. 6, which states that more than 65% of the employees questioned are in favour of the evaluation system conducted every three months. This means that employees trust the current evaluation system. Regarding this aspect, I propose that the one year period for which the objectives are assigned should be divided into four sub-periods, each analyzed during and at the end of every sub-period.

As a result of the evaluation process, the motivation system was carefully analyzed and while taking into consideration the employees' typology and their needs, the motivational means were chosen.

Given the present national economic environment, Ursus Breweries shares its problems as well. Even if it managed to maintain its activity without any obstructions, when we look at the profit evolution, we can find a great reduction of the profit in the year 2009. As a result, some security measures were put into practice. One of them is the reduction of costs, which triggers the decision not to increase the wages, like in the previous years. However, in order to stimulate the employees' performance, starting from this year, the company has launched the monthly bonus system, which represents a percentage of the income, calculated using the mark obtained from the evaluation for

each individual. Furthermore, if we take a look at the employees' answers at the questionnaire, we discover that the monthly bonus has become an important benefit and an incentive for conducting a profitable activity. I propose that, together with the change related to the frequency of the evaluation (every 3 months), this bonus should be analyzed for the next 3 months, as well. I consider that this would stimulate the fulfilment of the objectives and also, would further enhance finding new objectives that generate added value to the company.

Another aspect concerning motivation, as shown in the answers to the questionnaire, is represented by the bonus for innovative ideas which has not yet been well understood by the employees. In order to reach the expected outcome and compensate the extra work which will have a beneficial effect on the company, I propose the centralization of the activity, within a well organized environment, with the purpose of solving the problems that are considered the weak points of the company. For example, the organization of a thematic contest with a view to reducing the energy consumption, water consumption, pollution reduction, waste recovery, etc.

A final recommendation regards the fact that employees acknowledge the economic crisis through the decrease of the budget allocated for qualification and specialization courses. This aspect must be taken into consideration, in the future, with the measure of allocating a bigger percentage from the budget to this area, because it represents an important aspect

for employees, which the company must consider.

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