

Identifying Motivational Factors within a Multinational Company

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Abstract: The aim of the study is to identify the main motivational factors within a multinational company. The first objective is to identify work functions, formulated on Abraham Maslow's pyramid, following the identification of the key characteristics that motivate an employee at the work place and last, but not least, the type of motivation that employees focus, intrinsic or extrinsic. The research method targeted a questionnaire based survey, including various company employees and an interview with the manager. The results confirmed that in Romania, employees put great emphasis on extrinsic motivation, a certain income and job security being primary. These results have implications for managers that in order to effectively motivate staff, first, must know their needs and expectations. To identify the main needs and motivational factors we had as a starting point Maslow's pyramid.

Keywords: Extrinsic motivation; intrinsic motivation; Maslow's pyramid; motivational factors

JEL Classification: G0; G1; G10

Introduction

Motivation is a concept explained in different ways. The origin is the latin word "mover", which means *what is set in motion*. Nicolescu O. and Verboncu I. (2002) define motivation as "an internal, personal and introspective process, which energizes, directs and sustains a certain behavior". Motivation is the mobile of performance in each organization, that is why the term is nearly ubiquitous in the literature. J.D. Chiffre and J. Teboul (1990) argue that "motivation is a dynamic process that links in a complex interaction a person or team with its environment."

The term motivation explains why people prefer a certain type of behavior in favor of another, sometimes keeping it even during unfavorable periods. Trying to explain the behavior of individuals in organizations, many authors have found that it is based on certain competences, more or less explicit. Therefore, the general definitions note concerns both the physical and psychological side of human actions.

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Often, motivation is presented as the essence of management philosophy, but for many managers it still remains an enigma. Unlike money, technology or other factors of production, people mean more for an organization. Their system needs, their degree of motivation and satisfaction will always lead to individual and organizational performance. Therefore, the manager must "agree, within organization, the economic performance with the individual talents of his employees", to act as a catalyst. Manager's ability to self motivate and to motivate others is an essential feature for ensuring the smooth operation of the company and obtaining performance. Motivation requires a balance between communication, structure and rewards (Lupuleac S., 2009).

The manager's task - as the catalyst element of the group - is to identify and direct employees reasons to a specific performance. This process is however complicated and has a great subtlety. Individuals who make up a team are sensitive to different factors that change over time and that could even enter in a conflict. They have needs and expectations that are trying to satisfy in different ways.

Organizational behavior experts distinguish between intrinsic and extrinsic motivation, pointing out that there is only a weak consensus on precise definitions of these concepts and an even less agreement on the need to label some reasons to be intrinsic or extrinsic. However, the following definitions seem to capture the difference quite well (Nicolescu O., Verboncu I., 2002).

Intrinsic motivation refers to "psychological" rewards and comes from the direct relationship between worker and task, and is usually auto applied. Feelings of achievement, accomplishment, challenge and competence coming from fulfillment of duties are examples of motivational intrinsic factors, like interest in the activity itself.

Extrinsic motivation refers to "tangible" rewards as salaries and benefits, job security, promotion, contract services, environment and working conditions. This motivation comes from an external work environment and usually it is applied by someone other than the person who is motivated.

Abraham Maslow's Hierarchy of Needs

The hierarchy of needs or the pyramid of needs is one of the most known theories developed by the famous american psychologist Abraham Maslow. According to Maslow's theory, all human needs can be arranged in a hierarchy (*pyramid*) in order of importance. Human needs begin with physiological needs and progress until the achievement of higher needs, such as self-actualization and spiritual needs. Once a level is satisfied, the next level is the dominant factor in a behavior.



Figure 1. Maslow's Pyramid

At one point a person is motivated to meet a certain level of need in the hierarchy. To successfully motivate an employee or group of employees, managers must recognize their level of motivation.

The strongest needs are placed at the bottom of the pyramid. As a need climbs to the top of the pyramid, the more weak and specific it is. We observe that the primary needs, also called physiological are common to all. These include food, water, oxygen and shelter. In terms of an employee, these needs are satisfied with an appropriate salary.

The next level is the safety need. It includes the need for security and stability necessary to ensure the physical and emotional safety. The organizational conditions that could meet these needs include the right to join a union, job security, a comfortable working environment, emergency medical facilities, pension programs, as well as the ensure of an above the minimum level income.

Social needs, which include the need for love, affection and social interaction represent the third level. The organizational factors that might meet these needs include the ability to interact with others at work, the chance to work in teams, ability to develop new friendships as well as organizing events for employees. In a broad sense, the work environment and informal groups can meet these needs.

The next level is represented by the need of esteem, respect and gratitude received from others, and respect for yourself, respectively the feeling of being powerful, confident, competent. According to Richard Branson (2010) "*young workers are as important as those with experience. Staff should be praised, not criticized - they know when they did something wrong*". Thus, a manager must be able to encourage employees and provide them with a sincere appreciation for high performance.

This increases the confidence of employees and acts as a powerful stimulant of motivation. Not meeting the needs of esteem results in deterrence and long-term inferiority complex.

The two upper levels are represented by self-actualization and spiritual needs. These needs come from man's instinctive pleasure to fully capitalize on their skills to become better and better. They are the most difficult to understand and satisfy as they take different forms and vary from one individual to another. In his essay *The Farther Reaches of Human Nature*, Maslow writes that "people who have reached a state of self-actualization often enter a state of transcendence, in which they become aware not only of their personal potential, but also of the full potential of the human species".

Case Study: Identifying the motivational factors at work

This study's purpose is to identify the main motivational factors within a multinational company activating in the fashion industry, that has a commercial presence in Timișoara, Romania.

On-site data collection, analysis and literature research were carried out between march and june 2011.

A first objective was to identify work functions, formulated on the basis of Maslow's pyramid, following the identification of the key characteristics that motivate an employee to work, intrinsic or extrinsic.

After analyzing the needs hierarchy, we found that the main job functions are:

- Insurance of a necessary income;
- Job security;
- Contact with other people;
- Feeling of achievement, which includes esteem, self-actualization and spiritual needs.

We carried out an investigation based on a questionnaire, which focused on various company employees, and also an interview with the women's line department manager.

20 employees from all 3 departments of the store, aged 18 to 36 were interviewed.

All, but one of the survey participants (an 18-year old female part-time worker still attending high-school) studied economics while attending university or have a degree in the same field.

The store has 3 departments: Women's line, Men's line and Kids Line. Each department has a manager, who also has a master's degree in management. The

business functions of the respondents are: 3 sales managers, 3 assistant managers, 4 cashiers and 10 sales assistants.

Applying the questionnaire on those 20 respondents, we obtained the following results:

1. Work functions

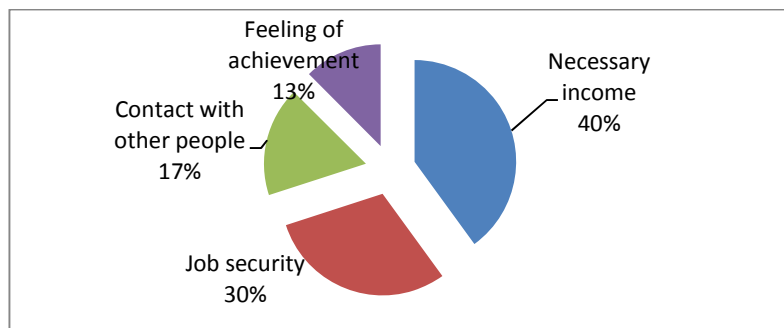


Figure 2. Work functions

It appears that income assurance is the employee’s primary need, obtaining a value of 40%, followed by job security with a value of 30%. We note that the need for achievement and affiliation received a much smaller percent, which means that employees put more emphasis on extrinsic motivation than on the intrinsic one.

Sumrow (2003) considers Maslow’s theory interesting and useful in the organizational area through the clarity with which a position can be determined in the hierarchy. He believes that the only thing that can be done is establishing a stimulating work environment that would bring satisfaction to employees, in this way contributing to satisfy the higher needs. He advises managers and all staff involved in assessing and directing human resources to use Maslow's theory principles as a starting point to identify personnel needs, specific to each organizational environment.

2. Motivational Factors

In multinational companies, it is very important for managers to continuously find new ways to motivate employees. Their goal is to find out what motivates people to work and what job features they appreciate the most (Figure 3):

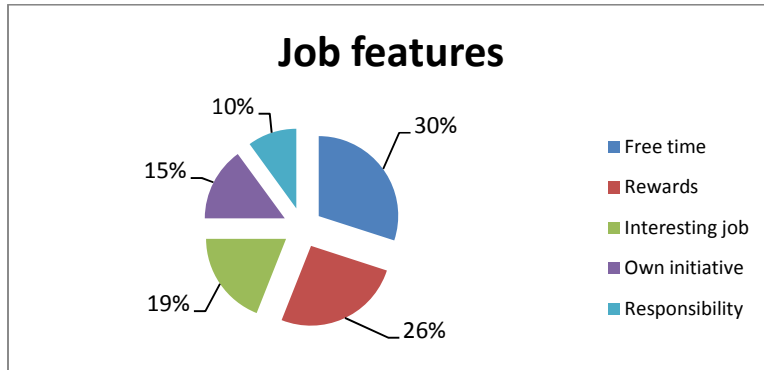


Figure 3. Motivational factors

Most employees are satisfied when their work schedule allows them to have time for other activities, are rewarded fairly and their work is interesting and exciting. Features such as responsibility and initiative are not considered important by all employees, which makes us think of Maslow's pyramid, satisfaction of primary needs being a priority.

3. Intrinsic motivation versus extrinsic motivation

After analyzing the two figures above (figure 2 and 3), we easily ascertain that an employee will perform more effectively when he will benefit both extrinsic and intrinsic motivation. As Sumrow (2003) stated in his study, *Motivation: a new look at an age-old topic*, "motivating staff is a shared responsibility and emphasizes that an employee must have a certain amount of intrinsic motivation to perform some tasks and if it is missing, it can not be created".

The following figure represents the importance of intrinsic motivation in relation with the extrinsic motivation, according to the surveyed employees age.

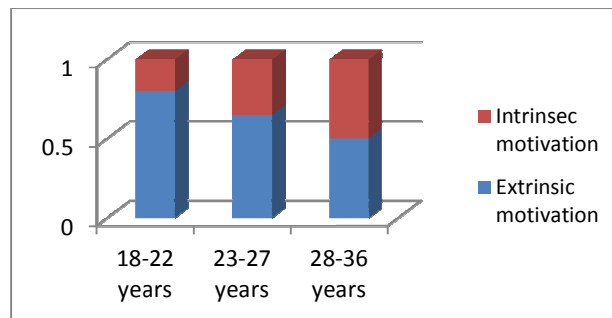


Figure 4. Extrinsic motivation versus intrinsic motivation

Companies employees put more emphasis on extrinsic motivation, but it's importance decreases when employees obtain more experience, moment in which they focus more on intrinsic motivation.

Following the interview with the manager, we found that the main methods to motivate employees in the company are:

- Payment of a salary above average;
- Internal promotion;
- Possibilities to attend training sessions in the country and abroad;
- Monthly programs awarded : "best employee", "best manager", "best shop";
- Bonuses at the end of the year.

Conclusions

The motivation process is essential if we want to achieve a high performance and meet organizational goals. Individual efficiency generates organizational performance, but personal efficiency is highly dependent on motivation. Basically, motivation is the essential ingredient for any person to make things work.

This study aimed to highlight the main motivational factors within a multinational company and it was found that employees put a great emphasis on extrinsic and intrinsic motivation. To have motivated employees and actively involved in works achievement, managers need to know their employees, their needs and try to meet them within limits.

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