

Innovative Management Practices to Optimize Employee Performance

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Abstract

The primary objective of this study is to identify and analyze innovative management practices that optimize employee performance in Romanian companies. Amidst rapid changes in the global business environment, optimizing employee performance is becoming essential for maintaining organizational competitiveness. A mixed-methods approach was used, combining quantitative and qualitative research. Data were collected through a survey of 60 companies and 20 semi-structured interviews with managers and employees. Results indicated a significant correlation between flexible work arrangements, continuous feedback, skill development, and improved employee performance. These findings suggest that adopting innovative management practices can increase organizational productivity and employee satisfaction. Future research should explore longitudinal impacts of these practices across industries.

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1. Introduction

Innovative management practices are increasingly recognized as crucial to maintaining competitiveness in a rapidly changing global market. This paper examines the implementation of such practices in Romanian companies and their effect on employee performance, addressing key management strategies such as work flexibility, continuous feedback, and employee development. The main objective is to assess how these practices influence organizational performance, with the study designed to bridge the gap in the Romanian context, where research on these themes remains scarce. In the current context of the global market, characterized by rapid and complex changes, employee performance has become a critical factor for organizational success. The specialized literature suggests that innovative management, which adopts employee-centered practices, can

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significantly contribute to increasing productivity and employee satisfaction. Previous research has demonstrated a positive correlation between the adoption of innovative management practices and the improvement of employee performance. This study aims to analyze and identify those innovative management practices that can be successfully applied in Romanian companies to optimize employee performance and enhance organizational competitiveness. In today's business landscape, marked by rapid dynamics and fierce global competition, organizations are compelled to constantly rethink and adjust their management strategies to remain competitive. Employee performance, defined by their ability to achieve organizational goals and contribute to the overall growth of the company, has become a critical factor in this regard. Particularly in Romania, where the economy is in continuous transition and development, it is essential for companies to identify and implement innovative management practices that optimize employee performance and ensure long-term sustainability.

The economic and social context in Romania provides a complex and challenging framework for the implementation of innovative management practices. Over the past few decades, many Romanian companies have had to adapt quickly to frequent legislative changes, economic fluctuations, and the impact of globalization on the local market. At the same time, they have faced significant changes in employee behavior and expectations, especially in the context of younger generations entering the workforce with a different perspective on work-life balance, work flexibility, and continuous development. In this context, innovative management represents a strategic solution for optimizing employee performance. Innovation in management is not just about adopting new technologies but also about developing new approaches to motivate, develop, and retain employees. These approaches include, but are not limited to, creating a work environment that encourages creativity, collaboration, and controlled risk-taking, recognizing and rewarding individual and team performances, and fostering an open and inclusive organizational culture.

Furthermore, numerous studies in the specialized literature suggest that an employee-centered management can significantly contribute to improving their performance and satisfaction. A notable example is the adoption of transformational leadership, which emphasizes inspiring and motivating employees to reach their maximum potential and creating a sense of belonging and involvement in organizational decisions. Another innovative approach involves the use of modern performance evaluation methods, focusing on continuous feedback and ongoing skill development instead of rigid annual evaluations. In Romania, many companies are beginning to recognize the importance of these innovative management practices and integrate them into their human resources strategies. However, the degree of adoption and implementation of these practices varies considerably depending on the company's size, industry, and level of managerial preparedness. In this regard, this study aims to make a significant contribution to understanding how innovative management practices can optimize employee performance in the specific context of Romanian firms.

As organizations face increasing challenges in attracting, motivating, and retaining talent, our research focuses on identifying and analyzing those management practices that have proven effective in enhancing employee performance. By exploring specific cases from the Romanian environment, we will examine how management innovations—whether it be flexible working hours, developing employee skills through continuous training, or creating an inclusive and motivating work environment—can support a better adaptation of employees to the dynamic demands of the market.

In conclusion, the introduction of innovative management practices in Romanian companies is not only a response to the current challenges of the business environment but also an opportunity to significantly improve organizational performance. This study aims to contribute to clarifying this issue by providing a detailed analysis of innovative management practices and their impact on employee performance in various organizational contexts in Romania.

2. Literature review

2.1 Classical management theories and their limitations

In the field of management, the literature surrounding innovative practices for optimizing employee performance is rich and multifaceted, offering a comprehensive exploration of how organizations can adapt and thrive in dynamic environments. This body of work reflects the continuous evolution of managerial theories and practices, each responding to the shifting demands of modern business landscapes. The depth of research in this area highlights the importance of fostering an agile, creative, and high-performing workforce through the strategic implementation of management innovations. Over time, management theories have evolved from rigid, hierarchical structures to more flexible and adaptive approaches that prioritize employee well-being, motivation, and engagement. Early studies focused on optimizing productivity through task specialization and efficiency, often underpinned by principles of scientific management. However, as markets became more competitive and the global economy more interconnected, the need to innovate beyond simple process improvements became apparent. This led to an expanding focus on how management practices could be restructured to support not only organizational goals but also individual employee performance and satisfaction.

The literature emphasizes the growing recognition that optimizing employee performance requires more than just technical or procedural innovations. It demands a shift in the way organizations approach leadership, communication, and employee development. Innovative management practices now include approaches that encourage employee autonomy, foster continuous learning, and create environments where creativity and collaboration can flourish. These practices are seen as essential in cultivating a workforce capable of navigating complex and rapidly changing market conditions.

Studies in this area explore a wide range of perspectives, from traditional approaches focused on control and hierarchy to more recent models centered on collaboration, flexibility, and empathy. A key starting point in discussions about managerial innovation is the classical management theories that laid the foundation for the initial understanding of the manager's role in influencing employee performance. Traditional approaches, such as those proposed by Frederick Taylor in the theory of scientific management, suggested that efficiency and productivity could be improved by rationalizing tasks and standardizing processes (Kaplan and Norton, 2004). Although these ideas contributed to the development of rigid models of control and supervision, their limitations became evident over time in the context of the complexity and dynamism of the modern market. On the other hand, motivational theories, such as those proposed by Abraham Maslow and Frederick Herzberg, began to emphasize the importance of human needs and intrinsic motivation in stimulating employee performance. Maslow, through his famous hierarchy of needs, demonstrated that only when employees' basic needs are met can they focus on higher-level needs, such as self-esteem and self-actualization, which are crucial for optimal performance (Cummings and Worley, 2014). Herzberg continued this line of thought by proposing the motivation-hygiene theory, suggesting that motivational factors such as achievement, recognition, and the nature of the work are critical for employee satisfaction, while hygiene factors such as working conditions and salaries can prevent dissatisfaction but do not create real motivation (Cristache, N., et al, 2021).

These theories were later extended and refined by other researchers, such as Victor Vroom, who developed the expectancy theory, arguing that employees are motivated to work hard only if they believe that their efforts will lead to performance and that this performance will be adequately rewarded (Christensen and Raynor, 2003). This theory introduced notions of perception and justice, which were later deepened by John Stacey Adams in equity theory, according to which employees compare their efforts and rewards with those of others, and the perception of inequity can lead to decreased motivation and performance (Schein, 2006).

2.2 Transformational leadership and its role

Meanwhile, the development of transformational leadership brought a major shift in the specialized literature, emphasizing the leader's role in inspiring and motivating employees to exceed standard expectations. Nonaka and Takeuchi (1995) state that James MacGregor Burns and later Bernard Bass argued that transformational leaders could motivate their employees by setting a clear vision, open communication, creating a climate of trust, and supporting the personal and professional development of each individual (Pralhad and Hamel, 1994). This approach has proven particularly effective in creating a positive and innovative work environment where employees feel valued and encouraged to reach their maximum potential. In recent years, the focus in the specialized literature has increasingly shifted toward the importance of developing a healthy and adaptive organizational culture that supports continuous innovation and change. Edgar Schein has made a significant contribution to this debate through his analysis of organizational culture,

emphasizing that the shared values and norms of organizational members can significantly influence employee performance (Davenport and Prusak, 2000). Schein argues that an open-to-change culture that encourages dialogue, experimentation, and risk-taking can stimulate creativity and employee engagement (Ulrich, 1997). More recently, authors in the field of strategic management, such as Michael Porter, have highlighted the importance of strategic alignment between organizational and individual goals. According to these authors, employee performance is optimized when there is congruence between individual aspirations and motivations and the organization's mission and values (Hamel, 2007). In this sense, innovative management practices must facilitate this alignment by creating a flexible work environment that allows employees to express their creativity, develop their skills, and actively contribute to achieving common goals.

Another important aspect explored in contemporary literature is the impact of technology on human resource management. The introduction of digital tools and advanced technologies, such as artificial intelligence and data analytics, has opened new opportunities for personalizing the employee experience and creating more precise and efficient performance development and evaluation programs. Authors in this field, such as David Ulrich, argue that human resource management must evolve from an administrative function into a strategic business partner, using technological innovation to improve organizational performance (Drucker, 2008).

In Romania, the specialized literature increasingly reflects these international trends, with a particular focus on adapting them to the specifics of the local market. Domestic research, although still limited compared to that in other countries, has begun to explore how practices such as work flexibility, continuous feedback, and ongoing skill development can contribute to optimizing employee performance (Nastase, M., et al, 2012). These studies highlight that, despite economic and cultural challenges, many Romanian companies have successfully implemented innovative approaches, demonstrating that managerial innovation is not just a global trend but also a local necessity. The specialized literature emphasizes that optimizing employee performance through innovative management practices is a complex and multidimensional process influenced by psychological, cultural, strategic, and technological factors. Although there are many theories and models that provide valuable directions, it is evident that there is no single path to follow. The success of innovative management practices depends on organizations' ability to understand and adapt these principles to their unique context, thereby creating a work environment that sustainably stimulates employee performance and satisfaction.

3. Research methodology

The research methodology adopted in this study combines quantitative and qualitative research techniques to provide a detailed and nuanced understanding of innovative management practices and their impact on employee performance in Romanian companies. The mixed research approach allows both the quantification of relationships between variables and a deeper insight into the internal mechanisms

influencing these relationships. In our quantitative research, data were collected from a sample of 60 companies, representing various economic sectors in Romania. The sample size was calculated to provide a 5% margin of error with a 95% confidence interval. The dependent variable in the study is employee performance, while the independent variables include work flexibility, continuous feedback, and skill development programs. The qualitative research involved 20 semi-structured interviews with managers and employees, designed to explore in-depth perceptions of the innovative management practices implemented. A simplified form of the survey and interview questions is provided in the appendix for reference. Data collection was conducted in two stages:

1. Quantitative stage: structured questionnaires were distributed to human resource managers and other relevant representatives from the companies. The questionnaires included closed-ended questions using a Likert scale from 1 to 5 (where 1 indicates total agreement, and 5 indicates total disagreement) to measure perceptions of innovative management practices, employee satisfaction levels, motivation, and performance.

2. Qualitative stage: semi-structured interviews were conducted with selected managers and employees from the company sample. The interviews were designed to explore in depth the participants' experiences and perspectives on the implementation of innovative management practices and their perceived impact on employee performance.

For quantitative analysis, descriptive and inferential statistical techniques were used. The data collected were analyzed using SPSS (Statistical Package for the Social Sciences) software to verify the validity and reliability of the measurement instrument and determine the relationships between key variables of interest. The following descriptive statistics were calculated for each of the variables measured in the survey:

- ✓ Mean: the central measure of the tendency of the values.
- ✓ Median: the middle value in an ordered data set.
- ✓ Mode: the most frequently encountered value.
- ✓ Standard Deviation: the measure of data variability around the mean.

Employee performance: was evaluated using a combination of quantitative and qualitative indicators. Quantitative indicators included productivity rates (measured by the volume of tasks completed and the time required to accomplish them) and achievement of set goals. Qualitative evaluations were based on feedback from managers and colleagues, focusing on aspects such as innovation, collaboration, and problem-solving skills.

To collect data on employee performance, we used structured questionnaires and 360-degree feedback tools. These included evaluations from direct managers and colleagues, focusing on task efficiency, personal initiative, and teamwork. The questionnaires were completed at the end of a six-month period, providing a clear picture of the evolution of employee performance during the implementation of innovative practices. To analyze the relationships between innovative management practices and employee performance, multiple linear regression analysis was used.

Multiple regression helps determine the influence of several independent variables on a dependent variable. In this study, the independent variables are the different innovative management practices (such as work flexibility, continuous feedback, and skill development programs), while the dependent variable is employee performance. The general formula for the multiple linear regression model used is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots \dots + \beta_n X_n + \varepsilon \quad (1)$$

where:

- ✓ Y represents the dependent variable (employee performance).
- ✓ X_1, X_2, \dots, X_n are the independent variables (innovative management practices).
- ✓ B_0 este interceptul.
- ✓ B_1, B_2, \dots, B_n are the regression coefficients indicating the impact of each independent variable on the dependent variable.
- ✓ ε is the residual error.

Table 1 presents the descriptive results for the measured variables.

Descriptive results for the measured variables

Table 1

Variable	Mean	Median	Mode	Standard Deviation
Work Flexibility	3.8	4	4	0.85
Continuous Feedback	4.2	4	4	0.75
Skill Development	4.0	4	4	0.70
Employee Satisfaction	3.9	4	4	0.80
Employee Performance	4.1	4	5	0.65

Source: processing data obtained through SPSS program

To investigate the relationships between the independent variables and employee performance, Pearson correlation coefficients were used. The results indicated a significant positive correlation between innovative management practices and employee performance, suggesting that as these practices are better implemented, employee performance increases (Table 2). This allowed us to assess the influence of independent practices (work flexibility, continuous feedback, and skill development programs) on the dependent variable, represented by employee performance. The regression analysis results indicated that each of these practices had a significant positive impact on performance, with a correlation coefficient of 0.45 for work flexibility, 0.52 for continuous feedback, and 0.47 for skill development.

Pearson Coefficient Values

Table 2

Variable	Correlation Coefficient (r)	p-value
Work Flexibility	0.45	< 0.01
Continuous Feedback	0.52	< 0.01
Skill Development	0.47	< 0.01

Source: processing data obtained through SPSS program

4. Data analysis and interpretation

Quantitative data were analyzed using SPSS, applying multiple regression to assess the impact of independent variables (work flexibility, continuous feedback, and skill development) on the dependent variable (employee performance). Descriptive statistics and Pearson correlation coefficients were calculated to explore the strength of these relationships. Qualitative data were thematically analyzed, identifying recurring themes such as the importance of flexibility and continuous learning opportunities for employee satisfaction and performance improvement. Alongside the quantitative analysis, the qualitative data from the interviews were examined through thematic coding. This method enabled the identification of key themes, including the significance of work flexibility, the importance of continuous feedback, and the employees' desire for ongoing development. Participants noted that these practices play a crucial role in enhancing their job satisfaction and performance, while also fostering a sense of belonging and loyalty to the organization. The statistical findings support the initial hypotheses, showing that innovative management practices—such as flexible schedules, regular feedback, and professional development programs—have a marked positive effect on employee performance. As a result, these practices not only boost productivity but also enhance employee satisfaction and engagement. The study's findings offer a deeper insight into how innovative management strategies affect employee performance within Romanian companies. Both the quantitative and qualitative analyses of the data underscored the significant connections between the variables, demonstrating the positive influence of innovative approaches on workplace satisfaction and overall productivity.

Work Flexibility has proven to be a crucial factor in improving employee performance. The statistical data showed a high mean score for work flexibility, with a relatively low standard deviation, suggesting a consistent appreciation of this practice among the study participants. The distribution chart of scores indicated that most employees rated it as 4 or 5, reflecting a high level of satisfaction with the flexibility offered by employers. In qualitative interviews, employees mentioned that flexible working hours and the option to work remotely led to a better balance between professional and personal life, thereby increasing their satisfaction and commitment to the company. Managers also confirmed that flexibility resulted in reduced absenteeism and increased productivity, as employees felt more responsible and motivated to complete their tasks.

Continuous Feedback was identified as another innovative managerial practice with a major positive impact on employee performance. The statistical analysis highlighted a strong correlation between the frequency and quality of feedback and the level of performance reported by employees. A Pearson correlation coefficient of 0.52, with a p-value below 0.01, indicates a significant link between these variables. This result suggests that employees who receive regular and constructive feedback are more likely to improve their performance. In interviews, participants emphasized that frequent feedback provides clarity regarding

managerial expectations, allows them to correct errors in real-time, and motivates them to achieve their goals. Managers also noted that using continuous feedback improved internal communication and created a climate of trust and openness, essential for developing a collaborative work environment.

Skill Development was another area analyzed, with the data suggesting that investments in training and continuous development significantly contribute to increasing employee performance. The study demonstrated a high mean score for professional development opportunities, with a positive correlation (coefficient of 0.47) between access to training programs and performance levels. This result shows that employees who have access to relevant training programs and continuous development opportunities are more likely to achieve superior performance. In qualitative discussions, both managers and employees emphasized that such programs not only improve technical and soft skills but also contribute to creating a sense of belonging and loyalty to the company. Employees mentioned that they perceive support for development as a recognition of their value and a signal of the organization's commitment to their personal and professional growth.

Furthermore, the research highlighted the importance of *transformational leadership* in successfully implementing innovative management practices. The results showed that leaders who promote an organizational culture based on trust, transparency, and support for employee development managed to stimulate higher levels of performance and engagement. Specifically, managers who demonstrated empathy, effective communication skills, and the ability to inspire and motivate their teams achieved significantly better results. Interview participants confirmed that such leadership not only fosters innovation and creativity but also increases employee satisfaction and engagement, making them feel more valued and involved in organizational processes.

The research also revealed that implementing these innovative management practices requires careful adaptation to the specific context of each organization. Companies that successfully adapted these practices to their own structures and organizational cultures achieved better results in terms of employee performance. For example, in an IT company, flexible working hours had a much stronger positive impact on employee performance than in manufacturing companies, where physical presence is more often required.

5. Conclusions

This study provides insights into the impact of innovative management practices on employee performance in Romanian companies. However, limitations include the relatively small sample size and the focus on specific industries, which may limit the generalizability of the findings. Future research should expand to other geographic regions and industries and consider longitudinal studies to assess the long-term effects of these practices. Additionally, further exploration of the role of digitalization in implementing innovative management strategies could offer valuable insights. The evaluation of employee performance was conducted using a

combination of quantitative and qualitative methods, confirming the identified correlations between innovative practices and performance improvement. Thus, work flexibility, continuous feedback, and skill development demonstrated a significant impact on increasing employee productivity and engagement.

This study emphasized the crucial role of innovative management practices in enhancing employee performance, particularly within the specific context of Romanian companies. In a rapidly evolving world where adaptability and quick responses to new challenges are vital, businesses are increasingly acknowledging the significance of innovative management strategies. The research demonstrated that implementing these practices not only boosts individual and team performance but also helps create a more fulfilling and motivating work environment for employees. One key finding is that workplace flexibility has a notable influence on employee performance. Flexibility encompasses not only adaptable work schedules or the option to work remotely but also the organization's ability to foster an environment where employees feel empowered to make decisions and actively engage in organizational processes. In Romanian companies, traditionally characterized by hierarchical structures, this shift is both necessary and timely. The study revealed that employees who experience greater flexibility in how they manage their work schedules and tasks exhibit higher productivity and job satisfaction.

Secondly, the research emphasizes the importance of continuous feedback as an essential component of innovative management. Feedback not only improves communication between employees and managers but also contributes to a clearer understanding of shared expectations and goals. In many of the companies analyzed, constant and constructive feedback was correlated with a significant increase in employee engagement, making them feel more involved and connected to the organization's mission and values. This approach helps prevent stagnation and creates an open organizational culture where mistakes are seen as learning opportunities rather than reasons for penalties.

The study also highlighted that investing in the continuous development of employee skills positively affects their performance. Providing learning and training opportunities, either through internal courses or by supporting participation in specialized events and conferences, contributes to improving skills and maintaining long-term motivation. Particularly in the Romanian context, where the labor market is constantly evolving, this approach helps companies retain talent and ensure that their employees are always prepared for future challenges. Additionally, the research underlines the need to adapt innovative management practices to the cultural and economic specifics of each organization. In a context marked by diversity, both at the national and organizational levels, a single management model cannot be uniformly applied. Thus, the approach must be flexible, taking into account employees' particularities, needs, and expectations, as well as the existing organizational culture. In Romania, where traditions and cultural values often influence workplace behaviors, it is essential for managers to adopt strategies that respect these realities while also encouraging innovation and adaptation to change. Furthermore, the research results indicate that implementing innovative management

practices requires not only organizational willingness but also a strong commitment from leaders. Transformational leadership, oriented towards creating a common vision and motivating the team through personal example, proved particularly effective in the analyzed companies. Leaders who demonstrated empathy, the ability to listen, and a desire to support employee development succeeded in generating higher levels of engagement and performance. This suggests that innovation in management is not just a matter of policies and procedures but also of interpersonal relationships and leadership styles.

In conclusion, the study confirms that innovative management practices are critical in enhancing employee performance within Romanian companies. Key components such as flexibility, ongoing feedback, skill development, and transformational leadership play a pivotal role in boosting performance and fostering a more engaging and motivating work environment. However, the effectiveness of these practices is closely tied to the companies' capacity to adapt them to their specific context and ensure their coherent and sustainable implementation. To achieve the best outcomes, organizations must adopt a strategic, employee-focused approach that emphasizes continuous innovation, aligning both the individual needs of employees with the overall goals of the organization.

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