

HUMAN RESOURCES PERFORMANCE IN RELATION TO ORGANIZATIONAL CONTEXT. A BALANCED SCORECARD APPROACH

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Abstract— Companies should provide a motivating organizational environment to employees in order to achieve targets for customers and organizational objectives. The current research aims to develop a research framework in order to illustrate the relationship between the influence of organizational context and the performance employees obtain at the workplace. This paper seeks to provide the contextual factors which influence the performance achieved by employees working in industrial firms from the North-East Region of Romania. In order to sustain the purpose of this research, there will be identified contextual factors and performance indicators, using the Balanced Scorecard instrument, with a focus on learning and growth perspective. Our approach brings a new perspective and generates results regarding the relationship between organizational context factors and employees’ performance, designing the framework for future quantitative research.

Keywords— Balanced Scorecard, contextual factors, employees’ motivation, organizational performance, performance indicators.

I. INTRODUCTION

ACHIEVING high performance in industrial companies requires employees working in a motivating environment. In such a context, managers should have the proper motivational strategies, taking into account the recent evolution of business environment and emerging technologies. The paper wants to provide the conceptual framework for designing a research model integrating relevant contextual factors determining employees’ work motivation and performance indicators measuring human resources performance.

An important issue which appeared in motivational theories research is the orientation from the individual to contextual factors in seeking answers regarding the level of employees’ work motivation and performance. The new technologies and new computer media

communication have a great impact on employees’ work and on the organizational outcomes they obtain.

In this view, our research brings a current perspective about the evolution of the organizational work environments which is focused on new factors which determine employees to be motivated and more productive at the workplace. Regarding employees’ performance, the Balanced Scorecard represents the most successful instrument to measure a business performance. Therefore, we can notice that selecting the relevant performance indicators, according to this model, we establish the principles of measuring employees’ performance. Also, identifying the contextual factors which influence employees’ work activities provides the results regarding the influence of improving the organizational context on the level of work performance they achieve.

II. THE ORGANIZATIONAL CONTEXT

A. The Influence of Organizational Context

The literature defines the organizational context as “the set of circumstances surrounding an event [1]” and mentions it as being related to “characteristics of the organizational setting, of the individual, of his or her role in the organization, and of any other environmental factor that that may shape responses [1]”. The individual characteristics (demographic characteristics, values as the need to succeed and the wish to obtain intrinsic rewards), the structure (the role of the individual in the organizational setting, the interaction between individual and organization) and the organizational technology (the process of transforming inputs in outputs) represent the contextual dimensions taken into consideration in scientific research.

Formulated in this way, the organizational context factors, analyzed as “antecedents of the motivational process” [2] exert influence on individual and team

motivational processes. Prevalent contextual factors (feedback, leadership, etc.) involve environmental inputs (team-oriented and individual oriented). Thus, leadership can be considered an environmental input influencing individual and team motivation and also the performance obtained at the workplace [2].

Modern technology, the evolution of the electronic communication utilities changed the work environment and the informational revolution has an important impact on organizational context, communication and work modality.

B. Employees' Motivation and Organizational Context

The organizational context has a noteworthy influence on employees' attitudes and behaviors, determining a high level of human resources motivation and performance.

Employees' motivation refers to human behavior in the context of work. Thus, work motivation influences employees' work activities and the energy they use in achieving organizational outcomes, or, as Rotaru & Prodan state, "work motivation of the individual represents the certainty of obtaining elements which will satisfy his needs, when he accomplish his work tasks" [3].

Workplace behavior is affected by individual differences of personality, personal, social, technological and organizational factors. Theories of motivation [4] which were developed to explain employees' behavior at workplace pointed out the importance of individual needs, attitudes and interests. In recent studies, there are authors who highlighted also the outmost importance of contextual factors as enhancing employees' motivation and performance at the workplace [2], [5].

C. The Influence of Contextual Factors

As employees' level of motivation at work determines the organizational outcomes, it becomes necessary to underline the importance of contextual factors driving the force to perform work activities.

The factors which determine employees' motivation for achieving high performances are represented, amongst others, by perception on works tasks, attitudes, needs, interests, behaviors, values system (internal or individual factors) or by salary system, incentives, work team, supervision system, feedback (external or organizational factors) [3].

Latest researches [2], [6] emphasize also, besides content and change elements, the influence of contextual factors or characteristics, defined as "conditions and events that originate as a consequence of experiences with a changing environment" [2], on work motivation and behavior.

As a consequence, the current research regarding employees' motivation has to be considered taking into account contextual characteristics.

III. HUMAN RESOURCES PERFORMANCE

Employees' work motivation, intrinsic or extrinsic, is positively correlated to high performances achieved by individuals [7] who are encouraged to tackle their work responsibilities. High intrinsic motivation translates into enjoyment in achieving organizational outcomes and investing time and energy in order to perform well and productively at the workplace. Consequently, as Hackman and Oldham (1980) state in their job characteristics model, employees' motivation at the workplace is linked to their persistence in accomplishing organizational goals, the quality of performance and company overall performance [4].

Considering these issues, human resources performance is considered in relation to individuals' work motivation. Thus, motivation represents "a crucial factor for executing work tasks in a company as motivated employees are more enthusiastic and contribute more to increasing organizational performance" [8]. Accordingly, employee engagement affects individual performance and, fostering motivation, improves overall organizational performance [9]. In this context, human resources performance appraisal seeks to identify individual behaviors and characteristics as individual performance is assessed in relation to employees' work motivation. The indicators of performance should be defined in terms of individual characteristics and actions which should (or should not) be encouraged during executing work tasks [10].

IV. BALANCED SCORECARD

The most successful tool of measuring organizational performance is represented by Balanced Scorecard model created by R. Kaplan and D. Norton in 1992 and developed as performance management instrument in 1996. The model incorporates 4 perspectives which measure organizational performance taking into account: the financial perspective, customer perspective, internal processes and the learning and growth perspective [11].

In the light of our current research, we based our study on the learning and growth perspective as this implies three dimensions regarding employee capabilities, information system capabilities and motivation, empowerment and alignment, as intangible assets of the company [12].

Considering the directions of our study, the proposed indicators of performance will be established according to factors influencing employees' motivation and which determine individuals to foster their initiative and creativity in achieving high organizational outcomes. In this view, selecting the indicators of performance is realized taking into account that motivated employees and correct information received on time determine the success of a business and the adjustment to changes [13].

The strategic objectives of the company, according to learning and growth perspective, highlights the

importance of improving employees' satisfaction (regarding the technology infrastructure, staff competencies and the climate for action), training, efficiency, knowledge management, employee retention, employee productivity and training in leading edge technologies [14]. In this context, improving overall company performance can be strongly correlated to employees' motivation.

V. THE RESEARCH FRAMEWORK

A. Developing the Research Framework

Our approach is based on the recent evolutions in the workplace environment. Considering "the continuous introduction of new technologies into the workplace" [2], it has been emphasized the importance of motivating employees, especially the oldest, to take work responsibilities, involving new skill learning. As a result, work motivation research underlines the necessity to take into consideration new contextual influences and evolution which change the relevant motivational factors determining human resources performance. In such context, it appears as of utmost importance to identify contextual factors which influence employees' work motivation.

Contextual characteristics add to social work characteristics, knowledge motivation characteristics and task motivation work characteristics [6] in establishing positive relationships with job performance. As a consequence, our current research framework wants to provide the research items, according to multiple changing influences on work motivation in industrial firms, which highlight the relationships between employees' motivation and job performance.

B. Proposing Organizational Context Research Items

Employees' behaviors at the workplace and their work motivation are influenced by "changes in the nature of work brought about by economic developments and shifts in organizational priorities" [2]. Therefore, managers should reconsider the motivational practices in order to foster job engagement and individual performance.

As R. Kanfer, G. Chen, and R. D. Pritchard state, the motivational processes are influenced by employees' personal characteristics, situational characteristics and time [2]. Concerning the contextual factors, we focused on the influence of such two categories of situational characteristics: socio-technical context and cultural/non-work context. The selection of the research items was realized formulating contextual dimensions which affect employees' work motivation and performance at the workplace.

Accordingly, there was chosen ten contextual dimensions, according to the literature, which are mentioned to have a strong influence on the level of employees' motivation and job performance achieved by

employees working in industrial firms. Amongst the contextual factors we identified as sustaining the motivational processes and determining work performance we selected the following: *good coordination between employees and managers, work group skills/support, co-workers collaboration, feedback, access to computer-based communication techniques/networks, decision-making processes, high quality machines and work equipments, new technologies using support, new skill learning programs, managerial practices and support in achieving new organizational objectives.*

The selection of items was determined by the recent characteristics of the work environment which involves also reconsidering what really motivates employees at the workplace. The evolution of new technologies which facilitate the communication of employees through computer-based networks and tools affects not only employees' involvement in work activities, but also the entire business environment. Also, social work characteristics remain the core measurement of employees' motivation, as the relationships and the collaboration with the co-workers determine job involvement and the degree of initiating actions and work activities. Moreover, the work equipments and the machines used by employees influence their desire to improve work activities and organizational outcomes. New technologies, new equipments and machines require that employees learn new skills and stay involved and motivated in achieving high performances at the workplace.

As a consequence, the contextual environment should be improved in order to sustain employees' involvement and work motivation which generates improved organizational performance. Therefore, our research paper, based on the recent research regarding work motivation of R. Kanfer, G. Chen, and R. D. Pritchard [2], outlines the importance of contextual environment in determining human resources performance.

The scheme below we developed, based on the heuristic model of work motivation, as a function of context, content, and change according to R. Kanfer, G. Chen, and R. D. Pritchard [2], illustrates the relationships established between contextual factors which determine employees' motivation and the performance achieved at the workplace.

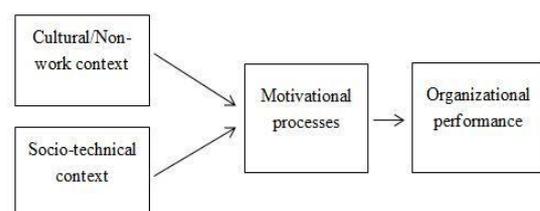


Fig. 1. Linking organizational context to work performance.

To provide a framework research to improve the organizational performance, we established also the performance indicators with regard to intangible factors which assure the success of a business, as human capital and abilities.

C. Performance Indicators According to Balanced Scorecard Model

The learning and growth perspective measure the organizational performance evaluating the business success, employees' capabilities and productivity, the organizational alignment.

The indicators of performance represent quantifiable elements, quantitative and/or qualitative, which are associated to performance criteria and which measure the degree of achieving objectives and performance standards [10].

The indicators of performance selected will be associated to performance criteria established in our earlier study regarding the relationship between human resources motivation and the organizational performance [15]. Also, items selection will be realized taking into account the dimensions from Balanced Scorecard's perspective of learning and growth. Accordingly, the selected indicators of performance are the following: *the ability to accomplish clients' demands on time, employees' satisfaction regarding the available equipments to accomplish work activities, number of specific tasks realization using new technologies, the degree of acquiring new work-related skills, the quality of the accepted work, number of employees' proposed or developed ideas or suggestions and initiated new projects, employees' persistence and motivation for achieving the predicted organizational outcomes, employees' work satisfaction, the accuracy of completing work tasks, feelings about collaboration with co-workers in accomplishing work tasks, and number of errors and rework in completing work tasks.*

The quantitative research developed according to the selected research items will be conceived as exploratory at the level of formulating conclusions regarding the influence of contextual factors on employees' motivation in the new changing business environment and the established relationship with their job performance. The Balanced Scorecard's perspective of learning and growth will represent the tool of measuring work performance.

VI. CONCLUSION

Our current research paper brings a new perspective, seeking to develop an adjusted research framework which underlines the relationship between contextual factors influencing human resources motivation and the work performance measured using the Balanced Scorecard model.

The current study highlights some key ideas in interpreting and understanding the relationship between organizational context factors' influence on employees'

performance at the workplace. Another aspect that should be taken into considered is the selection of contextual factors which are related to socio-technical and cultural/non-work context and which have a strong influence on employees' motivation and performance at the workplace. We can assert in this regard that this integrated research framework, which includes the recent changes brought about by emerging technologies and globalization of the economic environment, can be further utilized by companies in order to develop strategies of increasing employees' motivation and overall organizational performance.

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