



Journal of Social and Political Sciences

Barbara Pirohov-Tóth. (2019), Role of Management in The Effect on Employee Motivation of Organizational Performance – Hungarian Case Study. In: *Journal of Social and Political Sciences*, Vol.2, No.2, 246-252.

ISSN 2615-3718

DOI: 10.31014/aior.1991.02.02.65

The online version of this article can be found at:
<https://www.asianinstituteofresearch.org/>

Published by:
The Asian Institute of Research

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Role of Management in The Effect on Employee Motivation of Organizational Performance – Hungarian Case Study

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Nowadays it is noticeable about home corporations that ensuring the contentment of employees is a real challenge for the managers, or better said, the sustenance of their motivations. The significance of this subject pertains to that theory, which expresses that performance is the multiplicative product of both motivation and capabilities (read more on this theory in for example Vroom 1968, Klein B. – Klein S. 2008). Namely, achieving outstanding organizational performance becomes possible only in those cases, when employees have a sufficient amount of motivation. Shaping up said motivation is greatly on the shoulders of the management, since if they can manage their underlings effectively, the organization may earn great success. The study presents the results of fresh research. I have conducted a survey about leaders of homeland financial institutions in order to obtain research information about the role of management in creating and maintaining motivation within the employees, and what is its coherence with the organizational performance. My subsequent examination consists of what factors induce contentment, and what causes discontent amongst the employees. I am searching for answers for these considerably complex questions. Based on theories of motivation and attitude, I conducted interviews, the results of which I attempt to summarize in this very study and collate it with the results of similar empirical researches.

The outstanding role of the corporate manager

The highest possible exploitation of possibilities in human resources by corporate leaders is getting a more and more important role within our society. They have recognized that people are not simply mere work tools, but persons owning such great specialized knowledge, and without their satisfactory motivation, it is not possible for any organization to achieve long-term results (see also Mathur G. – Jugdev K. – T. S. Fung 2008 as an example). Namely, the development of one or two products cannot be considered as insurance of gaining a tenacious competitive advantage, if the corporation can not preserve their employees. The management has a great significance on this matter.

Professionals of leadership studies define the essence of leadership in many different ways. According to the viewpoint of the first great expert of this issue, Fayol, leadership is equal and comparable to planning, organizing, directly controlling, coordinating and supervising (Fayol 1916). According to Fiedler (1968), leadership is the process of influencing others for the purpose of finding a common solution to an objective. The wording of Nemes (1998) suggests that leadership is an activity, which orients towards the effective and productive usage of resources to achieve certain goals. Cartwright and Zander (1980) see the secret of leadership in their written summarization about leadership that the leader, surrounding his subordinates, notices the operating functions of key importance. Leadership is the systematical operation of an organization utilizing a scientifically substantiated group of skills

and methods application by the leader, the formal- and informal structure, just as well as increasing the desired amount of effectiveness while assuring the equilibratory state of setting of an objective – progress – organization (quote from Gulyás-Szende, 1984). In our days, we use the term „leadership” in a dual purpose. We may interpret it as an activity, or as a unit within an organization, those people, who can influence others’ behaviour in the given situation (Bakacsi, 2004). In this study, we observe the role of the leaders within the point of view of employee motivation and organizational performance.

Definition of the concept of contentment

Many different definitions exist of contentment about the occupation. The first scientific examinations were performed by Mayo and his colleagues between 1927 and 1932 in Hawthorne experiments. They have determined that even the possibility of telling their opinions have generated contentment amongst employees, and the leaders of the organization have listened to the reason for their discontent. According to Deci's (1975) inner motivation theory, the endeavors of people consist of interior and exterior stimuli, motivations. He theorizes that the execution of an assignment originated from interior motivation can be a lot more productive, and the workers usually do their work with a lot more pleasure. However, if an exterior reward can be expected for performance, the inner motivation shall decrease (Kovács, 1996). Locke describes employee's contentment as a pleasant, positive feeling in his written work from 1976, which originates from the evaluation of his experiences regarding his assignment. Based on the research project of Papp and Perczel (1976), we may also say that the contentment with the work is the conscious representation of those factors, which present themselves as the characteristics of the scope of activities, and which influence the commitment regarding the concrete scope of activity through a conscious reflection. Moreover, the phrasing of Ulrich (1998) emphasizes that in order to reach an employee's contentment, a certain HRM training is required, which observes work progresses, workers, and everyday operative and future strategic objectives at the same time.

Data and method

The subjects of the examination consist of the junior, mid-level and senior executives of banks, insurance companies, real estate savings-offices currently operating in Hungary, from East-Hungary and the capital. During the selection procedure, I applied randomized sampling. During the research, I have prepared structured interviews, by which, I could come to know the opinions of 50 executive people regarding the matter. I have conducted the data collection between July and August of 2018. The examined inquiry issues were pertaining to leadership competencies, motivation, inspiration, performance, and feedback. I have summarized the received results with the help of descriptive statistics.

The analysis of the examined factors has been performed by contracting each and every evaluation of the executives' surveys. During the survey conduction with the executives, I have collected data, which gave me the possibility to take the enquired person's subjective characteristics into account when collocating evaluations and analyses. These data are the following: the enquired person’s assignment, gender, age, previous experiences, and the time he was working for the company. Based on these data, I could establish that among the executives partaking in the research, 16 people were working for 1-5 years at the company, 20 people were working for 5-10 years, 11 people were working for more than 10 years, and the number of people with less than 1 year working time is 3.

Results of research

About the enquired, it can be generally established that they have many years of experience in a senior leadership position before they were applied in their current occupation. Some deviation can be found at the home-savings companies, where it occurred more than one time that employees, who have been working at the organization for years, have been made executives later on. I believe that in some measure, the reason for this comes from the fact that these organizations' structure is much less fixed, they apply less systematic regulation, they are more flexible, and they put much greater emphasis on the further training of the colleagues working there. In most cases (40

people), enquired people reported that the discontent with their current workplace incited them to change, and during the realization, they were motivated by obtaining new knowledge, and the challenges of a leadership activity on different territories.

In view of services and executive levels, financial institutions show a great dispersion regarding the number of employees. While in some areas, only 12 people fall under the coordination of a junior managing director, a general manager may coordinate the work of more than 100 people. Furthermore, more than one responder has reported that the outbreak of the great economic global crisis of 2008 has influenced the fluctuation of workers negatively, however, this problem seems to be settling by now. Based on account of some branch bank executives, the structure of small local organizations has relatively flat build-up, which may originate from the controlling method of previous executives. Vertical levels were increased in the past years, realignment and fluctuation are consecutive. Hierarchic structures can be noted at banks and insurance companies, partially originating from their nature. This fact was consolidated by the executives of several insurance companies during the interview, in their opinion, retaining the chain of command is necessary for regards to subordinate relationships. They, however, experience that no great divide can be witnessed between managers and employees in junior and medium executive levels in everyday working procedures. This, however, presents itself differently in the range of senior executives. In regards to financial services organizations, the abovementioned hierarchic system is less prevalent.

Executive competences

The persona of leadership plays a significant role in the competitiveness of organizations. Many experts (for example Prentice 1984, Curtis et al., 1989, Allred et al., 1996) have conceived during the years that which are those skills and abilities that a successful leader must own. Amongst the most important skills, empathy, consistency, open-mindedness, flexibility, explicitness, effective problem-solving skill, and brilliant communication skill are mentioned. I believe that the abovementioned skills can be expanded with inner motivation as well, which incites people to achieve additional goals, therefore avoiding burnout. Based on the information gathered during the executive interviews, the prioritization on executive levels is described in the chart below.

Table 1: Skills' occurrences of interview subjects

SKILL	AVERAGE VALUE OF ANSWER (1-5)			DISPERSION (SD)	Par
	BANKS	INSURANCE COMPANIES	ESTATE SAVINGS-OFFICE		
<i>Empathy</i>	2,89	3,12	2,74	0,1563	2,917
<i>Autonomy</i>	2,65	2,45	3,21	0,3217	2,770
<i>Expertise</i>	3,33	3,08	3,16	0,1042	3,190
<i>Consistency</i>	3,24	2,98	3,05	0,1098	3,090
<i>Open-mindedness</i>	2,34	2,11	2,78	0,2780	2,410
<i>Flexibility</i>	2,65	2,47	2,86	0,1594	2,660
<i>Explicitness</i>	2,98	2,32	2,47	0,2825	2,590
<i>Contemplation</i>	3,17	3,21	3,59	0,1893	3,323
<i>Problem-solving</i>	2,74	2,71	2,58	0,0694	2,677
<i>Stress tolerance</i>	3,32	3,11	2,97	0,1438	3,133
<i>Communication</i>	1,81	3,45	3,85	0,8826	3,037
<i>Performance orientation</i>	2,87	3,12	2,63	0,2001	2,873
<i>Emotional intelligence</i>	2,65	2,82	2,58	0,1008	2,683

Source: personal design

During the research, I have experienced that the executives' own confession, the experience is what decides on prioritized attributes. Each executive is outstanding in something, good in something, and average, or even worse can be on lots of aspects. Apart from the weight, and the rate of these, the corporation, the organizational culture, the colleagues and fellow executives, sector of activity, competitors and the market can also define, amongst lots of other things, that someone will be brilliant and praised at one sector, whilst he would cumulate failure after failure if operating in a different area. Furthermore, the leadership style of an executive person also greatly matters. How he conducts himself on planning, organizing, supervising, and motivating. How he pays attention to his employees, what goals and requirements do he establish, how he coordinates, praises, punishes, devises, how he builds up personal relationships with the employees. A great percentage of the enquired people agree with this fact.

The communication of the superior can also affect the contentment of the employees. Madlock (2008) was examining the effect of a leader's communication on the employees' contentment. He distinguished the emotional component of communication, which may influence the emotions of the employees, and the component about assignments, which concerns the concrete work assignments of the employees. The acquired data during the recorded interviews suggests that each financial sector puts different emphasis on this group of questions. While the junior and medium executives of some home-savings companies and insurance companies predicate great significance on the adequate communication's effect on contentment, a percentage of bank executives rarely mention this during their commitment.

Motivation

When I asked the managers about how they view their role in the motivation of their employees, most of their responses were unanimous, since each enquired executive believes that it has a great role in their employee's motivation. They recognized that guiding, competence, wide scope of view, availability – they can ask a question from someone – the solving and mitigation of partially personal or group problems and tensions is very important. Collective affiliation, disposition in trouble, or cliques forming, exclusion, constant dissension? The result – regardless of its smallness or hugeness – must be corresponded with the work of the entire group by the leader. In this case, everyone has a part in it, and everybody can be pleased about it, and each other. If a leader dispossesses the result, it is regrettable, as it shows there is no motivation behind, but rather whip. In the long run, it is surely harmful to the group, the organization, and the results as well. In a successful organization, everyone can put on, everyone's work is valuable, and everyone has strong and weak sides, which must be acknowledged and introduced within the group, and this is the best way for compensation.

The sample shows that compliment flawlessly is one of the strongest motivating factors within executives working for insurance companies (15 people). This is corroborated by the fact that people, who occupy management positions within this sector, think that in most cases, one or two compliments affect the positive increase of employees' performance in a much bigger degree than the related monetary benefits. Furthermore, it is no wonder that the concept of compliment is mentioned so frequently in specialized literature (more about this, see also Csibi 2006, Revákné 2001 as examples) as the cheapest motivation tool, since it requires no resources at all. In total, the enquired bank executives predicate low motivating effects for punishment (22 people) as opposed to home-savings company executives (13 people), for which the reason could be that both the employees and the executives have higher educational degrees, and perhaps this makes them more sensitive for such urges.

Within the topic of motivation, I would like to introduce the – small amount of – negative factors, which may lead to employees' discontent in the long run. Executives have pointed out that in cases of certain employees, motivation is limited to fulfillment of expectations, the sustention of the job, income and living standard, which affects the organizational performance negatively. Hajdu and Hajdu's research (2014) reports similar results of the subject, during the examination of the factors, which define contentment with work in Europe. Their results show that the tension between the expected and realized value of certain work characteristics can bring serious negative effects with itself. Those, who find high income, the compatibility of a family with workmanship, and the surety of the job important, but they do not receive any of it, will suffer great contentment drawbacks.

During my research, the enquired managers agreed that the fear from the ceasing of a constant and regular income source might cause the appearance of frustration within the workers. Székey (2003) emphasizes that losing a job, and persistent unemployment is a life situation which not only causes financial problems but is also a threat to the person's physical and mental health. In Gallie's (2007) monography it is written that the correlation value between the security of the workplace and the comprehensive contentment of the workers is $r=0,32$. Gazioglu's and Tansel's inquiry on the United Kingdom signifies that the workers, who feel secure, are more contented with each and every aspect of the work than those, who constantly afraid of discharge. Therefore we may surmise with a reason that a positive connection exists between the security of the working place and the contentment of the workers. The result of this current research is in accordance with the abovementioned specialized literature

Motivation

Under motivators, we may classify those positive consequences, which are connotations of a certain behavior or activity. Positive consequences motivate the employees of an organization to repeat these countenances and behaviors (Berde, 2003). While early researches emphasized the importance of yearly schedules and bonuses, today, it may be unlikely to maintain the workers' interest even with daily accountabilities or monthly premium payments. The majority of people grow apathetic of the everyday toil and moil a lot quicker than before, and they long for a new workplace. This fact is partially substantiated by the results of the research since the responses received from the branch bank executives corroborate that most of them can motivate their workers only in short-term, they expect towering performance from them under a short time, and continuously look for fresh entrants in the market. This may be the reason why they employ younger and younger generations, who have no experience or expertise whatsoever. The polar opposite of this can be noticed at several other financial organizations, where they have learnt from the mistakes of other companies, and they pay serious attention to the long-term motivations of the employees. Executives of profit-oriented financial corporations are trying to make an effort on motivating the employees' performance in a certain way, which may also be utilized to maximalize the objectives of the organization. One very prevalent method is the introduction of the bonus system above the base wage, which is an important benefit for employees and is mutually profitable for both the company and the employees. A home savings-company executive summarized the advantage of the bonus systems the following way: „The significance of these motivating tools is that they motivate the workers, transmit positive messages about the performance expectations, assists the organizing of a performance-oriented manpower, and while doing this, they also support the realization of the organizational goals."

Performance, feedback

Nowadays, the importance of performance evaluation within the lives of organizations grew stronger, which originates from the profit-orientation of the companies. As an increment of this phenomenon, the upgrade of manpower became indispensable (Roóz, 2006). It is written in the 2nd issue of „Ergonómia," the work of Miklós Gazdag (1989) that the experience of several work-psychology-related investigations indicates that the workers' basic demand about receiving adequate feedback regarding their work and results usually remains unappeased. The enquired executives are aware of that evaluation has an extremely high role within working, as it impinges motivational effects on the people. The insufficient evaluation may weaken or hinder the effective performance's fulfillment. In the view of this phenomenon, it has been ascertained during the research that performance evaluation may be viewed as a course of proceedings, which greatly modifies a company's future by shaping the organizational culture continuously through strategic management. Therefore, several mid-level and senior executives put great emphasis on production procedures, which they strive to provide by the establishment of a satisfactory employee community. And when I asked the managers about the significance of the performance evaluation, most frequent answers were „it helps the work of employees", „allows possibility for the establishment of communication between the workers and the organization", „it may provide extremely valuable information for the integrated manpower-system and for the business planning", furthermore, „it aids the realization of the organizational goals". In favor of the effective realization of the abovementioned, some senior management circles have reported weekly feedbacks, but monthly performance evaluation towards the employees also appears at junior and mid-level classes. The information gathered from said evaluation may serve as an excellent base to make decisions in essential questions, like the remuneration, promotion or relocation of a colleague (Hámori et al., 1998).

Since feedbacks towards the worker has extreme importance, it must also be known individually, how can we create feedbacks to people.

Summarization

Executives in the leading position of organizations have a decisive role in developing employees' motivation and preserving long-term commitment. During my research, I have researched those leadership roles, which are being predicted as outstanding significance by the controllers of indigenous financial companies, and based on their viewpoints I have estimated which factors contribute the most in the development of employees' contentment. In regards to the results, I have deduced by what priorities and preferences the enquired people are thinking about motivation, and how this affects the performance of the organization.

In the course of the research, it has been established that a „good leader" has a great experience, insight into human nature, and self-control. And with cognizant managing, adequate empathy, and ceaseless learning, he may achieve success with the organization. To develop contentment amongst the workers, it is imperative that the executives allow them a certain degree of self-sufficiency. Among others, this has a significant role because excessive over-regulation can influence the colleagues' creativity and initiative skills negatively. Furthermore, the results of the examination have pointed out that income increasement is a remarkable motivation factor, however, in long-term labour relation, those factors are much more emphatic, which increase organizational commitment. Honorable mentions include the moral appreciation of the employees, enrichment of the scope of their activity, assurance of promotion, and emphasisation of the feeling of their competence. It is important for the executive to consolidate this feeling in them by providing information, the tools necessary to complete their objectives, and the possibility of further learning, and advancement. During the examination, it has been corroborated that the physical and organizational aspects of the working environment – such as job security, working conditions, a payment in par with performance, and the relationship with executives and colleagues – play a very significant role, since the lack of the abovementioned may lead to fluctuation. Financial motivational tools will always be in the forefront, however, in spite of that, future managers must put greater and greater emphasis on the development of personal freedom, and taking the personality of individuals into consideration. The collective accomplishment of these factors may result in a well-performing organization, with contented employees, which fulfills every expectation.

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