

V. A. POPESCU, GH. N. POPESCU, C. R. POPESCU

ISSN 0543-5846

METABK 53(1) 113-115 (2014)

UDC – UDK 669.338.45:65.011:304:62.001.6=111

## THE ECONOMIC AND SOCIAL DIMENSIONS OF ROMANIA'S METALLURGICAL INDUSTRY

Received – Prispjelo: 2013-02-21

Accepted – Prihvaćeno: 2013-05-20

Review Paper – Pregledni rad

The purpose of this paper is to enhance the understanding of both the economic and social dimensions belonging to Romania's metallurgical industry and how they contribute to generating business value. The approach of this subject became of utmost necessity in turbulent times such as the one Romania is facing nowadays.

*Key words:* metallurgical industry, economic, social dimensions, development, competitiveness

### INTRODUCTION

The economic and social dimensions of Romania's metallurgical industry are key elements that make the clear distinction between success and failure in this line of business.

There are two major issues that became of great interest: on one hand, in terms concerning the economic dimension of the metallurgical industry, the means of perfecting the way to increase Romania's competitiveness; and on the other hand, in terms related to the social dimension of the metallurgical industry, the means of raising the employees motivation's level in this line of work.

### COMPETITIVENESS – A KEY ELEMENT IN THE GROWTH OF ROMANIA'S METALLURGICAL INDUSTRY

Dynamic competitiveness, such as the one that can be found in Romania's metallurgical industry, is associated with the fluctuating nature of the competitive environment, which focuses not only on the relationship between the costs and prices, but also on the ability of firms to learn, quickly adapt to the market conditions and constantly innovate. The phenomenon of globalization and the market liberalization were the ones that made the existing boundaries between domestic and international markets increasingly vague, thus nearly leading to the disappearance of the distinction between national and international competitiveness.

Taken as a whole, Romania was one of the European Union's (E.U.) countries severely affected by globalization and the market liberalization in terms of competitiveness. In addition, nowadays the economic crisis

came as a strong shock that weakened furthermore Romania's economy and its competitiveness.

Analyzing Romania's metallurgical industry, the results show that the disappearance of borders affected the businesses process, which until then was isolated from the international competition through the national demarcations [1]. The competitiveness on the metallurgical industry in Romania is defined as the ability of firms to continuously upgrade technological facilities to produce goods, in order to provide the services able to compete at an international level. Domestic companies which, until that moment, were highly competitive and productive found themselves in a great difficulty. In this situation, one major priority for Romania is to align its own legislation with the E.U.'s standards concerning competition and especially to supervise the appliance of these harmonized rules on the marketplace.

Furthermore, one of Romania's economic priorities is the re-industrialization policy for the year 2013, precisely due to its fundamental role of the industry to bring significant added value, contributing to the country's prestige [2]. Therefore, the Board of the Chamber of Commerce and Industry of Romania (C.C.I.R.) considers that Romania should restart the process of supplying industrial equipment to the markets in Central Asia and Africa, where it was a highly appreciated supplier.

### PERFECTING THE EMPLOYEE MOTIVATION SYSTEM IN ROMANIA'S METALLURGICAL INDUSTRY

The motivation of the employee is one of the most important responsibilities that managers face in an organization, stimulating them to find the best ways to make their subordinates to achieve performance at work. However, a fact that is not very often emphasized is that the employees are able to motivate themselves because the motivational processes is initiated and co-

V. A. Popescu, Gh. N. Popescu, The Bucharest University of Economic Studies, Bucharest

C. R. Popescu, University of Economic Studies and University of Bucharest, Bucharest, Romania

ordinated within the individual. In this context, the managers' role is to identify as well as to specify the manner in which, by ensuring the organization's goals, the employees are able to meet their own needs.

At a general level, there are several ways in which motivation can be understood and defined, in accordance with both the physical and the psychological side of the individuals' actions, such as: (a) motivation can be regarded as the degree to which individuals are engaged in a specific behaviour in accordance with their desire or choice [3]; (b) motivation should be seen as a process able to trigger, control and maintain human activities at a physical or mental level [4]; (c) motivation is a set of forces activated by an employee, which initiate and direct his behaviour [5]; (d) motivation is a specific form of change that appears in the balanced state of the individual, causing a set of actions meant to reduce this change [6].

In terms of the work psychology, the motivation is defined as the sum of internal and external energies initiating, guiding and supporting the individual's efforts towards a goal oriented to the organization that will satisfy both the organization's needs and its own ones as well [7]. This definition puts an accent on three key elements: the effort, the organizational goals and the necessities of both individuals and organizations.

Considering Romania's past experience in terms of the ways to motivate the personnel activating in the metallurgical industry, the basic issue to be addressed here is that some of the methods have shown good results, unlike others who have increasingly demotivated the employees. In the lines below, some of the methods used in the metallurgical industry in Romania are being presented, in order to show which are the best practices that deserve future attention and consideration, as well as which methods should be regarded as not fit for the purpose of a respectable organization.

**(A)** The first method used in Romania, in the organizations belonging to the metallurgical sector is the positive motivation, which aims to increase the efforts and contributions to the organizational objectives based on job satisfaction as a result of the completion of assigned tasks. This particular form of motivation is based on praise, encouragement, rewards, raises, bonuses, share of profit, thanks, ceremonies, giving titles, promotions, and other alternative elements [8]. Unlike the positive motivation, the negative one refers to increasing the personnel's efforts aimed at achievement and contributions to the organization, but based on decreasing job satisfaction [8]. Negative motivation is often based on reprimand, blame, punishment, salary reductions, fines, and verbal threats. This method does not act in favour of the development of Romania's organizations which are in the metallurgical industry field.

**(B)** The second method used in Romania, in the organizations belonging to the metallurgical sector, focused on the source or location of motivation, is the one based on intrinsic and extrinsic motivation, also known

as direct or indirect motivation [9]. The direct form of motivation can be found in the individual's needs, case in which the individual loves his work, finds it a profound source of inspiration and fulfilment, and moreover it fits exactly its skills and competences. The indirect form of motivation, which is found in most cases, has its generating source outside the individual, case in which it can be either suggested or imposed. This form is most commonly encountered nowadays, given the specificities of the marketplace, and can be (a) negative, if based on the individual's rejection and hatred towards undesired consequences (such as dismissal, critique, fear of failure or loss of reputation), or (b) positive when the individual is focused on obtaining increased benefits (respectively, high salary, promotions, professional prestige, acquiring higher hierarchical positions, obtaining special expected facilities) by doing the work successfully. The method based on extrinsic positive motivation acts in favour of the development of Romania's metallurgical industry, but due to the fact that the incentives offered reside on short term in the memory of the individual, they should very often be reinstated and diversified.

**(C)** The forms of motivation cognitive and affective have their starting point in the nature of the individual's needs [10]. In this case, (a) the cognitive motivation is based on the desire to know, on curiosity and intellectual interest towards a profession, while (b) the affective motivating is determined by the individual's feelings at work and in the company, by its needs to be appreciated. This method acts in favour of the development of Romania's organizations which are in the metallurgical industry field.

In this case, given the specificities of the companies in the Romania metallurgical industry, the forms of motivation presented above reflect in the best manner which is the key drivers of their ongoing development.

## CONCLUSIONS

Concerning the future of Romania's metallurgical industry, seen as a perspective of the year 2020, the aspects that should be taken into account are: (1) any person may be motivated knowing the variety of its needs and giving them the opportunity to achieve their personal and business goals; (2) an organization can face the changes required by competitiveness and development only if the managers make efforts towards increasing the satisfaction the employees; (3) there are several motivating factors that may increase the subjective value of work.

## REFERENCES

- [1] Legea nr.538/2004 privind modificarea si completarea Legii concurentei nr.21/1996, publicata in Monitorul Oficial nr.1130/2004.
- [2] Chamber of Commerce and Industry of Romania (C.C.I.R.), <http://www.ccir.ro/media-si-publicatii-proprii/comunica->

- te-de-presa/view/romania-are-oportunitatea-si-capacitatea-de-a-dezvolta-sectoare-industriale-competitive, accesed in February, 2013
- [3] T.R. Mitchell, Motivation: New directions for Theory, Research and Practice, Academy of Management Review, 7 (1982) 1.
- [4] J. Gibson, J. Ivancevich, J. Donnelly, Management - Principles and Functions, Homewood, Boston, Fourth Edition, 1989.
- [5] J. Gibson, J. Ivancevich, J. Donnelly, Organisations, Homewood, Illinois, 1988.
- [6] Michel, L., Le motivation, Chotard et Associates, Paris, 1991.
- [7] S. P. Robbins, Organizational Behavior. Concepts, Controversies, Applications, Prentice-Hall, New Jersey, 1998.
- [8] O. Nicolescu, Managerii si managementul resurselor umane, Editura Economica, Bucuresti, 2004.
- [9] R. Emilian, Conducerea resurselor umane, Editura Expert, Bucuresti, 1999.
- [10] S. Myeong-Gu, L. Barrett, The role of affective experience in work motivation, Academy of Management Review, 29 (2004) 3, 423-439.

**Note:** The responsible for the English language translation is the lecturer, from the Commercial Academy of Satu-Mare, Satu-Mare and The Bucharest University of Economic Studies, Bucharest, Romania