

"Employee of the Month" in Romania: a Study on Perceptions

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Abstract

An important and complex problem of labor economics in general and of human resource management in particular, is to effectively motivate employees. At the current juncture, under the spectrum of economic crisis, the controversies of theoretical and practical interest such as the importance of the money, the relationship between motivation, satisfaction and performance at work, are more pronounced and more focused on non-financial forms of motivation. At least in part, this is because the usual ways of saving costs in today's organizations seem to aim primarily the expenses on staff (wages, rewards, training funds and so on).

In this context, the paper aims to highlight the perceptions of employees on the program "Employee of the Month", as it was implemented in a Romanian organization (in a hybrid approach, combining monetary rewards and recognition awards specific to most common forms of program). Thus, the main results of our study reflect the opinions of people involved in this program, and allow us to sketch some possible changes based on the feedback from employees, in order to further improve the effectiveness of the program.

Keywords: *motivation, organization, work, perception, satisfaction*

JEL classification: J28, J33, M12, M52

Introduction

Finding the proper ways to motivate employees in order to enhance their efforts and loyalty for company was always one of the more difficult tasks in Human Resource Management (HRM). This is mainly due to the fact that not all the people are motivated to work effectively by the same things. Furthermore is likely that even a same person to have some different priorities of motivation if significant changes appear in its living and/or working conditions. Impact of recent financial crisis may be a good example of such changes that affected many people's lives worldwide. Obviously "with unemployment high, with access to food and shelter in danger for many people, the needs and goals of people became of paramount concern" (Latham, 2012) both for theorists and practitioners in HRM field. Of course, this is not a new concern, since human needs and motivations were addressed over the time by many authors (i.e. Alderfer, 1972; Deci & Ryan, 1985; Herzberg et al., 1959; Kovach, 1987; Maslow, 1943; Mc Clelland, 1961; Nicolescu & Verboncu, 2008; 2011; Pânișoară & Pânișoară, 2005; Vroom, 1964; Zlate, 2007). It is rather a re-launching

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of the debates on the appropriate motivation of today's employees, especially those related to using financial vs. non-financial tools. Because as Bandura said (1989) "a focus solely on monetary incentives neglects the affective self-evaluative rewards of performance attainments. Forethought of outcomes (e.g., loss of one's job) influences effort and performance" (cited in Latham, 2012).

Therefore, the problem is nowadays that finance constraints facing the organizations and individuals in the same time could generate contradictory reactions with negative effects for the both sides. In such conditions, while a common reaction of organizations was to cut expenses including those with financial rewarding of the employees, people could react by becoming less and less sensitive to the non-monetary rewards, even if before they felt well motivated by this type of rewards. As result, attitude of employees toward their work, involvement and loyalty for the company are likely to evolve in uncertain manner if motivational programs don't consider individual changing expectations.

Eventually, any initiative to motivate employees is effective in the extent in that it's perceived by the people involved as a real incentive of individual performance, being proved by better results obtained.

Against this background our paper aims to explore individual perceptions about a program "Employee of the Month" (E-OM) implemented within a Romanian organization in a mixed approach (by combining some monetary rewards with the recognition awards specific for the more common forms of the program).

In the next sections are briefly presented the methodology of study, main results reflecting the perceptions of people involved, and a series of possible further changes of the program taking into account the feedback received from surveyed employees.

1. Methodology of study and main results

The information has been obtained through surveys conducted among employees who were nominated at least once „E-OM”. The discussions were led by a Human Resources Manager, in the form of individual interviews with the employees, “between 4 eyes”, ensuring this way the reliability of data obtained.

The focus group was formed from 220 employees, representing 64% from the total number of nominees, respecting the following structure:

- 140 employees DCT-Deva, 64% from the total number of award winners;
- 50 from the 80 winners of DCT-Timișoara (63%);
- 30 from 47 at Craiova (64%).

In addition, opinions were requested from 10 of the managers from the production sections and the maintenance departments, which are often placed in the nomination situation to choose a “E-OM”. The responses obtained from them after the survey, have confirmed the information extracted from the analysis carried out within the target group.

The main premise for establishing the target group was that those who have “benefited” from this program, are in the best position to analyze the “E-OM” experience, providing experience on how this action succeeds or fails to fulfill its purpose and the objectives to motivate and stimulate, and about what the nomination meant for them, what was the colleagues reaction and, why not, what changes would they bring to improve the activity.

1.1 The perception on the “Employee of the month” Program

The collected information represents the starting point for establishing the utility and the efficiency of the program, and to review reward and recognition program, so below are the results reported from analysis of each aspect separately.

“Is the contest useful?”

The response from 85% of the respondents was “YES”.

The contest motivates, stimulates and even more, it manages to motivate and to mobilize the employees that still have no awards, is what 49% of the respondents consider. The action rewards employees that are “conscientious and with common sense” (29%). 22% responding that, apart from other benefits, they want to maintain the contest for the financial award which is given to them. (Figure 1)

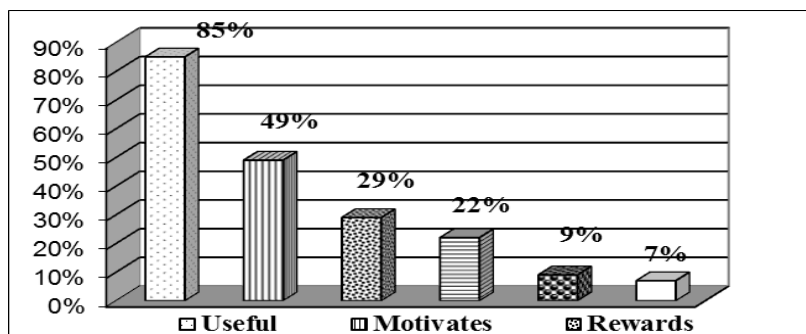


Figure 1. E-OM program diagnosis

Adverse reactions were recorded in the case of 22% of the employees, due to in particular the individualistic nature of the action, 63% of the negative answers classifying the action as “discriminatory, because everybody deserves” and especially because “performance can be obtained only through a common effort”. Additionally, 50% say that this action creates discomfort for the award winner and discord among the employees, the others manifesting them self’s with envy, malice and isolating the award winner. 70% of the respondents are employees from DCT-Deva, 15% are from DCT-Timișoara, and 15% are from the working point from Craiova. 2 of the employees said that this type of motivation has no value, as long as the real cause of the problems is not treated, namely “negative atmosphere and stress caused by the others around, especially superiors that put continuous pressure on the employees”.

“What does the “E-OM” experience mean for the award winners?”

60% of the employees were very happy when they found out about the nomination, they were reached by feelings of satisfaction and pride:

- ✓ *„You feel appreciated and any effort is worth it”*
- ✓ *„I’m proud of my diplomas also at home, for them there is a place of pride „*
- ✓ *„In that day I was the most important employee of the company”*
- ✓ *„It is extraordinary to see when people value your work and they appreciate you. The next day you come back at work with a new feeling”*
- ✓ *„It mattered very much for me, I bragged to everyone that I’m a good craftsman and the pictures from the sections panel, I keep them at home. Every time I run over hardships, I look at them and remember that tomorrow I can be even better”*
- ✓ *„When the director congratulates you and shakes hands with you, it really matters, this doesn’t happen everyday.*

An employee affirmed with modesty that he preferred not to be nominated, however, considering that any of his colleagues deserves the prize to the same extent. Unfortunately, he added that there are “E-OM” which after the nomination considered themselves as superiors to their colleagues, which of course causes discontent and dissension in the teams to which they belong to.

“What are the colleague’s reactions?”

The opinions are divided at this chapter. 33% of them believe that their colleagues agreed or mostly agreed with their nomination and even congratulated them, while 35% have declared that they felt from their colleague envy and malice. The cause of discontent seems to be the lack of transparency in the selection of the nominees, with opinions according to which:

- ✓ *„The conditions are good, but the winner should not be made public because it creates divergences in the team.”*
- ✓ *„The boss must pursue the work of an employee for a few months and give him a prize without everybody knowing, because like this it just creates unpleasant situations between colleagues.”*
- ✓ *„There were cases when some employees were nominated unjustly.”*
- ✓ *„The colleagues of the nominee from the production section should be asked. They must say if he deserves it.”*
- ✓ *„Those who choose, how do they demonstrate that they have worked more than others?”*
- ✓ *„The people should be paid for how much each works and then they would do their work without supervision.”*

The encouraging news comes from the 28 employees (13%) that have observed reactions of ambition from their colleagues: *“They are stimulated to work more, from their desire on wanting their turn to come”, “And others want to be seen on the panel and be presented in the newspaper”, “Who does not fight for the financial bonus?”*. The most beautiful “results” have been recorded in the case of 8 employees (from different companies), who have shared the award with their

colleagues, organizing a go out with them to celebrate the event and to thank them: *“Eventually, we struggle together for everything to come out right!”*.

“What changes are necessary to improve the programs efficiency?”

The suggestions to change/improve the system refers mainly to the criteria on which the nominated employees are established, the criteria should be more clear so that everyone can quantify the merits of that employee. Another suggestion is referred to changing the system to be “confidential” to the large public: *“The winner should not be made public because it creates divergences in the team”, “The boss must monitor the activity made by all the employees, and when he considers that an employee makes very good work, he must offer him an award, but without the other colleagues knowing about this”*.

On the other hand, most employees consider as positive both the mode on how the organization of the awards is made and their popularization made through the notice boards available in de the production sections and in the group’s internal newspaper.

Regarding the awards, employees want to maintain their type as financial and more than 40% of respondents would like their increase. (Figure 2) Considering this information, further development is made to different strategies for modifying the program based especially on the items raised by staff respondents.

2. Ways of improving the program taking into account the perceptions of employees

It should be noted from the beginning, that any way or action to motivate, once implemented will always be a reason for discontent and dissatisfaction at work if it will be interrupted. In particular, given the positive results obtained from the programs diagnosis, respectively the “main pawns” insistence in maintaining it. But any rewards and recognition program must be always supported and fed with “fresh air”. Precisely for this reason, in the fallowing, bellow is proposed a few strategies to reenergize the program. The solutions presented are not interdependent between themselves, they can be implemented in parts or building a “recipe” appropriate to the time and actual state of the organization.

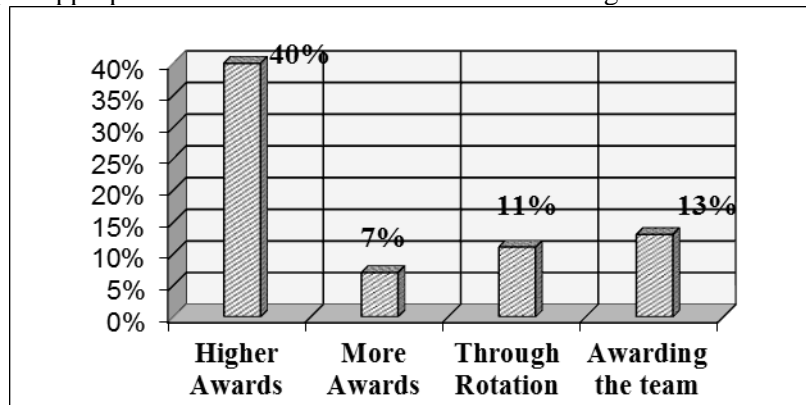


Figure 2. Proposal to improve the E-OM

2.1 Performance and eligibility criteria

The following criteria can be used for the selection of winners and/or disposal of persons “invalid” from the equation:

- Eligible to be nominated is any employee which constantly exceeds his tasks, qualifying himself to a higher level of performance in terms of the jobs occupied.
- Any employee is qualified to be nominated which in the evaluation period stands out through an outstanding professional achievement, implementation of an out of the ordinary project, adoption of a special solution that brings strong advantages to the company, participating at an optimization activity that significantly reduces the organizations costs, etc.
- Is eligible for nomination any employee, regardless of the type of employment, provided they are employed for at least 1 year in the group and was not awarded „E-OM” in the last 24 months. In the case of exceptional circumstances, such as those listed above, it can be decided to derogate from this rule.
- Clear and specific selection criteria, separately for each job, built on standards and performance indicators at the level of the organizational entity participating in the nomination, imposing objectives higher to the average level, for example: exceeding the norm by 10%, reducing cost with 3% from the average of the previous month, etc.
- All employees that are qualified after applying the criteria would be awarded.
- Any negative situation recorded in the employees activity, the situation for which he is directly responsible, eliminates him from the „E-OM” competition for a 6 months period. Example: complaint from a client, failure of equipment, damage caused, nonconformities in administration, etc.
- Any contravention in relation to the Internal Regulations or the Code of Conduct, will remove the employee from the „E-OM” for a period of one calendar year. For example: unmotivated absence from work, endangering the health or integrity of a colleague and his place of employment, indignant behavior, harassment, verbal or physical violence, etc.
- No employee having negative results (below expectations) at any of the last 2 sessions of performance evaluation (according to the law laid down in the Labour Code and the internal procedures in force concerning the evaluation), will not qualify for participation in the program.

2.2 Selecting the winner

Proposed scenarios to determine the winner or winners from the shortlist of employees eligible to participate in the program:

Scenario No. 1: All eligible employees are going to be displayed at the information boards/notice boards in the production facilities until 25th of each month. All employees have the possibility to vote for their favorite, submitting, until the last day of the month, in mailboxes mounted in every section, a paper containing their name and that of the voted colleague. To validate the winner it is required that at least 30% of the employees from the organizational entity in question, have participated to the vote. If the required number of votes is not gathered or if there is equality between two persons, the coordinating entity manager is the one who will decide the winner name.

Scenario No. 2: In every section a panel is mounted where all eligible employees will be displayed. As soon as one of them becomes ineligible, according to the "E-OM" regulations, next to him will be completed the exclusion motivation. The coordinator manager for the organizational entity will conduct daily assessments of the results of each employee, with dots/stars, as the model used in kindergarten level. At every mistake the employee makes shall be deducted 3 stars/dots and at each achievement to be added one. On 15 stars collected, the employee is given the title "E-OM Bronze" and receives a 100lei (net) prize. At 30 stars collected, the employee is given the title "E-OM Silver" and receives a corresponding prize of 300lei (net). At 50 stars receives the title "E-OM Gold" and a 500lei (net) prize and at 100 stars/points receive the title "Employee of The Year", also backed by an adequate financial reward, for example: 1,000lei (net) prize. For infringement of any eligibility rules regarding disciplinary problems, the employee will be removed immediately of the title of "Employee of the Year".

Scenario No. 3: At the end of each month it is determined from every team / shift / office one best employee (one E-OM), or by the methods described above or by simply applying the selection criteria and objective assessment by the structures coordinating managers. To ensure to everyone the same opportunities, determining the final winner will be done either by rotation or by drawing lots. In the case of the drawing lots, the winning ticket will be pulled necessarily by a non-participating employee. The team from where the winner will be extracted, will not be excluded from future sessions, but will be limited by a repetition period for the employee that wins the nomination. When a rate of 80% of the team is nominated E-OM, the team wins the title "Team of the Year", a team award is to be given to the group, to be enjoyed by all team members.

Scenario No. 4: In order to respond to the employee's demands, during the period of a year, an alternation of the contests can be made, such as "Employee of the Month" and "Team of the Month". The team of the month will be established a group from a section (shift/office/ those who realize a certain activity from the production flux, etc.), defined by objective and clear targets to be achieved as a performance criteria. At the end of the month, against the indicators of production,

sales and financial ones will be named the winning teams in the winning teams from the level of every structure (sections). All team members will be awarded. Such an approach would solve the problem of encouraging competition and the separation the team members from the same team, generated by E-OM.

Scenario No. 5: The E-OM contest will be completed by an annual selection – Employee of the Year. Every employee, who during the calendar year has been nominated E-OM, will automatically qualify for the annual contest. Where there disciplinary problems contrary to the principals laid down by the E-OM criteria, the employee in question will be removed from the race. Setting the winner can take the form of any of the scenarios described above.

2.3 Awarding and popularization

The solutions regarding the awarding and the popularization of the E-OM winners can be:

- Awarding held directly at the workplace of E-OM The general manager will go to the winner's work place, recognizing his merits to the entire staff, Moreover, such a method could improve communication between executive and top management levels and ensure automatically a open and transparent organizational climate.
- Diploma of Excellence to highlight the E-OM merit.
- Personal letter of congratulations signed by the general manager of the company, mentioning the reasons for nominating the employee the title E-OM
- Badges or medals engraved with the month in which the employee was named E-OM, badges to be worn at work on a day-to-day as "trophies" of employee's successes.
- Displaying at the company headquarters the plates engraved with names of all the E-MAN (or employees of the year).
- The winners have the possibility to choose themselves the reward from a list, placing a predetermined value. Some possible examples: cash prize, a object desired by the employee, a restaurant dinner, a massage or physiotherapy session, tickets to movies, concerts, theaters, football matches, booking 1 hour to playground for children at the hypermarket, a subscription to the beach, pool or sauna, a monthly subscription to a specialized publication, a shopping voucher, enrollment in a training session, etc.
- Conferring honorific responsibilities: the last month's winner gives the prize to the winner of this month.
- When all the members of a team, department, formation, have been rewarded, it is organized a mini-team-building for the team, under the form of going out to picnic, restaurant, pizzeria etc.
- A day off for the E-OM.
- The possibility to park in the general manager's space.

- An invitation to lunch/dinner from the general manager.
- “E-OM” coverage on the company’s website.

3. Instead of conclusions: some further ideas for future

In closing, this paper takes a set of ideas about motivation non- or “minimal” financial from the literature and considered likely to be implemented at the Holding level off the company:

1. The reward always works faster and more effectively than punishment. The proposed solution is therefore to highlight the individual behavior (partially and however small) that generates performance and not punishing the final outcome which has not reached targets.

2. Recognizing and rewarding even the improvements and progress made by the employees, not just high performance.

3. Common sense should become common practice! Not what it is believed or said is important, but what it is done. If it is desired from the employee a certain behavior, then the management must have the appropriate conduct. Managers need to be the example to be followed for the employees, or how Gandhi said: “Be the change you want to see in the world” and in the eyes of the employees!

4. Treating everyone as some professional when you want professionalism on their part. (Todoran, 2006, <http://www.businessmagazin.ro/actualitate/resurse-umane-cum-muncesc-firmele-sa-si-tina-aproape-angajatii-1006701>), (Rujoiu, 2011).

How to apply these ideas? One at a time. Their sudden implementation will frighten the employees. It must be understood that any idea does not work anyway and anywhere. And when one does not work, you try another. Ideas should not be imposed on employees under any circumstances. Regardless of the quality, applicability and good results from their implementation in other companies, none of these things will guarantee success in the organization S.C. DCT L.L.C. There is no standard recipe. Ideas should be treated in time and implemented with tact and diplomacy. There are practically little things which over time can lead to spectacular effects.

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