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## **MANAGEMENT**

# МЕНЕДЖМЕНТ

**UDC 338** 

### MOTIVATIONAL COMPONENT OF PERSONNEL MANAGEMENT

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Summary. The problem of low employees motivation which is frequently observed at modern enterprises is considered in this paper. It is defined that labour motivation is an important phenomenon for both scientists and experts. Labour motivation is described as psychological processes that guide, energize, and support actions in relation to job, task, role, or project. The main objective is to give an overview of the key theoretical aspects. Much attention is also paid to current topics and new directions of the theory of labour motivation and research, as well as to current contradictions and unresolved issues. The main theoretical perspectives of labour motivation are considered. It is established that scientists distinguish two main types of labour motivation theories: the theory of endogenous processes and the theory of exogenous reasons. Endogenous theories of processes focus primarily on the psychological mechanisms explaining motivation within the employee's head, while theories of exogenous causes focus primarily on contextual motivation, which can be changed or altered depending on the circumstances. Material and financial incentives are awards of the employees by monetary benefits for the results of their work activities. The use of material and monetary incentives contributes to the regulation of behaviour of management objects on the basis of different financial awards and penalties application. According to the theory of expectations, the workers prefer to invest in action, taking intoaccount their relative advantages, i.e. the probability of achieving the desired results is a function of three beliefs: expectation, instrumentality (performance will lead to results) and priority (these results are important or valued). These beliefs are considered to be dependent, and if any of them are absent, the course of action will not exist. Without achieving the result, the employees find it useless; without tools and priorities, the employees distrust whether productivity is worth it. It is very important that the theory of expectations is developed taking into account personal decisions that employees make about the reasonableness of spending their time and energy, and if so, where and how, and not on any differences between them. The types and methods of motivativation, which ensure the activation of employee motivation, are revealed.

**Key words:** motivation, personnel management, methodology of motivation, types of motivation, employee incentives.

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# МОТИВАЦІЙНА СКЛАДОВА МЕНЕДЖМЕНТУ ПЕРСОНАЛУ

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**Резюме.** Розглянуто проблему низької мотивації працівників, яка часто трапляється на сучасних підприємствах. З'ясовано, що мотивація праці  $\epsilon$  важливим явищем як для вчених, так і для практиків.

Мотивація праці описується як психологічні процеси, які направляють, заряджають енергією й підтримують дії відносно роботи, завдання, ролі або проекту. Основна мета полягає в тому, щоб дати огляд основних теоретичних аспектів. Звернено увагу на актуальні теми і нові напрямки теорії мотивації праці та досліджень, а також на актуальні суперечності й невирішені питання. Розглянуто основні теоретичні перспективи мотивації праці. Встановлено, що вчені розрізняють два основних типи теорій мотивації праці: теорії ендогенних процесів і теорії екзогенних причин. Ендогенні теорії процесів фокусуються, в першу чергу, на психологічних механізмах, що пояснюють мотивацію всередині голови співробітника, в той час як теорії екзогенних причин фокусуються, в першу чергу, на контекстуальній мотивації, яка може бути змінена або змінена залежно від обставин. Матеріальні та грошові заохочення – це винагороди працівників грошовими виплатами за результатами їх трудової діяльності. Використання матеріального та грошового стимулювання сприяє регулюванню поведінки об'єктів управління на основі застосування різних грошових винагород та штрафів. Відповідно до теорії очікувань, працівники вважають за краще інвестувати кошти в дії, зважуючи свої відносні переваги, тобто бажаних результатів— це функція трьох досягнення вірувань: ймовірність інструментальність (виконання призведе до результатів) і пріоритетність (ці результати важливі або цінуються). Без отримання результату співробітники вважають, що це марно; без знаряддя праці й пріоритетності співробітники сумніваються в вартості продуктивності праці. Вкрай важливо, що теорія очікувань розроблена з урахуванням особистих рішень, які співробітники приймають про те, чи варто їм витрачати свій час і енергію, і якщо так, то де і як, а не на якісь розбіжності між собою. Розкрито види та методи мотивації, що забезпечують активізацію мотивації працівника.

**Ключові слова:** мотивація, управління персоналом, методологія мотивації, види мотивації, заохочення працівників.

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**Introduction.** Nowadays development of national enterprises is largely affected by efficient management and planning of their finance-economic activity.

This process is followed by necessity in management development and implementation where enterprise accounting policy is an important tool. In the conditions of functioning the market system management, the enterprises are facing the need to work in competitive environment, to acquire a new type of economic activities, and to constantly prove their competitiveness.

In this regard, the contribution of each employee must increase and one of the main tasks of a manager is to look for effective ways of managing the activities that ensure the activation of human factor. Unfortunately, the phenomena of reducing the interest of an employee in the work, staff turnover, and the lack of initiative can be seen in many enterprises.

**Review of the latest research and literature.** Problems of staff motivation and its place in the personnel management system are given much attention by a number of scientists, namely Balabanova L, Kholod B., Lomov V., Petty V., Sardak O., Smit A. and many others.

**Main purpose of the article.** The purpose of this paper is to make recommendations how to increase the effectiveness of managing the enterprise activities by the improvement of employee motivation.

**Task setting.** To achieve this goal, the following scientific objectives have been identified: to reveal the essence of personnel management motivation; identify the special role of types of motivation; to reveal the methods of motivation in management, which ensure the activation of the employee.

The following methods were used to solve the tasks: analysis, synthesis, generalization. **Statements of main issues of the study.** The motivation of the work activities cannot be effective without using modern forms and methods of employee incentives. The work motivation is a desire of an employee to satisfy his or her needs by work activities [3]. Every person has his or her own needs which indirectly influence his or her work activities. They may be living conditions, domicile, recreation facilities, and an opportunity to creatively work. So, for one person the presence of sport or health facilities is of great importance, while for another it's essential to have an opportunity to express himself or herself in a creative way in work activities.

Thus, under the work incentives we understand the influence on the work behaviour of an employee through creating the personally significant conditions, which make him or her act in a certain way. So, on the one hand, the favourable conditions for satisfying the employee's need are created. On the other hand, the work behaviour is developed that is essential for the successful functioning of an enterprise.

By the definition «employee incentives» is meant all the methods used in the management for motivating, influencing, and giving awards, such as administrative, economical (material), and socio-regulatory ones [3]. The employer decides on his or her own which methods of incentives are appropriate in certain situation, taking into consideration the fact that the task of the management includes stimulating of both the needs and the motives of work subjects which provide the significant and effective activities for the enterprise.

The incentives to work, depending on the fact which needs of an employee they are used to respond, are classified into material and non-material ones. The most important type of incentives is material ones which play the essential part in improving employee engagement activities. This type includes material-monetary incentives and material non-monetary incentives. The material non-monetary incentives contain the conditions of living services in the enterprise, obtaining accommodation, free trip or sanatorium treatment, the right for getting scarce goods, as well as the provisions with children institutions.

The value of this type of material-monetary incentives is increasing because of the money inflation. The system of moral and material incentives includes the complex of actions that are aimed at improving employee work activities and, as a result, improving the effectiveness of the work and its quality. However, the employee should be aware of what demands the employer puts and what award employee can get if he or she meets these requirements, as well as what punishments are used if the employee violates the requirements. That's why the system of work incentives should be based on the certain legal framework [2].

Material and monetary incentives are awards of the employees by monetary payments for the results of their work activities. The use of material and monetary incentives contributes to the regulation of behaviour of management objects on the base of implementing different monetary awards and penalties. The salary, different cash rewards, extra payments and bonuses are usually regarded as monetary incentives [2]. The employees get such material awards for combining the professions (positions), enlarging the amount of the work performed, professional skills and high professional achievements. Also it is necessary to emphasize that the system of extra payments to wage scales allows to take into account and award a number of additional qualitative and quantitative work characteristics that are not included into wage system.

This system creates the long-acting incentives. However, for its effective functioning it is necessary to have a clear system of certification of employees of all the categories in the enterprise by disclosing the certain features and even criteria for defining the type of extra payments, as well as by involving the working staff into these activities. The most important direction of material monetary incentives is awarding. The monetary award encourages the higher work results and its sources make the fund of material incentives. It represents one of the most important constituent parts of salaries.

It is always necessary to take into consideration the fact that awards shouldn't be too general and frequent, as they will be regarded as a part of ordinary salary in the ordinary conditions. Also, the award must be connected with the personal contribution of an employee to the enterprise and employees must understand that the award depends on the additional, but not normative efforts.

Social incentive is an important type of motivation and every employer must understand how it is important to support of the proper atmosphere of graduate in the enterprise. This isn't an award by material incentives, but by social relationships in the team.

The moral incentives include the actions of a company toward the employee, such as:

- official recognition of merit (for example, including into the honour list, announcement in a corporate newspaper or at a public meeting, giving letters thanking for carrying out the project, giving work experience awards, etc.);
- organisation of cultural events, including competitions and contests among the employees in one department or among the employees who have the same position, for example heads of the departments;
- personal perks that are given to employee when he or she achieves a certain status in the enterprise [2].

The social motivation is a need of employees in self-affirmation in their desire to occupy the social position and a need to have a certain amount of power. The staff should be entrusted the projects that involve the need to different approvals within the enterprise, expanding their social network. These activities require the development of skills to find compromise, overcome the resistance, resolve conflicts, allowing the team and management to assess how valued this employee is for the enterprise. The moral motivation is connected with a person's need in the respect by the team members, in recognizing him or her as an employee and as a morally approved personality. These incentives are implemented in such forms as oral and written compliment, different awards, awarding by distinctive titles etc.

While organizing the moral incentives, it is important to provide the combination of encouraging activities with increasing responsibility for the work results. This causes the growing responsibility in the team. Psychological motivation includes creating the positive work environment, which contributes to the effective communication that is a great stimulus for an employee to feel satisfied with professional activities [4].

Thus, having analysed the main types of employee motivation, we can make recommendations about the incentives in modern market conditions. First of all, we should emphasize that the labour remuneration is a motivating factor if it is directly connected with work results. The employees must be sure about the presence of clear linkages between the material awards and their work activities. The salary should definitely contain the component that depends on the achieved results [1]. Nowadays because of the complicated economic situation it is difficult to define the high salary, but some enterprises can choose the optimum methods of awarding the personnel and make the maximum favourable conditions for employee performance.

Nowadays the special attention should be paid to non-material work incentives, making the flexible system of taxes for employees, for example:

- to recognize the value of an employee for the enterprise, giving him or her creative freedom;
  - to implement the program of work improvement and staff rotation;
- to implement the flexible timetable and part-time work during a week, an opportunity to work both at working place and at home;
- giving employees the discounts on the goods that the company, where they are working, produces;
  - giving the employees credits for buying a house, a car etc. [4].

Each employee wants to show all his or her abilities and how important he or she is for others, so it's necessary to appreciate the work of each staff member, to give an opportunity to make decisions on the issues that concerns his or her competency, and to consult other employees.

Almost everyone has his or her own thoughts about how to improve the work activities. Based on the interest of management, the activities should be organized in such a way that employees don't lose the will to implement their plans.

Based on the fact about the type, the speed, and the way the employees get the tasks,

they assess their own value from the point of view of the employer. That's why one can't make decisions that concern the changes in work of staff without letting them know even if these changes are positive, as well as one can't prevent the access to the required information.

McGregor suggested that managers may assume that employee motivation comes in one of two ways. His dichotomy has been called Theory X and Theory Y. Theory X refers to traditional management, according to which managers assume that they must control, coerce, and threaten to motivate employees.

Theory Y, as opposed to Theory X, assumes that employees want to do complex work, that they are interested in taking responsibility, and that they are mostly creative and want to participate in policy development and goal setting. Today, Theories X and Y don't really sound very revolutionary; the problem is that management styles and employee motivation do not fit into the two theoretical labels. As a result, additional theoretical labels are developed.

The information about the quality of employees' activities must be prompt, considerable, and relevant. The employee must have the maximum possible level of self-control [5].

Most people are eager to gain new knowledge while working. So, the employees must have an opportunity to learn and develop their creative skills.

At the same time, everyone wants to be successful. Success includes goals whose achievement requires employee to do the best. Success without the recognition results in frustration and kills initiative. However, this will not happen if employees, who are successful, get additional rights and promotion.

**Conclusions** The process of losing the interest in work and passivity brings very notable results. To escape the loss of potential profit, the director must achieve the maximum respond from his or her employees. Employee motivation includes a number of the constituent parts, such as: motivation of work activities, which involve the encouragement of the staff for effective work that provide the necessary awards and satisfy the current needs; motivation for permanent and productive employment; motivation for the development of competitive employee; motivation to acquire the production tools etc. Competently designed work should create internal stimulation and feeling of personal contribution to the production of goods. The use of different methods of stimulation allows the enterprise management to form an active motivation of personnel for effective activity, which contributes to both the enterprise functioning and the development. Therefore, the economic activity of the enterprise largely depends on the proper organization of financial and managing activities in the enterprise.

The success of any enterprise largely depends on how completely and accurately the current state of affairs is analysed in the sphere of managing the enterprise. No more economies could be made in salaries of valued employees and equipping their working places. It is also necessary to develop the system of non-material incentives in the enterprise and improve relationships among the staff members. Today, the need for solving the problems of each person's interest in qualitative and creative work for the benefit of the enterprise and society is urgent.

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