

MANAGEMENT ASPECTS IN THE PERSONNEL REMUNERATION AND STIMULATION ACTIVITIES AT S.C. TASMANIA S.R.L.

Marin IONICĂ^{1*}, Marian POPESCU^{2†}, Radu TOMESCU[‡]

¹Faculty of Economic Sciences, University of Pitești, Romania
marin.ionica@yahoo.com

²Faculty of Economic Sciences, University of Pitești, Romania
marian.popescu@yahoo.com

Abstract: *Through this scientific research report “MANAGEMENT ASPECTS IN THE PERSONNEL REMUNERATION AND STIMULATION ACTIVITIES AT S.C. TASMANIA S.R.L.” we plan to investigate the remuneration and stimulation method from the human resources department within S.C. Tasmania.*

Studying in detail the personnel’s remuneration and stimulation we have tried to present the main policy aspects at S.C. Tasmania in human resources domain:

- *Integration of the human resource management in the overall management of the company;*
- *Creating a favorable climate for conducting the activities;*
- *Professional development;*
- *Evaluation and motivation;*
- *Employee involvement in the decision making process.*

We conclude that the development of management theory and practice in personnel remuneration and stimulation in an open field for performance and professionalism of the managerial team of S.C. Tasmania S.R.L.

Key words: tariff wage, reward system, costs evaluation, salary curve, performance and professionalism

JEL Classification codes: O150, J300

1. INTRODUCTION

The issue in the personnel remuneration and stimulation at S.C. Tasmania was and it is approached from different perspectives such as in terms of the itself payroll process or from the stimulated personnel point of view and without forgetting the useful importance of this management task.

This paper aims at an overview on the phenomenon investigated at S.C. Tasmania by creating a diagram which represents the basic conceptual elements and their interaction Figure 1.

For a depth analysis and for knowing the researched framework of the phenomenon was necessary to identify and attending the specialized bibliography, which gave evidence on the following.

* PhD Professor

† PhD Professor

‡ Master student

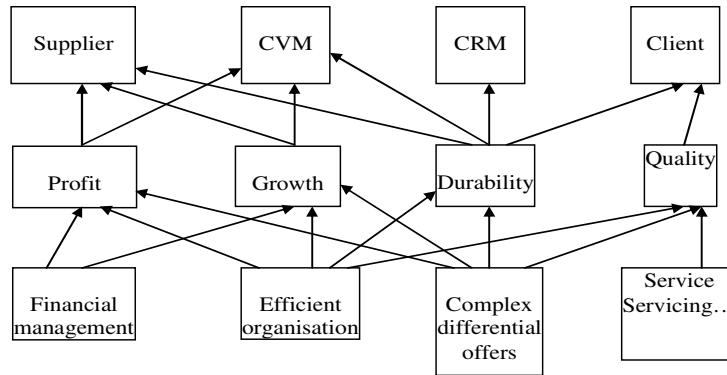


Figure 1. Interaction of the key conceptual elements and the general imaging of the interactions

In figure 2, are presented the main basic sources for the documentation.

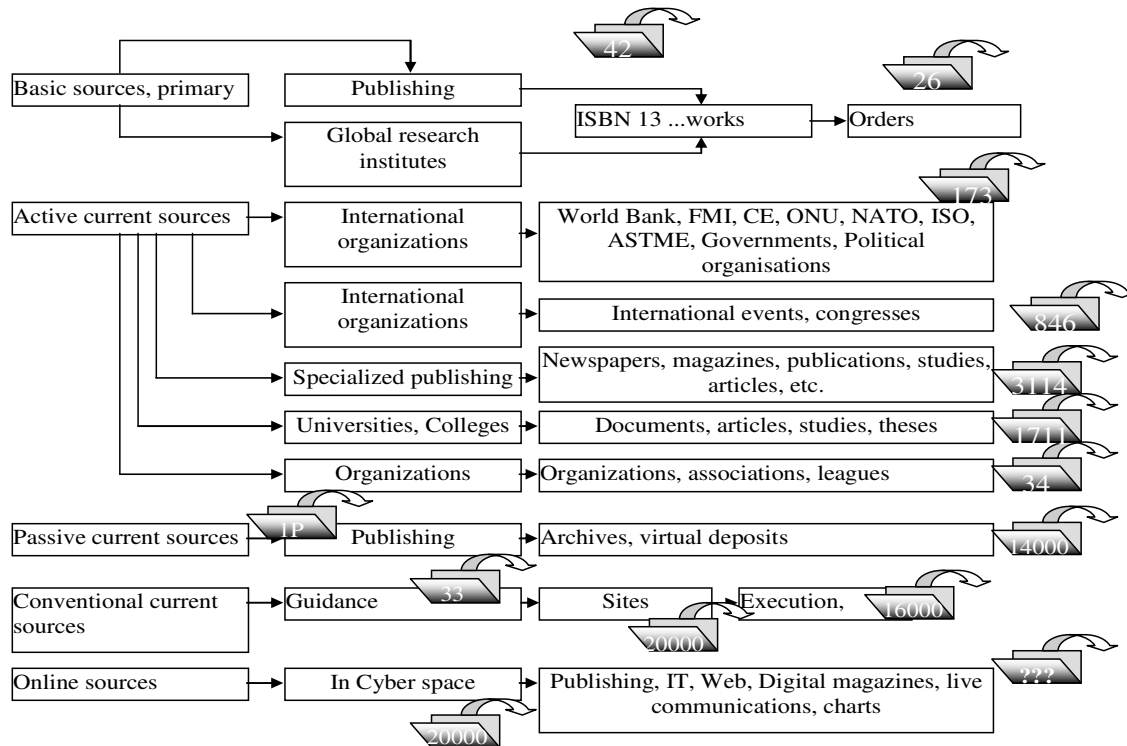


Figure 2. Documentation at S.C. TASMANIA and the basic sources

2. LITERATURE REVIEW

Employee Motivation

Among financial, economic and human resources, the latest are more essential and have the capability to endow a company with competitive edge as compared to others (Manzoor, 2011). Employee performance depends on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure and other, but the area of study is focused only on employee motivation as this factor highly influences the performance of employees.

Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations (Devadass, R., 2011). Getting employees to do their best work is one of the employees most stable and difficult challenges and this can be made possible through motivating them.

Motivation is recognized, in the modern theory of organizations, as an essential attribute of leadership, with an important role in determining and performance of the activities which implies the performances of the organization, its evolution in a competitive environment.

The employee’s motivation for work at *S.C. Tasmania* means the certitude that will obtain, doing a job under specified conditions, elements that will meet their needs.

3. EMPLOYEES’S MOTIVATION

Performances at *S.C. Tasmania* represents, to some extent, the amount of the individual performance of its members, which in turn depends on several factors, according to relationship (Armstrong M. 2003):

$$P_i = f(M, C, I) \tag{1}$$

in which:

P_i – the performance level of a member of the organization;

M – its motivation;

C – ability to work;

I – the image that he has about his own role in the company.

We notice that motivation is based on necessities and causes a chain reaction, according to the following scheme (Figure 3):

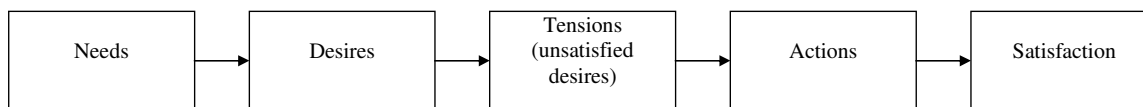


Figure 3. The needs – satisfaction chain [Source: C. Russu, Op. cit., p. 162]

The motivational process at *S.C. Tasmania* can be structured according Figure 4.

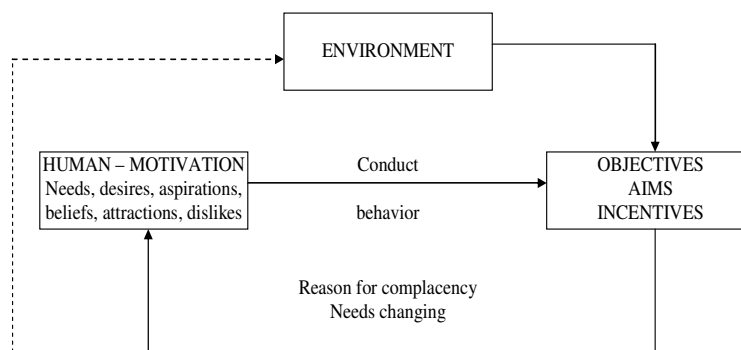


Figure 4. Restructuring motivation. Motivation flow diagram

[Source: C. Rusu, M. Voicu, Op. cit, p. 219.]

We find that within the company there is a relationship between mentality, creativity and results (Figure 5).

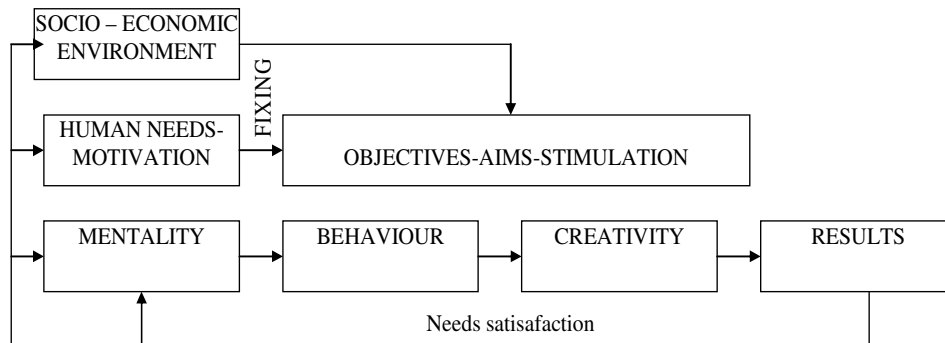


Figure 5. Mentality – creativity – results relationship.

The hierarchy of needs carried out by Maslow proves to be a useful way to analyze the employee's motivation at *S.C. Tasmania*, and a guide for leaders.

According to expectations theory, motivations depend on the extent to which *S.C. Tasmania* employees want something and in the extent to which they think they can get.

After the conducted research at *S.C. Tasmania* we notice a conditioning between motivation, job satisfaction and integration, from which it results that motivation does not act directly on the degree of integration, but through job satisfaction.

4. SALARY AS A LEVER OF BALANCE AT S.C. TASMANIA

On the labor force market, *the salary* plays a particularly significant role, acting as a basic tool in sizing the occupational volume, inquiry adjustment and of the demand for labor.

The salary system represents all methods, forms and instruments economic and organizational through which the level of employee's remuneration is based.

In *determining the minimum salary at S.C. Tasmania* should be considered the following:

- ◆ The employee's needs and their families;
- ◆ The national level of salaries;
- ◆ Cost of living;
- ◆ Provision of social protection;
- ◆ Standard of living in social groups;
- ◆ Economic factors and employment.

At *S.C. Tasmania* we propose the following Principles – strategies for providing salaries (of the reward in general):

1. Equal pay for equal work.
2. Fairness in awarding salaries (rewards)
3. Linking costs at *S.C. Tasmania* with the utility functions and for company employees
4. Rewarding outstanding performance
5. Compliance with the requirements of the labor market
6. Reward structure
7. Methods of payment

Basic elements of the remuneration system at *S.C. Tasmania* are:

Basic salary

For salary determination an analyze of job difficulty is made by statistical means which lead to establishing of a certain score (Manolescu, A., 2003).

Between the difficulty of an item (expressed by the number of points obtained) and the award level, there is a proportional linear correlation which can be expressed by a regression – Figure 6.

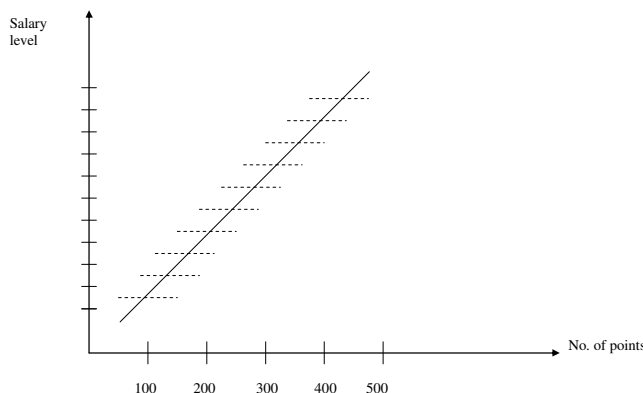


Figure 6. Reward level expressed by regression

Usually, the company divides the jobs into classes or grades, compared to the number of points, resulting in a limited number on classes or salary degrees Figure 7. Each degree corresponds (Manolescu A. 2004) a minimum wage level, jobs fitted in the same degree, receiving salaries between these limits.

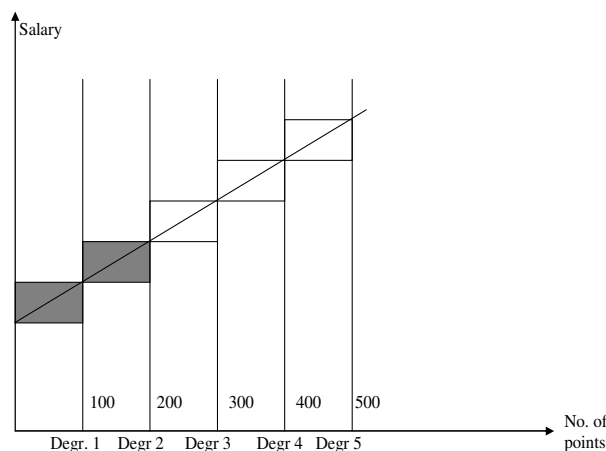


Figure 7. Jobs sharing in degrees or salary classes

Additions and bonuses include the addition of agreement, bonuses for special working conditions for hours worked beyond normal working hours and / or as appropriate seniority.

Awards and other recompenses, granted to stimulate certain performances of employees.

Basic salary, with additions, bonuses, awards and other recompenses belong to the direct awards group.

The system salary at S.C. Tasmania must ensure the fulfilling of some objectives such as (Moldovan – Sholz, 2000):

- ◆ Minimizing fluctuation, grievances and inequality perception as a result of dissatisfaction with the content of the salary system and other compensation;
- ◆ Careful control of costs with labor, designing programs to identify the value of a function and the value of each employee of the company;
- ◆ Establish and identify a good frequency and size of salary increasing, and also restrict / limit the manager competition granting undue increases in salaries and rewards;

- ◆ Differentiated reward for the higher levels of performance;
- ◆ Identify prevailing salary levels and for the rewards practiced on labor market;
- ◆ Ensure correlation of salaries with the law.

5. HUMAN RESOURCES AND CREATIVITY. PERSONNEL STIMULATION METHODS AT S.C. TASMANIA

The need to create can be determined by the existence of a malfunction (there is a real problem), but also the desire to progress, for example, without any real disruption, to strengthen its position against competition, by a competition spirit.

Within *S.C. Tasmania* are three big families of applications for creativity:

- ◆ Creation, invention, innovation;
- ◆ Solving problems;
- ◆ Optimizing what exists.

Stimulating creativity at *S.C. Tasmania* is the solution to resolve the crisis, for the implementation of change, of response for the delays of the company in relation to others, of some business over others.

We propose in Figure 8 the qualities that a creator must have within *S.C. Tasmania*.

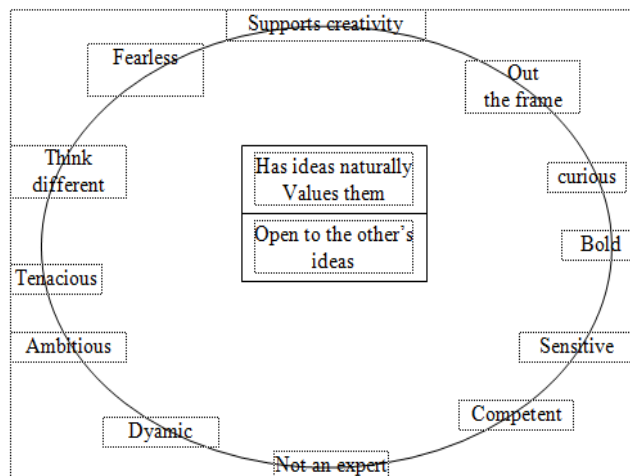


Figure 8. The characteristics of a creator

We propose in order to optimize the creativity at *S.C. Tasmania* a set of rules:

- ◆ Knowledge the involved people and of their creating skills, in addition to their contribution;
- ◆ Knowledge of improvements that are required through innovation, setting goals;
- ◆ Preserve realism in innovation – not to exceed the achievable level;
- ◆ To be assured that the created product will be explored;
- ◆ Creating as long as it is appropriate, without delay, but without anticipating too long the needs.

6. REWARD MANAGEMENT AND ITS IMPLICATIONS IN WORK PERFORMANCE AT S.C. TASMANIA

After the research at *S.C. Tasmania* for a reward or a result of work to act as an effective motivator the following prerequisites must be met:

- ◆ The person in discussion must want the reward, so this, definitively, will not become a motivating factor;
- ◆ The person must be clear that the additional effort will improve the performance, fact which should not be hindered by factors that cannot control;
- ◆ The person must be convinced that his improved performance will bring, as a result, the desired award. The link between extra effort, the achieving of a superior performance and reward receipt must be clear, direct and powerful, or at least, to be perceived in that way.

The reward system involves the integration of the managerial policies, processes and practices in the reward domain (Lefter V., 2008) and is developed in the context of organizational philosophy and policy strategies (Figure 9).

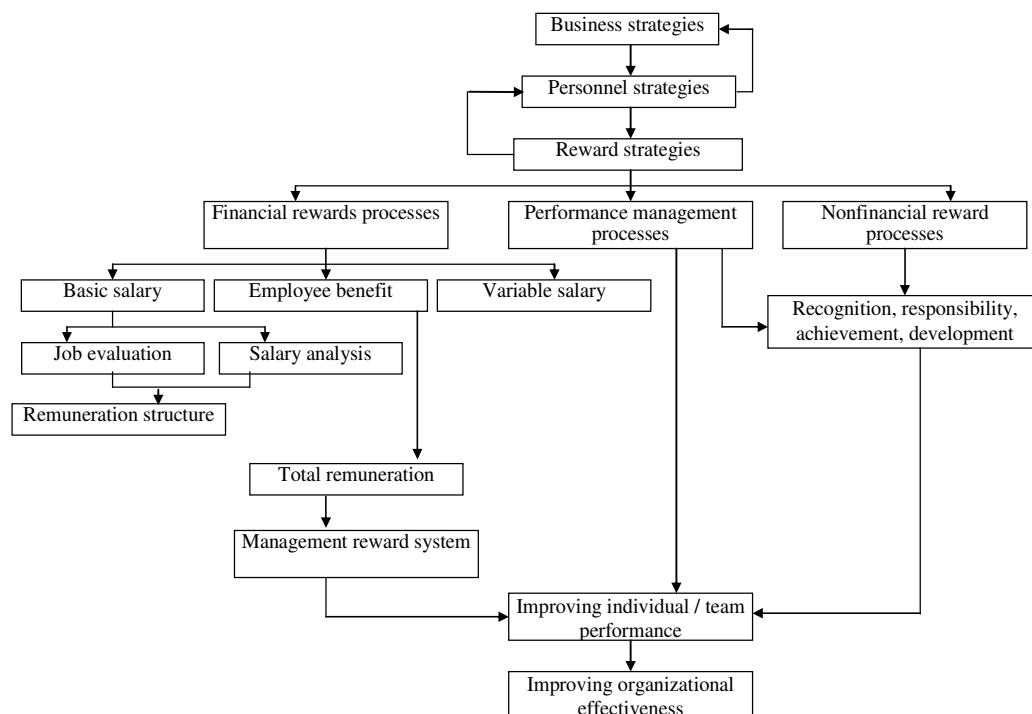


Figure 9. Reward system

7. JOB EVALUATION. PROPOSALS FOR CALCULATING THE MONTHLY EARNINGS AT S.C. TASMANIA

Job's objective defines quantitative and qualitative the reason for which it was created.

Job evaluation must consider the following important issues:

- ◆ Factors taken into account in the job evaluation;
- ◆ Job evaluation approach;
- ◆ Job evaluation methods

The salary curve at *S.C. Tasmania* represents the relationship between relative salary and labor, being plotted as a line and a point cloud which means the salary distribution within the organization (Figure 10). Salary distribution under the curve results from a job evaluation activity (Radu E., 2003).

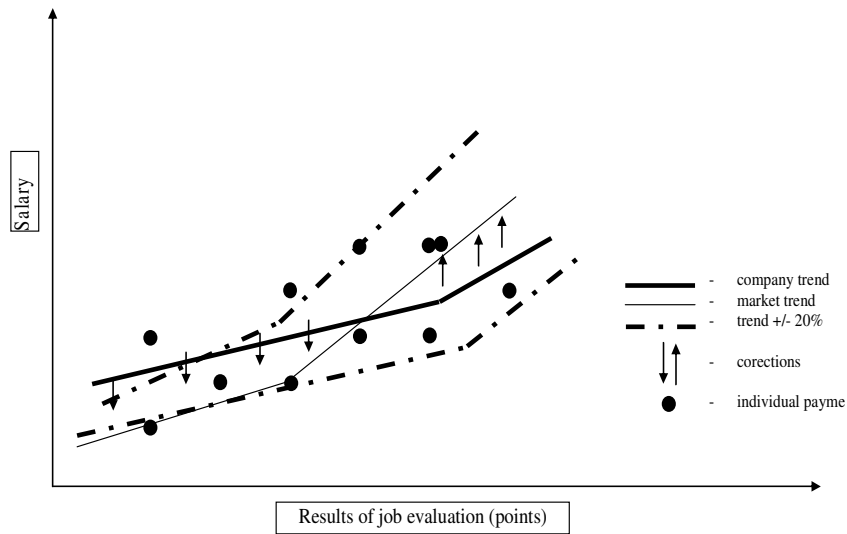


Figure 10. Comparing an organization salary curve with the market

8. CONCLUSIONS

The remuneration system and stimulation should provide material co-interest for employees. It makes intertwining of personal interests of employees with the general development interests of *SC Tasmania*.

Remuneration and stimulation of the staff and optimal use of the rewards system used as stimulating leverage to increase employee performance have the expected efficiency, only when the reality of the organization is well known.

The hypothesis was confirmed to the personnel of *SC Tasmania*, which benefits of a stimulating system of remuneration and stimulation and for granting rewards which is permanently mobilized to achieve more and better, to participate in the management process, starting from the premise that the performance of the products which are made in the company will determine the increase of its salary level and stimulation and hence of its level of living.

Theoretical aspects studied in this research have provided a number of items that were set up in individual contributions, some of them being presented during the research, at which we can add the following:

- ◆ Highlighting the main theoretical aspects of management personnel remuneration and stimulating;
- ◆ Clearing of ways and means of improvement in the personnel remuneration and stimulation field;
- ◆ Identification and analyze of the key characteristics in the personnel remuneration and stimulation domain as a first component of the company life;
- ◆ Development and trend treatment that are occurring, investigation of the managerial perspective of the phenomenon for personnel remuneration and stimulation;
- ◆ Determining the particularities of the managerial activity in the personnel remuneration and stimulation process;
- ◆ Determining the role of the managerial activity in the personnel remuneration and stimulation process and its implication in obtaining the performance;
- ◆ The diagnostic analyze as a stage, process, outcome and instrument within the training action of the management system in personnel remuneration and stimulation process;

- ◆ Investigating employees awareness at *SC Tasmania* regarding procedures, forms and methods that may positively influence personnel remuneration and stimulation management;
- ◆ Exploiting classic and modern tools of analysis and presentation we tried to come to meet certain needs which turn out to be new directions for the elements to come with capturing the aspects for remuneration and stimulation of the personnel.

Further development of this theme can lead us to:

- ◆ The critical analysis of the current system for remuneration and stimulation and determination of other levers to stimulate the personnel in different companies;
- ◆ Optimization possibilities in the business decisions regarding personnel remuneration and stimulation;
- ◆ Adapt global trends in the personnel remuneration and stimulation management;
- ◆ Widespread use of modern methods to stimulate creativity in business personnel involved.

We conclude that the development of management theory and practice in personnel remuneration and stimulation in an open field for performance and professionalism of the managerial team of *SC Tasmania*.

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