Abstract

The aim of the research is to investigate and understand what motivates the employees of the North-East Regional Development Agency, the driving forces behind their loyalty, and furthermore, how staff retention reflects onto the overall performance of the organisation, and how this is measured and quantified. We started from the premise that motivating actions and effective retention strategies enable employees to become committed to their workplace, as they feel appreciated, stimulated and view their position as secure.

The general objectives of the qualitative study were: to identify the motivating factors as well as demotivators at the workplace; to distinguish the link between motivation and employee loyalty as against organisation; to determine the link between motivation, employee loyalty and performance; to identify techniques and rules of good practice in assessing performance and motivation of employees at work.

The data collection method was the semi-structured interview, nonprobabilistic, snowball-type sampling was used. The main topics of the analysis were: What makes people remain loyal to the company they work in? In what circumstances can employee loyalty be considered a result of good motivational management? How does employee loyalty lead to outstanding company performance at all managerial levels? The practical dimension of the research focused on the following themes: motivation and motivation methods; demotivating elements in workplace activities; loyalty and organisational citizenship behaviour; and performance reviews.

Keywords: loyalty, performance management, motivation of human resources, appraisal instruments

Résumé

Le but de cette recherche est d’étudier et de comprendre ce qui motive les employés de l’Agence de développement régional du Nord-Est, ce qui les détermine à rester fidèles à l’organisation et, de plus, reflète la rétention du personnel dans la performance globale de l’organisation. mesuré et quantifié. Nous sommes partis du principe que l’emploi de

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moyens motivants et de stratégies efficaces de rétention, les employés créent un attachement au lieu de travail, se sentent appréciés, stimulés et sécurisés.

Les objectifs généraux de l’étude qualitative étaient: d’identifier les facteurs de motivation ainsi que ceux qui démotivent les employés; identifier les règles de bonnes pratiques dans l’évaluation des performances; identifier le lien entre une motivation efficace, la loyauté des employés et la performance de l’organisation.

La méthode de collecte des données était l’interview semi-structurée, l’échantillonnage étant non-probable, de type « boule de neige ». Les questions de recherche auxquelles nous essayions de répondre étaient les suivantes: Qu’est-ce qui pousse les gens à rester fidèles à l’agence dans laquelle ils travaillent? Comment la fidélisation des employés peut-elle conduire à des performances exceptionnelles au sein de l’agence à tous les niveaux managériaux ? La dimension pratique de la recherche a porté sur des sujets tels que: la motivation et les éléments démotivants dans la conduite du travail sur le lieu de travail; loyauté et comportement civique organisationnel; évaluation de la performance.

**Mots-clés:** fidélité, gestion de la performance, motivation des ressources humaines, outils d’évaluation

**Rezumat**

Scopul acestei cercetări este de a investiga și înțelege ce îi motivează pe angajații din Agenția pentru Dezvoltare Regională Nord-Est, ce anume îi determină să rămână loiali organizației, și mai mult, cum se reflectă retenția personalului în performanța de ansamblu a organizației, cum este aceasta măsurată și cuantificată. Am pornit de la premisa că prin utilizarea unor mijloace de motivare și a unor strategii de retenție eficiente, angajații creează un atașament față de locul de muncă, simțindu-se apreciați, stimulați și având siguranța locului de muncă.

Obiectivele generale ale studiului calitativ au fost: identificarea factorilor motivatori precum și a celor care demotivează angajații; identificarea regulilor de bună practică în evaluarea performanței; identificarea legăturii dintre motivarea eficientă, loialitatea angajatului și performanța organizației.

Metoda de colectare a datelor a fost interviul semistructurat, eșantionarea fiind nonprobabilistică, de tip “bulgăre de zăpadă”. Întrebările de cercetare cărora am încercat să le dăm răspuns au fost: Ce îi determină pe oameni să rămână loiali agenției în care lucrează? Cum conduce loialitatea angajaților la performanțe deosebite în cadrul agenției pe toate nivelurile manageriale? Dimensiunea practică a cercetării a vizat teme precum: motivația și elemente demotivatoare în desfășurarea activităților la locul de muncă; loialitatea și comportamentul civic organizațional; evaluarea performanțelor.

**Cuvinte cheie:** loialitate, managementul performanței, motivarea resurselor umane, instrumente de evaluare

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The interest in the research of the organisational loyalty element of human resources features in the paper authored by Grama and Botone (2014, 435-441), *Organizational citizenship behavior, predictor of job performance: Case study*. The authors focus their attention on examining organisational citizenship behaviour, by assessing the relationships between work
satisfaction and labour outcomes. They explore the various dimensions of Organisational Citizenship Behaviour (OCB) both at the Organisational level (O), which includes features such as loyalty, civic sense, initiative, commitment and how members of the organisation relate to them, and at the Individual level (I), dealing with the professional behavioural relationship between the individual and the other employees, including elements such as altruism, social engagement, help, cooperation and group communication facilitation. The findings of the study demonstrate that organisational civic behaviour, “increases the organisation’s ability to retain the best employees, may enhance altruism, morale and group cohesion, which could boost performance and help the organisation to retain the best employees” (Grama, Botone 2014, 440). Moreover, by exhibiting fair-play, employees become an example to others, developing a certain loyalty and commitment to the organisation.

The Oxford Dictionary of English (Stevenson 2010, 1050) defines loyalty as a strong feeling of support or allegiance. Individuals demonstrate loyalty by offering or presenting constant support to the institution in which they work. Linz, Good, Busch (2015, 169-191) emphasised that loyal workers tend to display high productivity and to provide enhanced customer service, which contributes to lower recruitment costs. The authors measured employee loyalty through a composite of four variables linked to employees’ commitment to remain within the organisation, Ordinary Least Square analysis and fractional logical regression analysis to interpret the data. Using the data collected, the authors found that loyalty is positively correlated with job protection and security, with expected rewards and is closely linked to the higher frequency or amount of bonuses and the provision of additional opportunities for developing professional skills. Griffin (2015, 330) notes that an important the manager’s praise and the respect shown by one’s colleagues also play an important role.

Other researchers (Guillon, Cezanne 2014, 839-850, IRMA 2017, 102) have highlighted the relationship between employee loyalty and organisational performance, prompted by the idea that employee loyalty creates value for the organisation, thereby leading to higher performance.

Performance is dependent on skill, motivation, and situational factors (Brown, Lent 2005, 217). For each work situation, the reviewer, usually the manager, should examine the extent to which external or internal factors have influenced employee performance. The rewards system should be based on the review of employees’ performance (Tracy 2013, 40), assessing in particular their actions aimed at helping the organisation to achieve a
significant level of productivity and profitability. The rewards system should not neglect actual compensation, namely that based on employee performance, rather than on their education, seniority or political ties.

1. Theme and objective of the research

The qualitative study undertaken aimed to assess the perception of members of the North-East Regional Development Agency (North-East RDA), in relation to a series of relevant topics for the impact of human resources management. The North-East RDA has the mission to support economic and social development of the region with the aim of reducing intra and interregional imbalances in order to increase the quality of life and achieve European standards.

The aim of the research is to investigate and understand what motivates the employees of the North-East Regional Development Agency, the driving forces behind their loyalty, and furthermore, how staff retention reflects onto the overall performance of the organisation, and how this is measured and quantified.

We started from the premise that motivating actions and effective retention strategies enable employees to become committed to their workplace, as they feel appreciated, stimulated and view their position as secure. As they feel safe in their position and loyal to the company, staff turnover – which exists in each organisation at any given time – will be minimised. Employees will therefore have the opportunity to achieve performance within their departments, thus relieving the organisation of additional recruiting costs.

Consequently, loyal employees will form the “foundation” of the workplace, as the organisation will be able to rely on them in unforeseen or high-risk circumstances. Indeed, the literature in the field emphasises that loyalty involves focusing on values, thus leading a paternalistic management (Zorlețan, Burduș, Căprărescu 1996, 206). The employees are thus aware of the company’s past, codes, culture, norms and internal rules, and thereby the culture of the organisation is reinforced.

The general objectives of the qualitative study were: to identify the motivating factors as well as demotivators at the workplace; to distinguish the link between motivation and employee loyalty as against organisation; to determine the link between motivation, employee loyalty and performance; to identify techniques and rules of good practice in assessing performance and motivation of employees at work.
2. Research methodology

The present study is the outcome of a qualitative exploratory research conducted in May 2017. We opted for qualitative research as it uses a range of methods adapted to the interpretation of phenomena, human subjectivity and social constructs (Jupp 2010, 86) understood by means of symbols, motivations, expectations, in this case knowledge being all-encompassing (Iluţ 1997, 41).

We used the semi-structured interview as a research method for several reasons: it is flexible and exploratory (Roman 2009, 83); researchers have the opportunity to use their knowledge and skills to explore unexpected themes and ideas; at the same time, it provides a detailed picture of the experiences of the people in the organisation, as the participants in the interview have the chance to describe in their own words that which is significant or important to them; it enables the researcher to examine more details and to ensure that the participants interpret the questions as it was intended (Babbie 2010, 423).

The subjects participating in the interview are members of the North-East RDA. It is worth mentioning that research was conducted both at the headquarters in Piatra Neamţ, where we interviewed thirteen employees (two management employees and eleven staff) and in Iaşi, where we interviewed two staff. The respondents’ age range was from 29 to 45. The opinions expressed by the subjects, in all cases, drew on at least five years’ experience with the North-East RDA.

The selection of experts for the interviews was carried out by: directly contacting the respective persons in order to schedule an interview; emails sent to the representatives of the North-East RDA, requesting their participation at the interviews; and direct phone calls to people whose contact details had been provided by other interviewees or to people who had not replied to emails. The interviews were conducted: at the subject’s workplace or in the subject’s home. The ten individual interviews, conducted face to face, focused on the theme of human resources management. Two of the interviews were conducted over meetings.

The interviews were recorded and transcribed in their entirety. All respondents agreed to the recording of the interviews. During the research, we also used e-mail to communicate with the human resources manager within the North-East RDA to collect certain additional information.
For some respondents it was easier than for others to express themselves without any breaks, as shown by the different time needed to answer to “key questions” used at the beginning of the interviews (“What do you think could be the main demotivating element in the workplace that influences the effectiveness of employees/colleagues?” or “How often and consistently is the performance review process used?”).

The length of answers ranged from less than thirty-five minutes to over one hundred and twenty minutes, therefore additional questions were required for reluctant respondents. During interviews, some questions were rephrased and repeated to the respondents in order to verify the faithfulness and veracity of the described elements and the interviewees’ understanding of the subject.

Nonprobabilistic, snowball-type sampling was used. The first stage of the sampling process was the *purposive sampling* (Olivier 2010, 180-181). Following the interview with the head of the human resources department, I extended the invitation to nominate a person who could provide information on the research topic. The request was sent to each individual employee. At the end of each interview, we requested from the respondents certain socio-demographic data and data on their educational path. We respected the confidentiality of respondents’ names and assigned for each two random initials to protect their identity. Requested data included: age, position, seniority in agency and level of education. Snowball sampling was suitable for the research as it provided the opportunity to identify potential research subjects.

The questions in the guide were addressed both to management and to ordinary employees, the rationale being to explore in detail the latter’s view of the management aspects, of the organisation of motivation and performance review processes, the items taken into consideration in performance measurement, and the awareness of the retention methods applied by the organisation.

Interviewees have completed university studies. The average age was 36 years, interviewees being aged between 29 and 45, most of them being female, namely eight, and seven male.

The main topics of the analysis were: What makes people remain loyal to the company they work in? In what circumstances can employee loyalty be considered a result of good motivational management? How does employee loyalty lead to outstanding company performance at all managerial levels?
3. Approximate or expected results

The practical dimension of the research focused on the following themes: motivation and motivation methods; demotivating elements in workplace activities; loyalty and organisational citizenship behaviour; and performance reviews.

3.1. Motivation and motivation methods

The first dimension of the research - motivation and motivation systems prompted our research, given that motivation is a complex theme that may be examined from a range of different perspectives and theories, with culture influencing each perspective and theory. Kwantes and Glazer (2017, 71) remark that organisational culture exerts certain effects on motivation by shaping individuals’ understanding of the significance of work or of labour centralisation.

In the respondents’ view, being motivated means: “earning a salary, having a better position” (D.L., 45 years); or “being productive” (S.N., 29 years old); “working in a safe environment, where the planning of activities is rigorously prepared, with clearly defined objectives (C.E., 43 years old).

Respondents have a set of opinions, correlated with the work they perform within the organisation, and the majority relate motivation to the respect that colleagues demonstrate, the results and achievements of their work, the dynamics, challenges and avoidance of daily routine, with job protection and security. All these aspects are correlated with Maslow’s hierarchy of needs, from the first level - salary - to the needs of “affirmation, knowledge ... a better position, comfort.”

Motivation is the main engine of an organisation, the energy that drives the human resource to achieve the goals required for the company’s success and their personal professional goals. To be effective, motivation must first match the person and its behaviour. Furthermore, the motivation techniques adopted must be correctly applied. As a result, it is necessary that the forms of motivation should be diverse and rich in strategies aimed at retaining professional interest. We could argue in this respect that work motivation has transformed from a purely physiological and economic function into a behavioural, psychological, cognitive and social function (Latham 2017, 5).

Arguments provided by the interviewees indicate that negative motivation is utterly resented and considered inopportune by the interviewed
North-East RDA employees – “I do not think that in our kind of institution there is any purpose or place for negative motivation. [...] I do not even know whether it has ever been used here.” (D.L., 45). Therefore, in such an organisational environment with a well-defined and properly applied deontological ethics, negative motivation is not practiced since, according to another interviewee, “we have not yet had to resort to formal sanctions: reprimands, warnings” (P.R., 34 years old).

In HR management practice, employees are rewarded for their work by providing them both with financial incentives offering direct motivation (Armstrong 2004, 252) and with non-financial incentives, which are intellectual, giving employees certain opportunities to develop their career and, implicitly, their skills.

The theory in the field tends to support the idea that employees mainly value non-financial motivation (Carbery, Cross 2013, 141), this being the method that offers recognition and opportunities for development in the workplace, as was confirmed by our research.

When questioned about the two types of motivation, the respondents had, on average, three types of substantiated and explained answers, as follows: “The financial part is the cake,” “[...]... the financial incentives that compensate for the fact that you can no longer hierarchically” (D.L., 45 years old); another respondent states that “they are equally important” (M.M., 40 years); and another that “it depends on the context which one takes precedence” (F.I., 32 years).

We can easily observe that the different types of motivation overlap, in some cases resulting in a mix appreciated by some, and diverge along the path to hierarchical advancement and the need for appreciation and recognition by mentioned by others.

In our research, we have explored the importance of informal events in the workplace. Upon analysing all the responses, a pattern emerged regarding the respondents’ desire to have more such events. Above all, they highlight the pleasure of communicating with colleagues from other departments, the bonds created from their exchanges in informal, relaxed settings, where they can discuss “about anything else than work” (S.N., 29 years old). According to one interviewee, people then become “a single team working together in the same place”, establishing human bonds (F.I., 32 years old).

The organisational culture is built around moments that showcase the organisation’s potential, the success stories of the agency (Sandu, Vlasă,
Ponea et all. 2010, 26), highlighting the remarkable employees and the elements that are need to be shared for the development of the organisation and on empowerment (Șoitu 2013).

Respondents also reported certain barriers to their participation in such events, such as the distance between the teams based at the regional headquarters in Piatra Neamț and those in the Iași office and the intergenerational differences (Lipman 2017). A respondent described the situation as follows: “Some are reluctant to participate in this kind of activity because they feel vulnerable [...] fearing they may lose their credibility. But this also depends very much on the generation, because they are 60 years old, but also 20.” (S.N., 29 years).

Looking at the generations covered in our study, we came to the conclusion that we interviewed employees from the X and the Y generations. The literature in the field argues that members of the X generation are conservative, respecting the work-life balance policy, while those part of the Y generation (Tolbize, 2008, p. 4), are described as more flexible, valuing teamwork and collective actions, more optimistic and highly adaptable to change.

The set of elements that lead to dissatisfaction at work and thereby to employee demotivation relates to: the extent to which the needs for respect and recognition are met: “If my work is not appreciated.” (C.M., 37); effective communication (“feedback is not given when it should, how it should, in terms of format, content, whatever”, D.L., 45); and also the expression of respect in professional relationships: “Lack of respect and ... the support for those who show disrespect [...] They are enabled, and this demotivates me.” (M.M., 40); and pressure and organisational stress due to the addition of daily tasks, projects and related activities (“there are times in the organisation, when task overloading leads to fatigue, pressure in the workplace, ... I don’t know ... sometimes to failure to meet deadlines...” (P.R., 34).

On a general level, the effect of demotivation is not felt by all the employees of the institution, with some respondents being satisfied with the challenges they face: “being an open person, I always need challenges, it is a work style that suits me” (P.R., 34 years old).

3.2. Loyalty and organisational behaviour

All the employees interviewed stated that their loyalty to the agency stems from the quality of the organisational environment, the conditions
provided by the organisation that enable them to work optimally and the very good remuneration: “The fair behaviour of the agency towards colleagues, sharing relevant information, correct, honest approach ...” (C.E., 43). They also cited other elements, depending on their own perspective on the subject. For example, one respondent who was the youngest in the surveyed sample confessed that the element that makes him loyal is “the team where I feel rather actively involved and the status of the agency as an institution” (S.N., 29 years old).

As regards the employee retention strategies at the North-East RDA, employees described in technical and private terms the path of employee retention: ensuring a level of job stability; an environment in which all the conditions are met to work optimally; job predictability and long-term security; transparent the bonus system so that “for key achievements work is rewarded financially too, not only being congratulated, but given bonuses too.” (C.M., 37); the feedback received from the line managers on the work done; and last but not least, “the tasks and type of duties they conduct as part of their role, the collaboration with their line managers and the executives and the functional collaboration with other colleagues.” (P.R., 34).

The interdependence created between financial incentives, intertwined with non-financial ones and with elements of fairness and effective relationships make the North-East RDA retention system an efficient one. We have extracted from the answers received from the respondents the particular features that they consider essential in applying retention methods and which determine them to stay with the agency. Highlights include: “... the permanent challenges” (C.E., 43 years); good horizontal and vertical communication (“any problem can be solved by discussing it ... we are a team!”, A.C., 38 years old), the prestige of the organization, “respect, a certain prestige that you have in the region for working at ADR, which is seen in a certain way ... And this is a method ...” (M.M., 40 years); but also the possibility of being seconded or outsourced, i.e. sent to similar agencies abroad on exchange programmes: “I find it very cool to be able to be in contact with other organisations of this type and to “steal” tips for your improvement” (A.C., 30). There are also situations where the agency involves members from different departments on certain projects.

The multiple techniques and strategies used in the retention process determine employees to remain loyal, yet at the same time to be aware of the methods that contributed to this decision. For the North-East RDA, it is
a win-win situation, prompting an affective organisational commitment in the civic behaviour of its employees (Have et al. 2016, 159), demonstrated by the pleasure employees experience at work and the way they present the organisation in their relations with external partners.

The low turnover denotes good preparation of the recruitment, selection and retention processes, as one of the management employees argued: “We have not been faced with staff turnover issues, because we focus on recruitment, selection, on training, motivating and retaining employees, as a result we are not really confronted with turnover” (P.R., 34). Loyal employees become stable within the organisation, lowering costs associated with staff turnover and recruitment and their negative effect on service quality (Keiningham et al. 2010, 65). Some authors argue that the development of professional training requires relevant information on the evolution of jobs and professions (Cojocaru, Rădoi 2013, 41; Şoitu 2010). Organisational loyalty is key to employee engagement and responsibility, a relationship that invariably leads to high performance at all hierarchical levels and within the agency as a whole.

3.3. Performance review

The main objective of employee performance review is to ensure that North-East RDA performance targets are met. This is achieved by professional assessments to identify employees that are not suitable for their job and to reassign them according to existing opportunities in the organisation. Employees’ strengths are also determined and maximised, while weaknesses are identified and an intervention plan is drawn up, including coaching and training needs.

Employee performance review is conducted annually as required by the internal human resources guidelines and by the ISO standard implemented by the North-East RDA. The review meeting takes place between the employee and his / her line manager. At the start of each year, all the activities and objectives of the previous year are analysed, for each employee, and the scores are recorded in the annual review report. Within the North-East RDA, the review report includes both professional goals (60% of the total score for the review) and professional competencies and skills (40% of the total score for review). In terms of equal treatment as part of the process, the respondents underlined that the face-to-face meeting with
reviewers and the compliance with the methodological framework ensure that the process is as unbiased and fair as possible for all employees. The overall performance of employees was estimated to fit “within the normal ranges of a Gaussian curve.” (P.R., 34). Rewards are provided based on performance criteria, professional skills and competencies.

When asked if they were familiar with the agency’s performance criteria, we found that although the tools and the assessment methods are transparent to all employees, the respondents are not particularly interested in the details of the criteria, “by the book”, rather they view them as invariably related to their career advancement prospects. An employee confessed that his work is not necessarily conditional on these criteria: “I know they exist, I know that they must be achieved, but ... I do not organise my work to meet those criteria ...” (A.C., 30 years), thus attempting coyly to define the criteria by associating them with the ex ante, well-grounded analyses conducted before they were established.

4. Conclusions: implications and application of findings

Our work has explored: the manner in which the North-East RDA motivates its employees; the impact of the process on professional behaviours and how they are directed to achieve goals; the importance attached to performance review and the related reward schemes, in terms of determining high performance by employees in their roles. It identifies the causal conditions in which employee loyalty and stability in the agency can lead unequivocally to the performance of the entire organisational system.

In our view, motivation is the “force” that determines and maintains the behaviour, actions and approaches of human resources, who seek to achieve rigorous organisational goals correlated to the satisfaction of needs. In this respect, the persons interviewed in our research tend to focus on internal incentives, linked to their recognition for the work they perform, to the satisfaction given by their work, to “assertion [...] knowledge” or to incentives of an external kind, such as feedback, appreciation by others, which generate other types of stimuli. The challenges and unpredictability of activities form an important factor in maintaining motivational behaviour at a high level and provide a favourable framework for employees to be permanently ready to meet the constant and different needs that invariably occur in the workplace.
Our findings on the agency’s motivation and performance review processes have shown that employees are aware of the reward policies, the performance criteria based on which such rewards are provided, the organizational procedures being transparent and thus visible to all employees.

Both at this stage and in the review of professional skills, feedback occupies a central place, out of the desire to recognise merits and to review the performance on the job, and takes precedence over employee pay. Loyalty is at the forefront, being integrated into the affective structure of the interviewees. They show a high degree of commitment to the workplace, to collegial relationships and bonds of belonging that are created. The agency employees experience the pressure and stress of work “to a very low degree”, the main impetus for manifesting loyalty to the agency consisting in its uniqueness and the stature it confers on individuals at local and regional level.

Through the encouragement and confidence given by direct managers and the agency manager, through its training or exchange schemes, the North-East RDA has highly structured strategic staff retention methods that have a positive effect.

As for staff turnover, it is at a very low, even non-existent rate, owing to the employees’ loyalty to the system and the workplace, to the substantial financial compensation, incentives and bonuses, and to the day-to-day business environment.

The annual performance review, based on the application of internal tools to identify professional development or regression, is done “in the mirror”, between the employer and the employee, providing a much more accurate picture of reality at the time.

Identifying a link between loyalty and performance was one of our goals from the onset and indeed the link has proven to be genuine, being validated by the statements made by the interviewees. We raised the question of performance in the context of no staff turnover and employees’ loyalty to their position and, implicitly, to the agency. As one respondent remarked “when you have loyal employees who do not leave you, people are improving ... this is the direct link between loyalty and performance.”

Nevertheless, a number of proposals are worth considering: a first proposal is for managers and executives who should structure their feedback as best as possible using the sandwich method, built around and related to the activity reviewed; from the data analysed, employees are looking for
methods of approaching the teams working in Piatra Neamț and in Iași, to provide the appropriate framework for knowing all the colleagues working for the agency at the regional level; organising events for each age group or combining them by including activities specific to each generation; placing the emphasis on non-financial incentives, because it turned out to be not only more stimulating, but also more valued by employees.

References