

PERFORMANCE IMPROVEMENT STRATEGIES USED BY MANAGERS IN THE PRIVATE SECTOR

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Abstract: *There are many situations in professional life when for various reasons we are employed in jobs that do not meet our emotional expectations our professional capabilities, our passions and therefore performance on that job will not be high. Analysis of the causes of under-utilization of human potential and adoption of appropriate strategies according to employee needs help reduce staff turnover costs. The main objective of the present paper consists in identifying managerial strategies which contribute to the improvement of the employees' performances by stimulating their motivation, and the extent to which they are used in the managerial practice. Based on literature review we realized an integrated model and developed a classification, that present our own vision regarding performance improvement strategies. Our classification divides strategies for improving employees' performances into four main groups: by employees' development, by rewarding employees, by modifying the job description, by employee involvement in the organization. Starting from this model, through two types of questionnaires we have made an empirical research among managers as well as among office personnel, in order to capture both perspectives regarding the pursued objectives. For the present paper we will present only research results obtained for performance improvement strategies by employees' development because support a higher degree of generality and do not depend on the organization characteristics. A quantitative data analyze from the two samples show that there are differences between managers and employees perception when it comes to strategies used in their organizations and also manager did not know which determines employees to strive in order to improve their performance and obtain better results. The strategies to improve the employee's performances, proposed within this article have the role to show the fact that managers cannot determine every employee to be competitive by using the same methods, and therefore treating each differently person with the aim of creating for that person a favorable context for the development of the performance brings benefits at individual as well as at organizational level.*

Key words: performance improvement; motivational strategies; employee development; performance feedback; career planning; mentoring.

Jel clasification: M12; M51; M53.

1. Introduction

As well as it may be forecasted, the evolution of economic conjuncture is accompanied by frequent restructurings, which affect the employees of a company in respect of quantity as well as in respect of quality. Knowledge of the employees' potential, performances and motivations and the ways in which these can be maintained represents one of the basic activities of the human resources management in an organization.

The first condition for improving the individual performance and reaching excellence in business is to recognize the role of human resources and to adopt appropriate strategies to determine the employees to fructify as much as possible the own professional potential. According to the opinion of some authors (Boswell and Boudreau, 2000: 283), in order to insure success, a company must know how to turn into account its employees' potential. Of course, we all can do more than we believe and the role of management in every organization is to turn into account the qualities and potential of its employees and to make their weaknesses (flaws) imperceptible. Considering that this study is part of a boarder research regarding the process of performance appraisal we defined the following objectives for the present article:

- identify motivational strategies used by managers in order to improve the performance of their employees;
- identify the differences between the perception of the managers and the perception of the employees regarding the ways to improve the performances;
- identify motivational strategies that would cause employees to achieve better performance.

The reason we chose to address performance and ways to improve it, from a strategic perspective is the fact that the management of organization must have a vision of efficient use of human resources. The need for a strategic thinking stems from environmental characteristics, found in a changing shift that is seen as a condition of progress.

2. Literature review

The organizations' possibility of progress may only be achieved if these pursue continuous performance and therefore it represents one of the main objectives at the level of the organizations' management. Many of the studies approach only the organizational performance (Koning, 2004), but for instance 98% of the subjects of a study consisting in executive managers of average and big companies have stated that improved performance of the employees would lead to an increased performance of the company.

Numerous studies and statistical indicators (Campbell et al, 1998; Chen and Kuo, 2004) demonstrates that the success and competitiveness of organizations depend largely on the professional performance of employees, and the ways to improve it should become a pressing and permanent concern, in a competitive market.

Current concerns and organizational practice did not reach sufficiently convincing results in this area, recognizing the need for new searches and involvement of additional forces to identify as acceptable solutions. In addition, Romania studies (or their results) on strategies to improve employee performance are limited or are not sufficiently comprehensive.

Over time, management staff was asked what methods to improve the performance of work for their employees are more appropriate. We consider the issue of motivation as essential to human activity, for understanding and explaining behavior in general and especially those within organizations and therefore we can not talk about strategies to improve performance without implicitly bring into question the concept of motivation.

Studies (Ielics, 2001: 151) show that many managers believe that addressing behavior in terms of motivation is particularly difficult, while the problems that arise can take the following form: „how to persuade employees to do what you want?“ or „how can you be sure that employees will be working without direct and constant control?“

According to a study (www.managementtoday.com.uk), conducted by Investors in People, a non-profit organization 30% of employees in the UK suffer from a lack of motivation at work, which is why 43% of them want to change jobs in the next 12 months.

Regarding the reasons for which they did not find motivators in work, 28% of employees who participated in the research said that a major reason is that do not receive support from superiors. Also 18% complained of the large amount of work, another 18% believe they are underpaid, while 17% of them believe that the main reason of demotivation is the lack of directions in career planning and development. This latter percentage increases to 24% for those already working two years in the same position.

If the goal for what people working is to live a decent and comfortable life, then their motivation is achieved through salaries, bonuses, or other organization facilities that provide comfort. There are also people who have provided this comfort for several generations and still continue to work. For some that they, we understand that work is a challenge, and part of their lives, giving them the opportunity of socializing and interacting with other people. These people can not be motivated by money or other financial incentives and therefore managers should know that their motivation for performance consist in providing a varied and challenging work or social rewards (eg, public recognition of the value of work performed).

For a better visualization of the classification strategies to improve employee performance, we designed an integrated model from detailed study of the literature, without pretending to be an exhaustive classification, given that human resource activities are interdependent and show intense linked. We took into account the need to estimate influences that may arise from internal and external environment of the organization. In order to obtain individual performance and organizational effectiveness, human resource strategies is a prerequisite, which is interposed directly in the process, as seen in figure 1

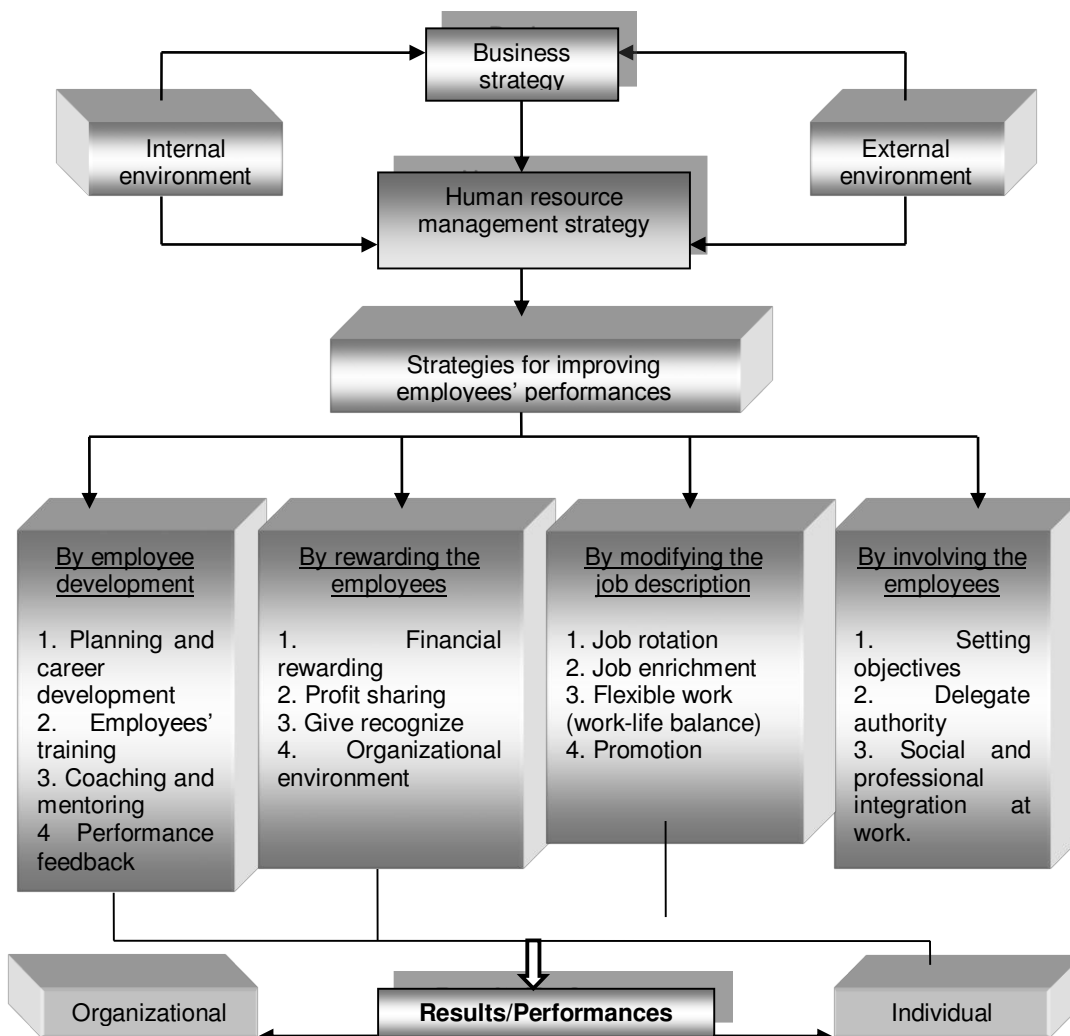


Figure 1: A model concerning the strategies for improving employees' performances
Source: author's conception

After analyzing articles in the field we shared motivational strategies to improve employee performance in four categories as: strategies to improve performance by employees' development, by rewarding employees (financial and non-financial), by modifying the job description and by employee involvement in the organization. Of these we choose to present only research results obtained for first group, performance improvement strategies by employees' development because support a higher degree of generality and do not depend on the organization characteristics. Another reason is that the most of the studies and specialty items made correlation between employee motivation and their development needs and that is why we tried to realize a comparison with results found in literature.

An important part of the theoretical and empirical research in this field aim to show that human resource strategies is a differentiating factor in business activity, but also provides a competitive advantage in the market (Grund and Sliwka, 2009: 2050; Koning, 2004: 3). In contrast, the number of articles and studies that establish a clear link between human resource strategies and performance improvement at the individual level (among employees) are lower, especially in Romania.

The continuous development of human resources involves identifying and capitalizing opportunities of lifelong learning to form a stock of valuable and competitive human capital and better use workforce. (Oniciuc, 2005: 37).

Human resource development should be a coherent process oriented to facilitate personal and professional development of employees, enhancing creatively the results of their work. This leads on the one hand to improve the performance of human resources, thus having an effect on growth company's performance, and secondly to increase workforce capacity to adapt to the requirements/needs of the market, thereby increasing the chances of finding a new job in terms of restructuring or changes in the organization.

3. Research methodology

The target group of the study is represented by general managers, human resource managers and office personnel. The study was conducted on a sample of 40 organizations in production and services from private sector, in north-west of Romania. In order to achieve the objectives of the study, data was collected through two questionnaires, self-administered that were designed separately for the two target groups to capture both managers and employees' perspective on the most used ways to improve performance at workplace. Regarding questions we used mainly closed questions, with choice. Some of the used variables were built as Likert items with a scale from 1 to 5 (In a small extent; In a very large extent). Data was collected through a quantitative tool, a questionnaire, which took into consideration the following questions: „What made you get better performance at work?“, „What methods are used to improve performance by your manager?“ (for employees), „In order to improve the performance of your employees what are the most commonly used methods?“ (for managers).

Once you have applied the two types of questionnaires were obtained responses from 40 managers (general managers and human resource managers) and 80 employees, belonging to the executive sphere. Anonymity was ensured during the whole process of data gathering and analysis, no names or personal details being requested from respondents.

4. Results and discussions

4.1. Respondent's demographic characteristics

In the following we present the structure of the two samples according to some socio-demographic characteristics: size of company, respondents' age, seniority in the company and on the job, level studies. Most respondents work in large firms (62.1%), followed by those working in medium-sized firms (17.6%) and small firms (12.4%); the rest work in micro firms.

The average age of managers-respondents is 43 years old and the post length within the organization is 8 years and a half, on average. In this way we made sure that

people who answer the questions have experience and service seniority in the organization (average 11 years), so that they can provide relevant answers regarding the study objectives. In terms of vocational training of respondents dominated by those with higher education (58.3%), but only one third of them attended postgraduate (31,7%), which shows that the majority were not conditioned by completion of a master's program to be promoted and are not concerned with its own development and lifelong learning.

Next we analyze the sample consists of employees in executive positions, so that their average age is 35 years, seniority in the firm is on average 7 years and 5 years in current position, which we can indicate a low staff fluctuation. Age of respondents is a variable that must be taken into account in the processing and interpretation of data, being a factor of influence in matters related to motivation and job satisfaction. Given the sample distribution by level of education of respondents we can observe in figure 2 that 53.8% of them are graduates of institutions of higher education, followed by those with secondary education (25.8%), while the percentage of respondents registered postgraduate (masters) is 20.4% We believe that the vocational training of employees is an important variable that influences their motivation for performance, and strategies to improve performance used by managers. Therefore in our research we aimed to test the following hypothesis: "There is a direct, positive correlation between educational level and employees' preference for strategies to improve performance through development ".

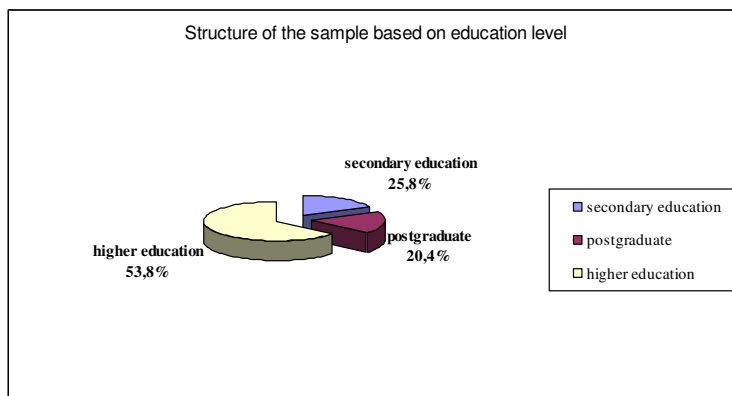


Figure 2: The structure of the employees respondents based on education level

To highlight the main aspects and elements, a descriptive statistics analysis has been used. Since the variables are ordinal ones, we have analyzed the values of the median.

In order to notice if there are significant differences between the respondents' answers, managers respective employees, in the interpretation of the results we will use the values of the t test on the two pair samples. Independent samples t test is used to test the difference between the averages of the same dependent variables measured in two groups consisting of different subjects. The reason for choosing such analyze solutions was based on the fact that in the case of this research subject, in order to obtain wider and more relevant results it is necessary to have the managers' opinions as well as the employees' perspective.

4.2. Planning and career development.

One of the best ways to ensure long-term commitment and loyalty of employees to the organization is to transform a job of some into a career for that employee (Harrington, 2001: 234). Indeed the best way to keep employees is to make them understand that they have a future in the organization and thus will devote personal time to prepare for the opportunities for promotion that might occur.

Although in literature career planning is considered a key element in the human resources strategy and an essential component of career management, practice shows that managers do not give due importance considering it's a pointless waste of time and resources. For example the study conducted by Marinas (2010: 329) on a sample of 150 organizations in various fields show that frequency of use of career plans in the promotion of employees of Romanian companies is quite low. This is evidenced by low mean score (3.62) obtained from the processing of responses (using 7-step scale). The same study show that among the types of companies investigated, large companies are using in the lowest proportion career plan as a tool for career planning (21.43%). Promoting employees, iniquitously, on the needs of the moment impulse is evident expression of short-term orientation, the main value of culture in Romania.

Our research results show that for employee career planning and development is one of the strategies that would most determinate to improve their performance at work (mean 4.08). Analyzing the responses from managers we can notice that planning and career development of employees is not a motivational strategy often used by them (average 3.28), and results on sample of employees confirms this (average sample consists of employees was 2.52). Because the questions were the same, for both managers and employees we use statistical analysis. T-test indicate that is a significant difference between the opinions of the two groups and between the scores recorded in this variable (t-test value is 4,650, $p < 0.01$).

We believe that managers consider employee career planning as a difficult activity difficult, devoted exclusively to the interests of employees and actually can not see the benefits at the organizational level. In exchange for the employees it represents guarantee of a job in the company they belong. Therefore further we present some advantages of career plans both for individuals and for the organization.

Table 1: Advantages of career plans

Organization	Employee
• reducing the costs of employee turnover	• development potential to promote the organization's hierarchy
• attracting and retaining performing employees	• increased autonomy and responsibility
• employee loyalty	• increase employee satisfaction
• increase employee performance	• achieving knowledge and experience

Source: adapted after Chișu, 2002: 315

Other authors (Harrington, 2001: 238) argue that without career planning, there is a risk that the organization have a workforce underused, disappointed, error-prone and migrating towards other organizations. We believe that in terms of organization, career planning can reduce the costs of labor movements, but also will benefit from

greater loyalty from them. Internal environmental changes are imposed by the new strategy determined by the appearance of new products, markets change, new technological requirements, the changes in the organization. Just these mutations whose pace is fast determined the need for career planning and practicing its management.

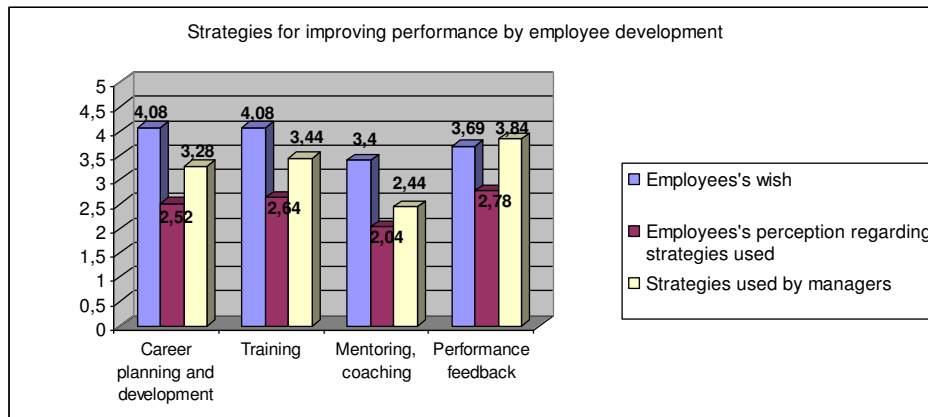


Figure 3: Different perspectives regarding using of performance improvement strategies in Romanian companies

4.3. Employees training

Training related to professional development is one of the main ways in which organizations can enhance employee performance (Bocean, 2009: 27). Between training and development must establish a certain distinction, at least in principle. Giscard (in Russu, 2004: 156) says that the training is to develop new capabilities, while developing involves improving existing capacities.

Total expenditure per employee of Romanian companies for training, make that Romania ranks last, while participating in professional training programs remains low. Thus in 2005 only 1.1% of the population in the age range 25-64 years participated in training as against the EU average of 9%. The situation was a serious concern because place at a significant distance Romania to the European target of 12.5% for 2011. (<http://www.mmssf.ro>).

From our research results (figure 3) it can be notice that participation to training and development is seen by employees a way that stimulates them to improve their performance (average 4.08), but their perception is that the organizations they belong to, is not really a strategy used by managers (average 2.64).

One reason may be the cost of such training (only 1.5% of the total human resources costs at company-wide are allocated for training activities) and also the fact that not always training needs are correctly identified among employees.

Responses received from the manager show that training programs are ranked 2 among performance improvement strategies they use in organizations to which they belong, and statistically there is a significant difference between the opinions of two groups (t-test value is 2.905, $p < 0.01$).

The study conducted by Society for Human Resource Management revealed that 40% of managers consider employee training as the most important activity of human resource management (Knorad and Deckop, 2001: 270).

The explanation of such guidelines is that potential employees' work and thus their ability to obtain performance is limited time, not only in terms of age employees, but especially in terms of their migration to other companies. According to American managers, employees must be oriented to improve their performance so as to generate added value to the company. In conclusion we believe that training of employees, even if it involves some investment is a source of profit for the company able to guarantee its survival and stability of employees who are better trained and better paid. Also we believe that in case of major technological leaps, training all staff is definitely a supporting measure. In our opinion it is not enough for companies to provide employee training programs; more importantly, they should develop specific practices that seek the human potential (knowledge, experience, skills) new acquired in these programs to be capitalized in order to improve employee performance.

4.4 Coaching and mentoring

Coaching is "an interactive process through which managers and supervisors seek to resolve performance issues or to develop staff capacity through collaboration and based on three components: technical support, personal support and individual challenge" (Luecke, 2004: 2). The aim of the coaching is to improve professional performance, correct inappropriate behaviors and unlock a person's potential to maximize their own performance. Both results obtained on the sample consists of managers and those obtained on the sample consists of employees shows that mentoring and coaching are not ways to persuade employees to strive for better results (it was recorded the lowest average 3.4), nor strategies used by managers to motivate their actions for performance (average 2.44). This was the only variable for which we obtained agreement between the answers to the three questions. T-test statistical analysis indicates that no significant differences between scores compared are recorded ($p > 0.05$), averages being very close (2.44 on managers' sample and 2.04 on employees' sample).

We believe that involving the employee in a personal process of exploration and discovery, setting goals and implementing a specific action plan, followed by appropriate feedback, coaching leads in time to obtain good results. Through coaching activity employee understand what are his limitations, which is the source of its failures and are supported in discovering the causes which prevent progress in a particular area or time (Bocean, 2009: 29).

Unlike coaching, mentoring initiative is the one who wants to develop, taking responsibility for this (Wanberg, et al, 2003). According to Luecke (2004: 78), the final difference between the two activities could be summarized as follows: coaching refers to the current job and current work, while mentoring concerns the career in general. Indeed these activities require effort, involvement and interaction daily workplace managers with subordinates, and from the results of our research we can conclude that there is actually no availability for developing coaching and mentoring programs to guide and orient employees.

4.5 Performance feedback

Through several studies that had examined the effects of feedback on performance concluded that that generally, people who receive immediate and frequently feedback achieve better performance than those who are not receiving (Stewart and Brown, 2011: 314). Other studies show that intake of feedback to enhance

professional performance of employees is significantly, recorded an improvement in results between 8-26% in average. According to Aubrey (2007: 174) in many cases performance even doubled shortly after the introduction of feedback.

The purpose of feedback is to determine the necessary actions to improve performance, corrective actions can be, but it is desirable to be preventive. Deficiencies in providing feedback contribute greatly to the problems of poor performance, yet most organizations do not have an effective system for providing performance feedback to their employees. Even companies that communicates to employees twice a year production figures and quality indicators actually gives them information, no feedback that have little impact on improving workplace activity. Feedback is a vital part of an individual's performance and development and therefore an organization needs to decide above all if the purpose of the feedback is developmental only, or if it will be evaluative and linked to promotion and reward (Rațiu et al, 2011: 344).

As you can see in figure 3, in order to improve the performance of their employees, managers surveyed say they use most often feedback (mean 3.84). This result is confirmed by more than half of the employees who responded to the question: What methods are used to improve performance by your manager? (mean 2.78).

Between the two samples pairs were obtained significant differences in responses, that was indicated by t-test values ($t = 4,650$, for $p < 0.01$). Instead, performance feedback is not the preferred way to employees when it comes to what cause them to improve their work (mean 3.69), because they are afraid of receiving negative feedback.

Initial reaction of employees who receive negative feedback can be to make a greater effort, unless they are confident that they will experience success in terms of future results (optimistic perception of their own abilities). Otherwise, employees whose results are below expectations will become demotivated, will become defensive or conflicts with other employees. Therefore, an important aspect to consider to ensure that negative feedback leads to improved performance is confidence and helping employees, for them to realize that however have the necessary skills to improve future performance.

Unfortunately, many managers find it difficult to discuss the negative aspects of assessment and therefore try to avoid interview feedback. But, this is not the most appropriate solution, because an employee may not always be aware of his weaknesses and their consequences; therefore these can not be removed if the employee is not connected to the feedback. We believe that one of the manager's skills is the communication of a poor outcome of the assessment, along with discussions about ways to improve employee work without causing strong resentment along employees.

Another objective in our research was to test the following hypothesis: "There is a direct, positive correlation between educational level and employees' preference for strategies to improve performance through development".

In order to check the existence of a statistical link between these variables we have tested this assumption by correlating the level of education variable and the variable "I am determined to improve my performance in the following ways": career planning, performance feedback, training, mentoring (Pearson correlation). A single positive correlation was found between these variables, namely, the level of education correlate with career planning (the sig 2-tailed = 0.035, $p < 0.05$; Pearson's

correlation coefficient is 0.384). One explanation, in our opinion, could be related to the fact that not everyone is interested about professional development and career planning; these are often an intrinsic motivation, only for those ambitious, for those, who needs esteem and achievement are important, so that their satisfaction will lead to progress on Maslow's pyramid. This conclusion is particularly important for companies' management, while the possibilities and opportunities for promotion and career development is an important way to boost employee performance.

5. Conclusions

Human resource strategies are increasingly necessary as essential components of human resource management conditioning the development and rational use of personnel of an organization. Strategies to improve performance costs are much lower than the losses caused by fluctuation of employees and their dissatisfaction. Conflicts, sabotage, defensive behavior, intensive fluctuation are just some of the forms of employee dissatisfaction. Fluctuation is costly and deeply dysfunctional and employee's departure affected good work in an organization, because on the one hand, a certain amount of time, colleges must take the burden off, on the other hand need to find a person in place, mean time to integrate in relation to current tasks and team work.

The result of this study bring into attention the fact that the perspectives of managers and employees from surveyed companies are quite different in terms of performance improvement strategies. Besides one variable (mentoring and coaching) for all other were recorded significant differences between the two groups. Therefore managers should pay more attention when chose strategies for improving their employees' performance, because not all of them react in the same way, due to different education levels, needs and motivational structure.

Concerning our hypothesis, one could say that it is partially validated since employee preference for certain strategies vary by level of educational attainment. Employees with higher education levels are determined to achieve better performance if their superiors are concerned about giving opportunities to plan and develop their career, for designing a clear pattern against which they can report their expectations and to direct their efforts.

In our opinion, one of the main measures that could to be taken in order to increase employees' performance, refers to fact that managers cannot determine every employee to be competitive by using the same methods, and therefore treating each person differently with the aim of creating for that person a favorable context for the development of the performance, brings benefits at individual as well as at organizational level. But, to perform this role, full understanding human behaviour and appropriate use of these strategies is required.

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