

MANAGERIAL FORMATION, LIFESTYLE AND PERFORMANCE

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Abstract

The definitive characteristics of companies' management and background have offered more or less convincing explanations for the fundamentals of their performances and competitiveness. It was long studied the ability of managers and management teams of drawing "strategic lines" at national, regional, EU and world level. The future, instead, is at stake because of the crisis. All big companies experienced new managerial methods and models, more or less strategic, for the past two years. The present shows that those companies which resisted in front of the present realities of the market do not fit in the general strategic management. Already, often, the strategy does not excel one year. What preoccupies the specialists in human resources lately is the existent disequilibrium on the labor market and the crisis at all levels: moral crisis – spiritual crisis – financial crisis – economic crisis – social crisis, and on the needs to reduce costs with the human factor. Very few will be interested in indentifying their employees' labor aspects. They examine human personality, with the purpose of completing their employees' professional training and improvement, their performances and behavior at work, their individual results and those of the organization compared to competition... That seems to be enough, right?! But who is still interested in investigating the relation between the work results and the quality of life, the lifestyle, the personal satisfactions?

Keywords: *evaluation of management quality, lifestyle, quality, crisis.*

1. Introduction

The manifestation of the human factor in social and economic activities, involves not only the existence of a numerical quantity of it, but especially a certain level of training, of professional qualification. In simple words, the quantitative aspect is relatively easy to solve, each company draws from the labor market the respective necessary employees (calculated according to the objectives established and the interest to maximize profits). Qualitatively, the problem is more complex. The qualitative side, in the case of the labor factor, refers to the professional training, qualification, level of qualification and to the continuous formation, therefore to learning throughout life.

Until three or four years ago, when mankind was living in a time of intense expansion of technics and modern technology, the continuous improvement of workers within each company was producing significant changes in the character and content of work. This required workers with a high professional training, with a wide horizon of culture, able to master modern means of production. In real terms, on the labor market one could feel the companies' concern to improve, on one hand, the quality of labor resources, and on the other hand, the use of labor resources available in each company.

In the Romanian economy of the recent years, the relationship between the level of training and performance is impossible to separate from that of quality – quality of life, quality of work, quality of work life and why not, primarily, employees' human quality, not only their professional and managerial training.

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Even the meanings of “performance” experienced somewhat different approaches from those already established. Cases of perpetual crisis, recession, déjà vu in solving the crisis, marked the reevaluation of the turnover values, the profits, the exports, the employees that were not laid off, taking extreme measures in order to keep the organization at functional parameters.

That is performance, to prevent bankruptcy and not to lay off workers!

Sad, but terribly true.

2. Literature review

Normally, the bond between training – management training – quality / lifestyle – performance is represented by the ability to understand the content of each of the concepts mentioned especially the interdependencies between them, as well as the consequences of the individual and combined actions.

The economic publications have made available thousands of pages on managers, their training in making businesses efficient and maximize the profits by developing and generalizing performance - A. Chandler, P. Drucker, O. Gélinier, as well as Eugen Burdus, Viorel Cornescu, Gheorghita Caprarescu, Ovidiu Nicolescu, Ion Verboncu, Tiberiu Zorlentan...

Regarding the standard of living, lifestyle or the quality of life, we can say that managers have not shown sufficient concern to study the organizational context in order to identify the dependences and interdependencies with the work results. We know of research conducted over decades by Annas, Bowling, Cella, Cherin, Evans, Farquhar, Veenhoven, Sergiu Baltatescu, Ion Marginean, Lazar Vlasceanu, Catalin și Elena Zamfir ...

3. Theoretical background

Mankind was witness over the years to an accelerated evolution of the individual, from the child in school, student in university amphitheatres, to the specialist engaged in a continuous self-improvement of his/her own professional, managerial knowledge. Perhaps the time has come to a slowdown of the process, for a deep, serious and sincere reflection about the way of understanding the complexity of present reality, of planning the personal/professional and managerial evolution, and most of all, of putting into practice in an efficient way the work of the people so formed.

Experts say that humanity is still struggling with an unprecedented crisis. The methods known and applied do not seem to help. As regards the human factor, the classical patterns of education and personality formation, they do not prove sufficient. The current financial and economic crisis, without precedent in the heyday of educational management/academic or human resources management, combined with the identity crisis of the human factor. The present shows, first of all, a human crisis: identity, physical, understanding, behavior... So, where should we look for the answers to the needs of restructuring the society [1]?

Hard to understand is that the wise men with decision power, both in the education system and in the ministries with impact on the professional development of people, are not inert, but destructive. They seem not to be aware of that fact that the work results are in direct proportion with the way in which the employed person is valued (by others, but also by his/her own standards), of the issuance of a certificate attesting a competence or more competences, of the collective or individual awareness of the personal value, of understanding the necessity of familiarize with the proactive thinking and the application examples [2]...

Study hypothesis

- Training, especially training in management, is a constant of the economic activity, just that the present situation requires changes in the approach, variation in the training programs not being enough.

- Obtaining performance is not only conditioned by the managerial training, but also by the quality of life, including the work life of all workers.

4. Possible arguments

Training is a complex and lengthy process [3]. It is materialized for each individual in its qualification for a certain profession out of the wide range of professions in a society. Qualification can be seen as acquiring all the basic scientific, technical and special knowledge, as well as all the necessary skills for carrying a profession under certain economic, technical and organizational conditions. Taking into account the opportunities, skills and aspirations of each individual, the concept of qualification becomes even wider, richer. Especially under the present conditions of technical progress, when more and more professions require a certain type of skills, the qualification of each person has to start from their identification, continuing with their development thorough professional training. Taking this into account, we consider that the professional training groups two different major processes [4], namely: the professional education (which highlights the abilities of each person and, in the same time, that person is oriented towards one of the professions appropriate for the respective abilities) and the professional formation (the process though which, effectively, the preparation of each person for the job they choose is accomplished, by using all the methods and forms existent at a certain moment for acquiring scientific, technical, general and special knowledge and working skills).

In other words, the professional formation has to be the perfect combination between the process of education and work, evolving in two directions, namely [5]:

- Ensuring for each person a volume of general and special knowledge, and particularly, superior managerial knowledge. This is achieved by means of school preparation, but also of some special forms of training within the company, by this the employee acquires more competences.
- Formation of practical working skills. Practical learning in shops and enterprises under specialized guiding. The content of the work competences acquired is formed by the existence of certain methods of action practiced through exercise, i.e. continuous repetition in executing specific operations or works. As these exercises increase, the inherent clumsiness of the beginning disappears, the individual is becoming more and more familiar with the content of the activities required, the nervous tension fades, and the effort per time unit decreases continuously. The skills' training process appears like a process of work experience accumulation, each repetition leads to better skills, work experience and enhances performance [6].

Generally accepted

The theory states a person's managerial skills, pointing out that their existence does not necessarily lead to success in the act of leading. More often they accept the idea that managers are formed through formal education, but also in practice, but this is not enough. Even today, there are very few accepting that a valuable manager is born for that particular profession. In other words, native qualities are the basis for the completion of the acquired skills.

Along with the professional skills, primarily, or with the general knowledge and qualities, the abilities, talent, experience or even gender, secondly, come together to form an efficient manager. The managerial training results in a set of ten competences [7]:

- Establish a clear direction for action;
- Achieve a system of open and intense communication with all workers, regardless of their hierarchical position in the organization;
- Train and support the others;
- Recognize objectively the subordinates' performances;
- Efficiently equilibrate control and trust (knowing that their sum is a constant in management);

- Correctly know the persons to lead the organization;
- Correctly evaluate the financial consequences of the decision process;
- React positively, openly to new ideas;
- Send clear messages and clearly communicate decisions;
- Have an ethical integrity and be an example for the others.

Most of the theorists believe that managers are those who meet two categories of requirements [8]:

- Requirements related to personality, defined by: the subject's constitution and temperament; the physical environment (or climate); social environment (land, family, education); habits, skills in everyday life...

- Requirements related to intellectual abilities: intelligence; openness to new ideas; memory; rational, clear and straightforward thinking, both in term of theorization, generalization and abstraction, but also in solving everyday problems...

However, the manager's skills always appreciated are grouped into four categories:

- Cognitive skills – serving managers in collecting and summarizing information required, as well as to expose them in an accessible manner, easily understood by others;
- Interpersonal skills – enabling managers to master human resources under their leadership by precisely awarding each team member the most appropriate role in the company;
- Communication skills – easily solve existing problems, as well as managing, formally or informally, exceptional problems that may appear;
- Motivational skills – enable managers to establish clear, deeply determined and ranked objectives.

Some also believe that the qualities, skills and competences are not the only defining elements of a manager. There have to be added some technical (tasks or works) activities, analytic, conceptual, decisional activities, in the field of human relations, communication, computers...

The fact is that regardless of the interpretation, approach, grouping or denomination, the managerial training results in a series of characteristics, competences, abilities, aptitudes, talents, vocations... subordinated to a single purpose: to lead people in order to lead processes.

The managerial training completes the special formation, is continued with managerial training, various other trainings, formations and any other ways by which managers can broaden their knowledge and skills [9]. The managers' professionalism is subject to the quality of the management training, determined, on its turn, by the complexity of the training, its pragmatism, the measure in which the knowledge and skills are updated, as well as by the measure in which new attitudes and behaviors are shaped in accordance with the recent trends. Specifically we are talking about:

- **Special training (basic formation).** The importance of the basic formation (engineer, economist, lawyer etc.) within the managerial training decreases proportionally with the position occupied by the manager on the career ladder within the company. For the average levels and especially the low leading positions, which are closer to the places where work is being carried out, the importance of the basic formation is clear, because managers have to face directly with problems regarding the respective activities, therefore it is compulsory that he/she be familiar with all the aspects of those problems. At the company's management level, especially in big companies, the basic formation of the managers significantly loses importance, since the nature of the problems faced by managers at this level and, therefore, the managerial approach, is of a superior persuasion, which requires creativity, strategic vision, foreknowledge and the ability to coordinate different activities etc., which have far less to do with the basic formation. Thus, achieving performance depends on:

- specialized training profile;
- its congruency with the management activity;
- its relevance in relation to the manager's hierarchic level.

• **MA formation.** Application at European level of the Declaration of Bologna, has given increased importance to the MA (considered a superior form of training which leads to a more concise answer to the real qualification needs on the labor market). The added knowledge and specialized skills achieved through MA training is reflected on the managerial performance according to:

- MA training profile;
- Its congruency with the management activity;
- A plus of knowledge and skills which the now manager acquired in the MA training.

• **Ph.D. formation.** The higher form of high scientific qualification, after finishing the university studies, PhD involves the materialization in a scientific paper of an idea, a project, a deep approach of a certain specialized problem. PhD holds a paramount importance for the scientific careers (in fundamental and applied research) and university careers. For management positions, PhDs in technical sciences are significantly less relevant than those in social sciences related to the management or connected areas (marketing, forecasting, finance, operational research, organizational psycho-sociology etc.), because the latter, through considerable efforts of documentation and experimentation, considerably broadens the horizon of knowledge and the consolidation of certain skills directly related to the management practices.

• **Management training through university classes** (specialization – Management). This basic training is of vital importance for creating a professional manager. During the year of study with specialization Management, the graduate acquires a considerable amount of knowledge, a wide range of skills specific to that of a manager, basic rules essential for a quality management (attitudes and behaviors), in accordance with the latest elements and trends in the managerial science and practice. The effectiveness of managerial knowledge and know how within university classes is conditioned by their applicative, pragmatic character, as well as by the intensity with which they are used in interactive, participatory methods, focused on developing the base understanding of problems and on creativity. The intense presence in the university curricula of participatory methods (panel, incident, sensitivity training, solving correspondence, case study, entrepreneurial game, or in the Romanian variant, the economic project) in the past decades, is a convincing confirmation of their effectiveness in the training process, in the sense that they ensure the acquisition of conceptual, decisional and action skills that will allow the future managers to successfully face the real problems. Among graduates with specialization Management, only some will come to hold managerial positions, others will use their knowledge and skills as specialists in activities related to the managerial practice (strategic planning, operational research, organizational development, project management, staff training etc.). The performance of a company where such graduate is working, depends on:

- the quality of the university classes completed, assessed by the reputation of the high education institution attended;
- graduation degree;
- contingent exceptional achievements of the manager during his university training (specialization in famous universities abroad, excellence awards etc.).

• **Post-university managerial training.** The requirement of continuous training is greatest for those who hold managerial positions. The answer to this requirement implies, for managers, the regular participation, usually at every 2-3 years, in management training programs, which provide an update for knowledge. To this end, training programs must cover a wide range of topics on innovations in methods, techniques and management tools, in primary and secondary legislations, in government policies, global trends in the economic and managerial fields. Subsequently, the level of performance at work is influenced by:

- the quality of the post-university classes completed, assessed by the reputation of the institution organizing them;

- the connection between the theme of the graduation paper and the problems the manager is to face;

- contingent exceptional achievements of the manager during his post-university training (an excellent graduation paper, widely applicable in the respective field, winning excellence awards etc.).

• **Further training.** The training manager have in other fields closely connected to management or which provide knowledge that can be used within the managerial activity, should also be taken into account when assessing the general training for managers. Among these classes and programs are those whose object, for example, is energy efficiency, environmental protection, investment in human capital, protection of intellectual property, sustainable development, labor market, capital flows, banking system, exchange mechanisms, trade policy, energy infrastructure, transportation and telecommunications, liberalization of industrial public services, regional development and inter-regional disparities, EU institutional context, EU policies, alignment of the Romanian legislation to the EU acquis, the benefits and costs of full integration in the EU, globalization, etc. Again, the level of performance in an organization depends on several aspects:

- number of company managers who have participated in specialized classes and programs;
- how often managers participate at such classes and programs;
- the visible effects on manager's actions, after participating at such classes and programs.

• **Specializations in the country.** This form of improving the training involves conducting training courses of varying duration, from 2-3 weeks to several months in important companies in the field, in research institutes and centers of scientific and technological development, universities and specialized government bodies (agencies, offices etc.), in consultancy companies etc.. This form of training enables new and different approach to problems of interest to the beneficiary of the specialization, provides the acquisition of knowledge and new practices, as well as the capacity to adapt to new conditions and functions, and normally requires playing an active role in the respective unit. Performance achieved in the employing company is a variable dependent on:

- profile and level of specialization;
- period of specialization;
- the form in which it is completed;
- the degree of connection with the managerial field.

• **Specializations abroad.** It, obviously, presents the same characteristics as those made in the country. However, the selection of beneficiaries of specialization abroad is significantly more demanding and rigorous than the one made in the country; specialization is made in prestigious foreign institutions, which provides the premise of a very consistent transfer of knowledge and practices. The level of performance is influenced by:

- specialization profile;
- specialization period;
- the degree of correspondence with the managerial field and with the problems the respective manager has to face.

Accepted, but with pro and con commentaries

As many specialists put it, managerial performance is what mostly defines the manager's quality, its capacity to convert, with a certain degree of efficiency, knowledge, experience and skills into decisions and actions that ensure the achievement of such performance. It is enough to mention the neoclassical school of management (which includes famous names such as A. Chandler, P. Drucker, O. Gélinier), which considers profit the most direct expression of a company's capacity and implicitly, its management, to adapt, maintain and develop, by proposing a system of precise indicators to measure profit [10].

Appraising the managerial performances, and hence the quality of managers, only through the profit achieved or, on a larger scale, in terms of economic and financial performances of the company, is to embrace an exclusive and simplistic vision, which does not take into account the many internal and external elements defining the company's management. We must not forget that the company's profit, more accurately, its rate, is determined, most of the time, by factors beyond the management practice quality, such as special situations, consistent governmental support, significant changes to regulations directly related to the company's activity etc.

Consequently, management performances have to be considered in a broader dimension that includes, in addition to the financial and economic performance, other relevant aspects. Unfortunately, today's employees put the equal mark between the level of performance and the rewards. Although not the only, nor the most important motivator, reward is one of the oldest, most visible, direct and fastest tool to gather all efforts in achieving performance [11].

Recognized as having instrumental value even at the dawn of civilization, as being the foundation of various cultures and religions, reward always had the gift to influence mentalities, behaviors and attitudes at individual and society level. In organizations, the reward evolution was linked of that of the human resources. If the reward was initially positive (money and praise) and negative (punishment and blame), and the maximum valorization was material and financial, reward became only positive, widening its scope with moral and spiritual elements which are becoming increasingly popular, especially since they became, in fact, inexhaustible, as shape, volume and means of expression.

The term reward is relatively new in the management practice in Romania. Before 1990 the concept of retribution was used as a reward for the work. Taken from the Anglo-Saxon literature – "compensation" – the term can be translated into organizational context through compensation, payment, reward, indemnity, salary [12]. If the common meaning of the compensation concept is to complete, to replace something insufficient with something else, to correct something wrong by means of something good [13], the payment concept leads to the meaning of transaction, while reward as premium for a certain recognized effort is considered by most authors as the most appropriate and comprehensive.

From the organizational point of view, rewards include all existent or future nominal earnings, facilities and advantages by which the professional status, value and contribution of an employee to the company's success is recognized. Rewards are influenced and influence on their turn, directly or indirectly, all the activities that from the Human Resources Management. Therefore, they should be seen as an open system, which interacts with the company's environment, but also with its external environment. *The reward system is composed of components, policies, strategies and processes by which the organization evaluates and rewards its human resources according to skills, competences and results, as well as to their value on the labor market.* The reward system is designed and operates as a part of the company's global strategy, reflecting the philosophy of management, which can be found, explicitly and implicitly, in the assumed mission of the organization.

In the present context, there is no pleasure in presenting the reward structure neither in the public institutions nor in the private companies. Often, it is no longer the incentive to creativity, productivity or performance. However, perhaps those who have decision power will take into account the theoretical element of the system and will no longer object in putting in into practice:

❖ INPUTS

1. Company's human resources in the number and structure presented in the organization chart, in the operational recruitment and selection plans;

2. Awards, classified on their nature:

A. Direct financial rewards:

a) salary – the basic element of the reward system;

b) minimum bonuses, granted under the Collective Labor Agreement (of which they are already talking at the past tense, wanting to transform it in a memory): *special working conditions, hard, dangerous or embarrassing; harmful working conditions; extra hours and hours worked on national holidays and legal holidays; seniority.*

c) awards;

d) incentives, especially in public institutions to increase motivation at work – in term of theory, the reality is quite different;

e) allowance – fixed sums paid for outstanding performance, depending on individual, group or organization results;

f) commission – a special form of reward given, with preference, to employees as a percentage of the sales or as a percentage of the total value of the sales;

g) participation to profit – share of profit distributed to employees, up to 10% for commercial companies and 5% for autonomous.

B. Indirect financial rewards: the amounts received for the employee quality, both for during employment as well as after it, including: paid vacation, sick pay, maternity leave pay, insurance premiums: medical, life, accident, work incapacity, unemployment, pensions, dividends.

C. Facilities – refer to facilities granted to employees during the period of employment with the respective company. This category includes: housing, company car, financial support for house construction or purchase of durable goods, discounts on purchase of company products, company phone, vouchers, providing legal and financial advice, use of rest houses and sports facilities, receiving paid holidays and business trips.

D. Benefits refer to the direct and indirect, immediate and future interests that the company provides for each employee; training courses for career development, team-building and friendship opportunities, career opportunities, skills developments, quality of working life, reserved parking, and special facilities at work.

3. Information in labor legislation, the levels and types of remuneration, the evolution of supply and demand of work force for the respective market, nationally as well as on European level, the level of individual and group performances at company level, individual aspirations and motivations.

❖ REWARDING PROCESSES

Inputs on the reward system, their level and way of combination in a special compensation policy of the respective company regard primarily the motivational processes and only afterwards the level of performance. Analyzed in conjunction with the types of motivation it was proven that, while direct financial rewards are extrinsic motivation factors, the indirect rewards, facilities and benefits are intrinsic motivation factors. Combining inputs through motivational process must take into account:

- *The utility the employee seeks* – regarding intrinsic motivation, satisfaction and interest towards the work content, the sense of professional accomplishment, merit and contributions recognition, personal development and self-esteem;

- *The cost the company seeks* – found in the extrinsic motivation, related to the official recognition of the activity and the employee's contribution.

The rewarding processes within a company are influenced by:

a) internal environmental factors:

➤ *Management vision on human resources.* The mentality of the senior manager on human resources is directly reflected on the size and structure of rewards. Thus:

- *the classic vision of „labor” or of „work force”* implies a strict judgment on the economic level: the emphasis falls on direct rewards, namely, the basic salary and certain allowances provided by law, and their value is, as much as possible, minimized in favor of profit growth; often, important components of direct rewards (bonuses provided by law) are ignored; awards are granted on a preferential system, depending on mood, sympathy, existing even the possibility of intentionally

omitting persons or situations employees are facing. Facilities exist only for certain people in the top management, the benefits for regular workers are considered extravagant spending. The formula „I am everything, you are merely a few pieces on the chessboard which can anytime be replaced” expresses the infatuation as fundamental for the whole management philosophy. Contempt for people is expressed in the most obvious ways: from the form of addressing them to attitudes that leave no room for interpretation regarding the person/s holding the power, to the working hours that infringe on the legal legislation, as well as the lack of attention for days such as 1st or 8th of March, 1st of June etc. – or different occasions in employee’s personal life. The staff’s state of satisfaction or dissatisfaction is of no interest, only the obligation and responsibilities at work are. Only the present is important, usually strategies are nonexistent, and the rewarding policies include restrictions, sanctions, threats. This vision is very common in the twenty-first century Romania, especially in private companies led by gerontocrats, the newly rich in the transition period, people whose entrepreneurial spirit is synonymous with the ability to circumvent the law, where performance is not a must.

- *The globalizing vision of “personnel”* - is characterized by a tendency of leveling rewards and strictly aligning to the legal provisions. There is no difference and contribution, effort and individual aspirations do not count. It is characteristic for the public organizations and public institutions with obvious signs of bureaucracy and too little performance.

- *“Human resources” vision* allows intellectual capital and human capital to be appreciated and valued, treated differently depending on skills, performance and attitudes. As a result, the rewards are fulfilling their role as motivational factors and the way the reward system is designed and applied is based on human capital appreciation through investment in organizational learning. Relations to employees are addressed in a unitary manner (employees and employers have common interests) not pluralist manner (employee’s and employer’s interests are different and contradictory).

➤ *Reward policy and strategy.* The reward policy can work informally, by rules, group norms, traditions and habits, reflecting the management vision. Reward strategy, since it is designed as a component of human resources strategy must reflect and support the objectives and the strategic options of the global strategy. Thus, a development strategy with options to enter new markets and product innovation will determine not only a policy of recruitment from sales and research and design, but also a strategy to reward performance in those areas.

➤ *Work conditions.* This factor is included in two factor theory of Herzberg, in the category hygiene factors, whose presence does not necessarily lead to satisfaction, while their absence causes dissatisfaction.

Here is where the quality of working life, the quality of life and that of the lifestyle appears.

The standard of living is based on aspirations and initiatives (subjective component) and living conditions (objective component) [14]. They depend on the natural economic, social, cultural, personal resources... manifested in the natural, socio-cultural, collective and individual frame. If we consider all biological, social, economic, educational, cultural activities and evaluate the level of health, leisure and free time we define the standard of living [15]. It is obvious the relationship between the amount of reward and the quality in the way of life. A high income brings access to a well-placed individual status in the social hierarchy, greater satisfaction of needs [16]. And by good health, a sustained interest of raising the education level, the individual consolidates their rise on the career ladder in parallel with raising the standard of living. In terms of efficiency, this translates into performance, both in life and in the organization in which they operate.

Managers have to pay special attention to the quality of life of their subordinates if they are not indifferent to the business they lead. The individual and the organization as well depend of the health level and quality of life of the employee. Even if, in the manager’s opinion, individuals have no value except through what they achieve within the organization, there must still be concern to improve the work and life conditions of employees [17].

In order to make the business efficient, each manager should consider that the individual at work is a complex object of study, especially those who still reject the idea of taking into account the

psychological and sociological concepts within the organization. There is – not enough though – concern for employees' collective behavior. In the case of well thought leaderships, there is interest in achieving performance, but only by fully motivating their employees.

The Romanians' incomes are generally below their needs and hence employees cannot only be motivated through this material aspect. In this situation, workers choose their own work as a motivational retreat, by its content and dimensions. Surprisingly, they also become productive.

People are different, they react differently in similar situations, and therefore, observing and analyzing them and use their lucrative potential, does not have to follow rules applicable to everyone. The value of a manager is given by the way in which he/she knows and is able to recognize each personality in his/her vicinity, and through managerial levers to achieve the most efficient combination of interests at organizational level: orienting the individuals' activities towards achieving common objectives and meeting performance and, as it is possible, to meet the employees' needs. The manager's role is even more important if he knows how to use everything that is visible for everyone, but unreadable for the eyes of many.

b) external environmental factors. In this category:

➤ *Demographic factors.* Their evolution influences the demand for employment. Thus, a negative population, even though it is immediately charged as positive effect (by decreasing payment or maternity and child-rearing) has effects for the future (aging population), and the number of indirect awards (pensions, sick leaves) increases.

➤ *Nationwide labor market evolution.* The evolution of demand and supply on certain segments of the labor market can produce substantial reward variations. The example of the recent years Romania is clear: certain occupations – computer scientists, financial analysts, auditors, accountants – for which demand is greater than supply, caused not only an increase in direct and indirect rewards but, most of all, the occurrence of certain facilities and benefits practically unknown before 1995-1997.

➤ *Labor price at international level.* This factor appeared as a result of the human resources' mobility, the globalization. Salaries are subject to inevitable comparisons in the case of labor force migration. It is the case of workers in construction, agriculture, IT and doctors whose salaries in the other EU countries are compared to those earned in Romania. Lower rewards determine the massive exodus of these categories, so, in order to stabilize this situations, those remaining in the country should be offered comparable rewards.

❖ OUTPUTS

The most obvious outputs in the rewards system are:

➤ *Professional performances.* Performance-reward relation remains one of the central issues of management. Although it is discussed since the time of the classics of management (F. W. Taylor shows in his works the importance of this relation, primarily, for the employer's benefit) we cannot say that there is a perfect solution in practice, or that it is an exhausted subject in theory. Beyond measuring results and comparing them with the standards, the professional performance is subject to a numerous physiological aspects, often ignored. Therefore, so that the relation professional performance – rewards be better understood, a series of conditions, mentioned in the specialized literature [18] should be taken into account.

Table no.1 : Premises of determining the correct relation between performance and reward

| No. | Premise | Effects on manager's behavior | Effect on employee's behavior |
|-----|------------------------------|--|--|
| 1. | Employees' trust in managers | The manager who is respected by the employees may decide to grant rewards depending on performances; the contested | Employees accept the differences in rewards without clamoring against the manager whose authority they recognize; in the case of the incompetent manager |

| | | | |
|----|---|--|--|
| | | manager will level all rewards. | the differences will be contested as being subjective and unprofessional. |
| 2. | Performance freedom | The manager has to stimulate performance in all employees | Employees must know that there are no restrictions in achieving performance and that, once achieved, they will be properly rewarded. |
| 3. | Competent managers | The competent manager can correctly evaluate employees' performances | Employees are convinced of the usefulness and correctness of coordination in achieving performance. |
| 4. | The correctness of the evaluation system | The manager shall periodically review the level of performance and will periodically adapt and communicate it to employees | An incorrect assessment will generate inequity, frustration and lack of motivation. |
| 5. | Real financial potential | The manager shall not make promises of rewards that cannot be granted | The lack of financial resources, the reduction or even elimination of certain rewards will decrease the employees' confidence and level of motivation. |
| 6. | Way of expressing performance | The performance level has to be clearly expressed for each job | Knowing and understanding performances can enable action to achieve it. |
| 7. | Clarity and awareness of the reward structure | The components of the rewards system and the conditions for obtaining them have to be presented to employees from employment and announced of any modification thereto | Direct motivation for employees will be increased if they can act on those aspects of work to bring them higher rewards. |

➤ *Professional competence.* A reward system properly designed which operates efficiently, stimulates performance and recognizes professional skills, employees' efforts in professional training and development.

➤ *Organizational behavior.* It is found in the attitude towards the organization, the management and, last but not least, towards work, and by default performance.

➤ *Employee's health.* Directly affects productivity, performance and job satisfaction.

The way in which it is designed, implemented, monitored, the reward system based on the socio-economic realities of the organization and the respective area, in accordance with the specific objectives and principles, is crucial for achieving business performance, but also for the human capital's satisfaction, career and appreciation.

5. Conclusions

As times pass by, everyone can become wiser due to accumulation of information and life experience. Or so it should be. Assuming that there are no serious reasons to deny evolution in human life, at adulthood individuals can appreciate the value acquired through study, practice and put it forward through performance... For those with a deep sense of knowledge, but particularly of self-discovery, analysis is made with a high degree of objectivity and is based not only on the absorption capacity and ownership of everything that appears as new for the topics in discussions. An important factor in the analysis report is given by the relation moral motivation/material motivation; remains negligible the amount of money received by the individual for his/her work, as well as the standard of living.

The job may provide an individual with a source of revenue for a given standard of living; physical and intellectual efforts orientation towards a certain type of job; the social and material

status, implicitly recognition from others; integration in a competitive circle, where working for the benefit of others is a purpose in life and a considerable motivation to permanently overcome personal limits. However, it is not a necessary and sufficient condition for the transformation of the human factor in human capital, in discovering all human resources' abilities, talents, and vocations and transforming them into competences recognized on the labor market.

We live troubled, confusing times, almost empty of remarkable content, precisely because perennial values are denied, and non-values are promoted [19]. Slowly but surely, imposture becomes a virtue. All kind of sand castles are build and they collapse with the first wave. The principles on which our ancestors have built our society are now denied. We suffocate it – more or less consciously – not only by polluting the environment, but also by awarding incompetence with diplomas, certificates and licenses. The original fault is that there are always leaders (whatever the level) that do not know how to direct their subordinates towards progress.

Some are well intentioned, but easy to manipulate and do not realize that they are only puppets in the hands of some other more experienced puppets. Some even know their limits of competence, but mark their spiritual poverty with sick domination ambitions based on split – *divide et impera*. Those of good faith, devoted to creative, noble ideals, who know that they definitively compromise in a world of appearance, of forms without substance, of superficiality, keep fighting with the windmills until they get tired and abandon the “elitist” platoon.

Spirituality is out of place in the kingdom of materialism. Development of human personality is not desired in a world dominated by money (either by their presence, or the willing to have them) and power (through politics, family relations or economic interests).

Democracy waved in front of credulous people proves to be the symbol of uniformity. Why advocating for the individual, for the belief in one's self, who can continuously accumulate knowledge and dedicate to others?! Why should it be interesting to invest in the human being, as a specimen capable of evolution, when it is infinitely more efficient to dominate it?! When the wealth poles change, when the power spheres are reestablished, when the interest areas are reconfigured, who is interested in the number and quality of the human resources?!

Natural selection is valid also on the labor market, not only in the environment. In times of crisis only those who have days to live survive. When we will appreciate the banality of everyday life as a wonderful gift and we will stop wishing for material things or socio-professional development just because others did so, then maybe there is still hope for salvation. Reality shows that the unhealthy times we are living contain less and less moments of reflection on our own destinies: the everyday automaticity hinders us from seeing the essential in life. In fact, planning a career or professional development is, for each individual, an issue for many persons. The present economic context requires, all the more, alternatives for the permanent education and continuous formation, most of the times on our own, outside any formal structures.

There are numerous young people who are not satisfied with a slow and less significant development in the active life. All the more decided are those who already understood the difference between a satisfying job to ensure the daily income and the job which provides the individual with a wide range of challenges and multiple satisfactions. With relatively little money, for certain categories of individuals, a costly training, conducted either by the employer or another certified trainer may be replaced. If it were to encourage the acquisition of competences horizontally and transversally, by self-education or by non-formal or informal education/formation, people would be more interested in develop their hidden and undeveloped skills. It is true that such training cannot be handy to everyone, because there are not too many those who know themselves and objectively self-evaluate themselves, who are able to overcome the so considered normal or average dimension in this point of human development, and implicitly society development.

In the spirit of human resources management science, human's inexhaustible potential must be known and developed. In other words, the individual construction is subject to social construction.

Those who build explore do not fight, they create and not fight, they leave something for their descendents they do not fight. Therefore, do not kill and destroy!

The study has exceeded its original area of interest. During the research many more directions of investigation have been indentified than what it was expected. The concept of quality of life and that of quality of work life bring to focus other evolution variants of the human factor quality, namely the quality in human resources management. Upgrading human capital, with the help of managers, even in the context of such a crisis which seem not to end, contributes to the continuous development of the performance level, regardless of its manifestation.

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