

# MOTIVATION OF THE PERSONNEL INVOLVED IN EUROPEAN FUNDS FINANCED PROJECTS IN ROMANIA

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***Abstract.** The chosen theme emphasize the identified problems, based on the own experience as consultant, manager and expert in European projects with all the categories of personnel involved in funds management in Romania, on the one side the employees from the public structures- ministers, state secretary, directors, managers and project officers from the central and regional agencies and on the other side managers, experts and consultants form private and public sectors involved in writing and implementing projects.*

*Motivation, is one of the main aspects related to their activity, especially the ones from the public system, which compared with the specialists from private environment have smaller salaries and less motivation and as a result their performance is weaker than expected by public bodies management.*

***Keywords:** Motivation, Human resources, European funds, projects.*

## 1. Introduction

Why this theme? Because of the various experiences that I had in the last 7 years (2007-2013, plus 2 years supplementary approved by the European Commission) implementing European funded projects as consultant, project manager, project expert. The experiences regard the interaction with the personnel from the institutions that managed the funds in this period on the one side and with the human resources from the projects teams working in public and private institutions.

Why do we have to emphasize these experiences?

The research on this theme is important for the domain, as well for the public and for the private sector interested in projects financed from European funds. This analysis is useful for improving the relations between the two parts, the personnel that manages the funds from public authorities and the other of solicitants and beneficiaries from private and public environment.

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## 2. Experimental – Motivation Concept and European Funds in Romania

Motivation concept was launched in 1930, coming from the latin “movere” which means “movement”

Defining the concept “motivation” this is the totality of the things that moves the people to do something or to act in such way that determine the established results.

The motive is the expression of the energy that moves the people to obtain the results that accomplish the followed goal.

The behavior is also a result of the motivation. As a conclusion the motivation determines the people to follow a purpose and obtain the desired result.

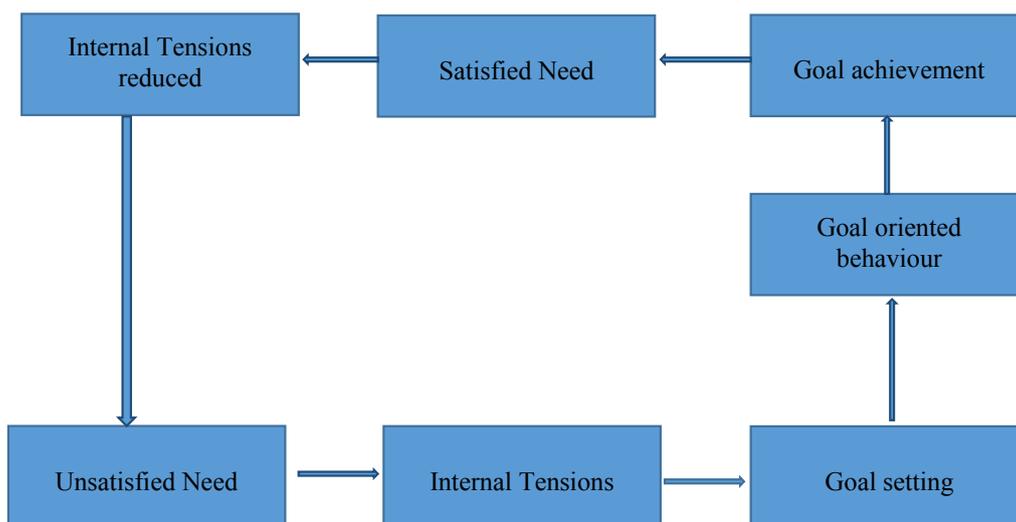
The motivation cannot be viewed, heard, felt only can be deduced from the behavior.

In order to be able to understand the motivational process it is necessary to know sum of factors that determine the motivation which are: the needs, the reasons, the goal and the relations between them.

The motivation starts with a unsatisfied need and continue with internal tensions until the person gets to the scope. This generates the goal oriented behavior.

We can present the motivational process as follows:

### MOTIVATIONAL PROCESS



**Source:** Author's own conception.

In organizational context the motivation means work motivation (recompensation) as finality of the process. The work motivation determines the employee to work in order to achieve professional and personal goal in the same time (to be efficient and to have performances at the workplace and to receive more money as recompensation).

The main indicator of motivation is satisfaction in positive way and insatisfaction for the negative part of the process. The satisfaction appears when the goal is accomplished and the work is according to individual values and needs. The insatisfaction appears when the goal is not achieved, the individual is stressed and the performance is under expectations.

The theories studied and used to explain the above concept are: A. Maslow (1954) theory of needs, F. Herzberg (1960) theory, D. McClelland (1985) Expectancy Value Theory of Motivation and V. Vroom (1932) expectancy theory of motivation.

### **European Funds in Romania**

Preaccession funds<sup>1</sup> (PHARE, SAPARD, ISPA)

- The **Phare** programme is one of the three pre-accession instruments financed by the European Union to assist the applicant countries of Central and Eastern Europe in their preparations for joining the European Union.
- Originally created in 1989 as the **Poland and Hungary: Assistance for Restructuring their Economies (PHARE)** programme, Phare has expanded from Poland and Hungary to currently cover ten countries. It assists the eight of the ten 2004 accession Member States: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, as well as those countries that acceded in 2007 (Bulgaria and Romania), in a period of massive economic restructuring and political change. *Phare* means *lighthouse* in French.
- Until 2000 the countries of the Western Balkans (Albania, Macedonia, and Bosnia-Herzegovina) were also beneficiaries of Phare. However, as of 2001 the CARDS programme (Community Assistance for Reconstruction, Development and Stability in the Balkans) has provided financial assistance to these countries.
- Following the 1993 Copenhagen Council's invitation to Central and Eastern European countries to apply for membership, PHARE support was reoriented to this aim, including a marked expansion of support for infrastructure investment. PHARE's total pre-accession

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<sup>1</sup> <https://en.wikipedia.org/wiki/Phare>

focus was put in place in 1997, in response to the Luxembourg Council's launching of the present enlargement process. Phare funds focus entirely on the pre-accession priorities highlighted in the Road Maps and the Accession Partnerships which establish the overall priorities the country must address to prepare for accession and the resources available to help them do so. The National Programme for the Adoption of the Acquis is the candidate country's timetable for preparing for accession. It estimates the timing and cost of the steps needed to prepare the country for membership and the implications for staff and financial resources.

### **Objectives**

- Strengthen public administrations and institutions to function effectively inside the European Union.
- Promote convergence with the European Union's extensive legislation (the Community acquis) and reduce the need for transition periods.
- Promote Economic and Social Cohesion.
- These orientations were further refined in 1999 with the creation of SAPARD and ISPA, which took over rural and agricultural development (SAPARD) and infrastructural projects in the environmental and transport fields (ISPA) allowing Phare to focus on its key priorities that were not covered by these fields
- Given that all 10 countries which previously were eligible for the PHARE Programme, are already Member States of the European Union, substantial changes are being made to the scope of the Phare programme. 2003 was the final programming year for the new Member States, but contracting of projects will continue till 2005 and payments based on these contracts can continue till 2006. However, given the phasing out of Delegations in the new Member States and their replacement by smaller Representations, from May 2004 the new Member States must take over the full responsibility for the management of the Phare programme through a process of Extended Decentralisation.

**SAPARD (Special Accession Programme for Agriculture and Rural Development)**<sup>2</sup> was established in June 1999 by the Council of the European Union to help countries of Central and Eastern Europe deal with the problems of the structural adjustment in their agricultural sectors and rural areas, as well as in the implementation of the acquis

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<sup>2</sup> <https://ro.wikipedia.org/wiki/SAPARD>

communautaire concerning the Common Agricultural Policy (CAP) and related legislation.

Along with ISPA and Phare it is one of the three pre-accession instruments financed by the European Union to assist the applicant countries of Central and Eastern Europe in their preparations for joining the European Union.

The programme which comes under the remit of the EU Commission's Directorate-General for Agriculture and Rural Development is part of the Agenda 2000 programme for increased pre-accession assistance in the period 2000-2006. Until the fifth enlargement of the EU in 2006 its overall budget was 560 million euros (2003).

**Instrument for Structural Policies for Pre-Accession (ISPA)**<sup>3</sup> is one of the three financial instruments of the European Union (along with Phare and SAPARD) to assist the candidate countries in the preparation for accession. It provides assistance for infrastructure projects in the EU priority fields of environment and transport.

For the period 2000-2006, EUR 1,040 million a year (at 1999 prices) has been made available for this instrument. During its first four years of implementation (2000–2003), ISPA grant-aided over 300 large-scale infrastructure investments in the 10 candidate countries of Central and Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia). Assistance amounted to EUR 7 billion for an investment value of over EUR 11.6 billion (current prices). After the EU enlargement in 2004, the remaining ISPA beneficiary countries were Bulgaria and Romania, the other beneficiary countries having become eligible to the Cohesion Fund. Since 1 January 2005 Croatia benefits from ISPA as well.

**2007-2013 EU Allocation (Regional PO, Competitiveness PO, Human Resources Development PO, National Rural Development Program, Administration Development PO, PO Environment, PO Transport, Technical Assistance).**

Romania participates as member with full rights to the Cohesion Policy and Common Agricultural Policy and will benefit, within the programming period 2007-2013, of an indicative financial allocation of approx. 30 billion Euro.

**Structural and Cohesion Funds**, also known as Structural Instruments, are financial tools used by The European Union to reduce

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<sup>3</sup> [https://en.wikipedia.org/wiki/Instrument\\_for\\_Structural\\_Policies\\_for\\_Pre-Accession](https://en.wikipedia.org/wiki/Instrument_for_Structural_Policies_for_Pre-Accession)

economical and social disparities between regions and aiming at attaining economical and social cohesion.

**European Regional Development Fund (ERDF)** – support the sustainable integrated regional and local economic development by mobilizing regional and local economic structures, primarily through the following priorities: research and technological development, innovation and entrepreneurship, Information society, prevention of risks, transport, investments in health, support in SMEs investments, tourism, environment, energy etc.

**European Social Fund (ESF)** – supports the following priorities: increasing adaptability of workers and enterprises, enhancing access to employment of job seekers and inactive people, preventing unemployment, reinforcing social inclusion of people at a disadvantage and combating discrimination.

**Cohesion Fund** – is used to finance projects in the field of environmental protection, Trans-European Transport networks, sustainable development and also projects aiming to improve the management of road and air traffic, modernization of urban transport, development and modernization of multimodal transport.

**The main objectives** of Structural Fund for the period 2007-2013 are: Convergence, Regional competitiveness and employment and European territorial cooperation objective.

The total amount allocated to Romania through Structural and Cohesion Funds for the period 2007-2013 is by 19,668 billion Euro: 12,661 billion Euro of Structural Funds allocated through Convergence Objective, 6,552 billion Euro of Cohesion Fund and 0,455 billion Euro for European territorial cooperation objective.

Besides the investments through the Structural Instruments related to the Cohesion Policy, there will be the available financing through the Common Agricultural Policy and Common Fisheries Policy of the European Union. During the programming period 2007-2013, Romania will benefit of the European Agricultural Fund for Rural Development and European Fisheries Fund, having allocated a budget of approx. 12 billion euro.

**2014-2020 EU Allocation (Regional PO, Human Capital PO, Competitiveness PO, National Rural Development Program, Administration Capacity PO, PO Environment, PO Transport, Technical Assistance)**

During 2014-2020, Romania is scheduled to receive approximately EUR 40 Bln. in EU funds:

- EUR 21.5 Bln. Structural and Cohesion Funds
- EUR 19.5 Bln. Common Agricultural Policy.

Structural and Cohesion Funds (SCF), or Structural Instruments are financial instruments that the EU enacts to eliminate economic and social disparities between regions, in order to achieve economic and social cohesion.

- European Regional Development Fund (ERDF) – research and technological development, innovation and entrepreneurship, information society, environmental protection, tourism and energy.
- European Social Fund (ESF) – helping to increase access to the labor market, preventing unemployment, increasing labor market participation of women and immigrants, combating discrimination.
- Cohesion Fund – Trans-European transport networks, sustainable development, improved air traffic management and road upgrading urban transport, multimodal transport development and modernization.

***Key area for funding***

- Expansion of production capacity;
- Cover the cost of human resources;
- Investment in research and development within private companies;
- Investment in know-how and other intangible assets;
- Improving IT infrastructure;
- Promotion of products on foreign markets;
- Support to the energy sector and reduction of emissions;
- Real estate development in urban areas;
- Investments in waste treatment and pollution reduction.

***Destination of funds in the financial exercise 2014-2020***

- Transport infrastructure (highways , railways , water and air ) – 5.7 billion EUR;
- Environmental projects – 3 billion EUR;
- Urban development – 2,8 billion EUR;
- County roads and beltways – 1.1 billion EUR;
- Youth employment and unemployment – 1 billion EUR;
- Professional Development in Education – 1 billion EUR;

- Social assistance for vulnerable persons (mainly Roma integration programs) – 1 billion EUR;
- SMEs and technology parks – 800 million EUR;
- Research – 700 million EUR;
- IT – 550 million EUR;
- Health infrastructure (construction of three regional hospitals in Iasi, Cluj and Craiova ) – 500 million EUR;
- Administrative capacity development at local level – 500 million EUR;
- Restoration of historical, cultural and tourist – 450 million EUR;
- Education infrastructure – 350 million EUR;
- Cadastral Surveys – 300 million EUR;
- Energy efficiency – 270 million EUR;
- Programs of the National Agency for Employment – 250 million EUR;

### **3. Human Resources involved in European Funds Management in Romania**

- Public employees involved in European Funds management – European Funds Ministry employees – management personnel (Minister of Funds, State secretaries, directors and project officers, public Project Managers).
- Private employers and employees involved in European projects – Consultants, Project Managers, Experts, support personnel.

#### ***Number of public employees involved in EU funds management by Program***

- The European Funds Ministry – 931 employees including the Minister office;
- Regional Operational Program – 800 employees at General Direction and 1200 employees in 8 Development Regions at 8 Agencies;
- Human Resources Development Program – 794 employees (400 in the 8 Intermediary Offices from Development Regions, 136 – Vocational Training Center, 70 – Education Ministry Office, 100 – Labor Ministry Office, 88-General Direction for Human Resources);
- Competitiveness Program – 421 employees;

- Administration Program – 200 employees;
- Environment Program – 200 employees;
- Transport and Infrastructure Program – 200 employees;
- Agriculture and Rural Development Program – 3013 employees (Ministry – 908, AFIR – 1725, APIA – 380).

**TOTAL** persons involved from the state point of view in European funds management – 6559 employees.

Activities – management of funds allocated by European Commission for Romania, budgeting, programing, guidelines creation, calls of projects opening, projects evaluation and contracting, projects implementation – monitoring, payments approval, repayment (reimbursement) requests to European Commission (EC) for Romania, reporting to EC.

When the project beneficiary is a state institution the employees involved in projects are also public personnel.

Leadership and management as state institutions that operates with European funds.

Salaries in public sector are smaller than in private sector that's why in the most cases the employees are demotivated and there are situations of leaving the public sector for a job in private sector.

Professional specialization and training for these employees is paid by the state structures from Technical Assistance Program and projects implemented by the management structures.

#### ***Number of private employees involved in EU funds projects***

It is estimated that in the previous allocation 2007-2013 in 20.267 projects approved and implemented until end of 2015 (n+2 allocation) from the private and public sector the personnel involved in projects was approximate 50.000 persons (consultants, project managers, experts, support employees). These people except consultants are unemployed at this moment, waiting for the calls opening in the new allocation 2014-2020 from which Romania lost 2, 5 years already.

Activities – consultancy for obtaining the financing, project management, implementation of the project activities, externalized activities in projects, support activities.

Leadership and management- project managers employed by the beneficiaries or externalized as juridical entity that offer management services.

Salaries of these employees are competitive but in the limits of the programs guidelines. The employees are attracted by the positions in the

projects because of the experience accumulated and the attractive salary even if the contract is part-time and on short term.

Professional specialization is in this case supported by the employee and this have to come in project with the experience and preparation already existing.

### **Motivation/Demotivation of the employees in public system**

The main factors that *motivate* a public employee are:

- Public function – the great majority of the people that want to work in such institutions are motivated by the public function, the individuals are feeling safe and honored occupying such position in a public institution.
- Self-esteem as employee in public administration – there are some people very proud of representing the state and being public employees, more if they have a function.
- Safe work place – from the human resources psychology it is known that there are two categories of individuals: one category the entrepreneurs and other category the employees and in this case we have the private and the public employees that want a safe work place. The last category is formed by the public employees, that more than private ones have the idea of the stability of the work place in a public institution.
- Long term labor contract – related with what we described above the public work place is on one side safe (by the legal regulations) and undetermined as term of the labor contract.
- Specialization paid by the institution – the persons from the public institutions have some benefits among them being the training sessions paid by the institution. In this way the person
- Possibility of promoting in the system – this is another key factor that influence some people to want to work in the public system, being promoted is on the one side more security of the job and on the other side the manifesting of self-esteem.

### ***Demotivation* factors**

- Small salaries – in the public system in Romania, the salaries are very low, even if the structures that works with funds had the possibility to increase their salaries by using Technical Assistance Fund, the Romanian authorities doesn't access this funds and the public employees in the domain had salaries according to the public function law.

- Bureaucracy – Romanian authorities working with funds complicated and over regulated the domain, doing the access to the funds difficult for the beneficiaries but also for the employees from the management and monitoring bodies.
- Noncompetitive work environment – the public employees are treated most of the time equally even if there are hard workers between them, performing employees that are marginalized in some situations. Non-challenging atmosphere prevailing in most public-sector institutions seem to play an important role in driving most dynamic employees away from the public sector. This is happening in Romania too, the best public employees that worked along the time with funds, are in these days private consultants with their own firms, leaving in the public sector young people, without experience and financially demotivated, being debutants.
- Autocrat leaders – the public leaders/managers are known as authoritarian leaders that like to have individual control, decision control no input from the group members accepted and dictating all the work methods and processes.

### **Motivation/Demotivation of the employees in private system**

The main factors that *motivate* a private employee are:

- Position in project organizational structure – if the person has a managerial position in the project the self-esteem is increased and the individual's career is in positive evolution. The experience obtained by project can be used in the future to create and manage new successful projects.
- Competitive salary – working with funds in private sector, from beneficiary of the project point of view is more beneficial for the employees financially speaking. In the last years 2014-2015 the salaries in projects decreased due to the EC directives.
- Possibility to express own opinions regarding the project – means democratic leadership in the project, any idea is welcomed and studied, and applied in the final if is good.
- Experience accumulated and possibility to participate in many projects in the same period – are two benefits of the private employees in this domain.
- Freelancer- the consultants usually are working free and also among the specialists in the projects we can find many freelancers. This is a western tendency on the labor market but the Romanians are not so opened at these changes, preferring the safety of a workplace.

***Demotivation*** factors

- Short term workplace and contract – is a demotivating factor for many people from the employee category, this people are discouraged to participate in projects being stressed by the determined period of contract.
- Oneself paid specializations if is required by the project conditions – this can be a disadvantage in some cases because there are different requirements of preparation regarding the team members of a project, that have to comply at the recruitment moment. On the majority of the cases they have to have the specific qualification and this have to be paid from own budget.
- Beaurocracy – is affecting also the private part of the ones that working with funds, the papers required by the authorities slowing down the work of these people, no matter the level of preparation and involvement in the projects.

## **4. Conclusions**

Leaving from the above factors that influence the activity of the people that works with EU funds the prospective for the following allocation 2014-2020 are:

- Reorganization of the institutions that operates with European funds – which is happening in 2016 after the official closing of the allocation 2007-2013, plus 2 years (2015), it is proposed a regional structure for all the management and monitoring structures.
- Better paid public employees in this sector – using the Technical Assistance funds allocated for 2014-2020.
- Limitation of the bureaucracy – by implementing MySmis application – ERP type with electronic modules for all the phases of a EU financed project (application, evaluation, contracting, implementation, monitoring, audit, reporting to EU structures).
- Better communication between the public and private resources involved in EU financed projects- by elaborating instructions and regulations for the following allocation.
- Changes in the vision of leaders in the sector- that are expected by the both sides, public and private sector, in order to achieve a competitive and better utilization of the allocated funds by sectors and regions in Romania.
- More prepared people that works in the field in order to use efficiently the funds for the increase of the Romanian economy.

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