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INNOVATIVE APPROACHES TO THE LABOUR FORCE STIMULATING

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***Abstract:** Motivation is the most effective mechanism of personnel management, is a decisive factor in the formation of professional and social competencies in the corporate environment. In combination with tangible and intangible incentives, it is designed to create a favourable "business climate" and optimal working conditions for staff. In turn, deeply motivated staff, focused on the result, creates all the prerequisites for the effective functioning of the company in a competitive market environment. The innovative approaches to the motivational mechanism formation are discussed in this paper. The prominent scientific papers in this field is analysed. Authorial view is presented and own mechanism is built to the motivational encouragement of staff.*

***Keywords:** incentives, motivation, labour forces, staff, innovative motivational mechanism, staff development*

INTRODUCTION

In the market conditions of business entities in Ukraine, a special place in the system "employer – employees" have a relationship to stimulate the work of the latter. Today, the inefficiency of the current system of labour incentives in Ukraine is due to the consequences of the socio-economic and political crisis in the country and previous miscalculations in the implementation of market reforms, and the inefficiency of mechanisms in the field of social and labour relations in general. As a result, there are obvious contradictions between outdated approaches to employee incentives and their remuneration and efficiency, which affects the overall performance of enterprises.

In these conditions, it is important to find an effective mechanism to stimulate the work of staff, subject to the goals of improving the performance of any business entity. Considering the current situation on the labour market and relying on the analysis of a large Internet recruitment agency Rabota.UA, it should be noted the following dynamics: almost 50% of respondents "Results of the year" are already well employed, but are considering interesting proposals from other employers; 34% of respondents are actively studying the offers of employers, as they are currently out of work; 15% of respondents are completely satisfied with their work and do not consider other vacancies, and 2% of respondents do not work and do not look for work. The abovementioned statistics clearly show a certain dissatisfaction of employees with the current level of their well-being, which today is mostly measured by material remuneration in the workplace. Prospects are also disappointing today: 60% of respondents plan to change jobs in 2016, and every third participant in the survey (33%) plans to engage in professional development and attend specialized courses, trainings, seminars to ensure salary growth and career growth. Meanwhile, 7% of respondents believe that their income will remain at the level of 2015, and 8% are afraid of salary cuts. Agreeing with the definition of M. Murashov (2005), work incentives is, above all, external motivation, an element of the work situation that affects the behaviour of the employee, that is a material shell of staff motivation. At the same time, the concept of labour incentives carries an intangible component that allows the employee to fully realize themselves.

MATERIALS AND METHODS

Methods of analysis and synthesis have been implemented in this research. Comparative approach and statistical analysis have been used for labour market description in Ukraine. Construction method and graphic analysis have been used in the presentation of research results.

RESULTS

Thus, labour incentives should be considered as a system of economic forms and methods of motivating people to join the work process. Its main goal is to increase the labour activity of the personnel

of enterprises, increase the employee's interest in their own end results and results of the enterprise as a whole. In other words, we mean ensuring the greatest possible growth of the company's profits by improving the quality and efficiency of each employee. The professional activity of the employee depends on many factors, including the content, conditions, complexity, intensity, harmfulness of work, job satisfaction, psychological climate in the team, leadership style, and in accordance with the conditions of work incentives. The latter directly affects the quality of work and, consequently, the career of the employee. If the work satisfies both financial needs and internal needs, the employee will feel harmony, respectively job satisfaction in general, which will contribute to his professional development and self-realization. In our opinion, to create an effective system of labour incentives in the enterprise should be based on the dominant motives of work. Today, the main motive for employees is only remuneration (material incentive).

However, this does not mean that labour efficiency depends only on wages and bonuses, allowances and surcharges, valuable gifts, etc.; incentives to work are linked in a multifactorial system. It is well known that the main principle of the incentive system in any business is an individual approach to determining the amount of remuneration of employees on the basis of systematization, scientific substantiation of criteria and procedures for evaluating the performance of employees and performance of their duties. In this case, according to Lukicheva (2004), it should be considered such factors as: the results and results of the enterprise as a whole; individual contribution of each employee in achieving the final results of the enterprise; efficiency, productivity and quality of work.

It should also be remembered that labour incentives today are aimed at increasing the volume, expanding the range, improving the technical level and quality of products, active introduction of innovative approaches in all areas of enterprise management (both at the management level and at the level of innovation in specific jobs). In turn, efficient and high-quality work leads to a reduction in production costs (services) and increase the profitability of production, resulting in the possibility of additional material remuneration of employees.

In addition, it should be noted that a solid foundation for the invention of incentives lies in the psychology of labour behaviour of each employee. According to research by the hiring company WORK.UA (2015), among the typical reactions of employees should be noted: misunderstanding of the tasks of managers; lack of desire to work productively after the first failure (difficulty of work, technical imperfection of operations, misunderstandings with colleagues or management, understaffing, etc.); negative perception of any feedback (criticism, comments, advice, etc.); underestimation of the importance of communication with colleagues (teamwork); assessment of only own merits (own contribution).

However, there is a set of standard recommendations that can solve the above problems of employees and change reactions under the influence of incentives: responsibility, focus, visibility in the work place (high quality and productivity), self-improvement, continuous training and development, ability to cope, stress resistance and creativity. Therefore, considering the results of theoretical and practical research, we have developed a logical and structural scheme for building an effective mechanism to stimulate staff at the enterprise, which is universal and has an advisory nature for any enterprise (organization, institution). It is shown in *Figure 1*.

Speaking of labour incentives, we should consider its close connection with the rationing of labour, which includes a clear establishment of qualitative and quantitative labour standards. It is also necessary to take into account such methods of labour motivation as: organizational production methods; material differential systems; socio-psychological methods; improving working conditions; awarding; meaningful enrichment of labour; production rotation; participation of employees in the company's profit; favourable climate; social programs; staff development; career growth; participation in the management and co-management of the enterprise; organization of labour competitions, etc.

It is expedient for each enterprise to develop its own quantitative standards and qualitative characteristics for each of the indicators. They should be considered when assessing the business qualities and qualifications of employees, in the formation of the remuneration system.

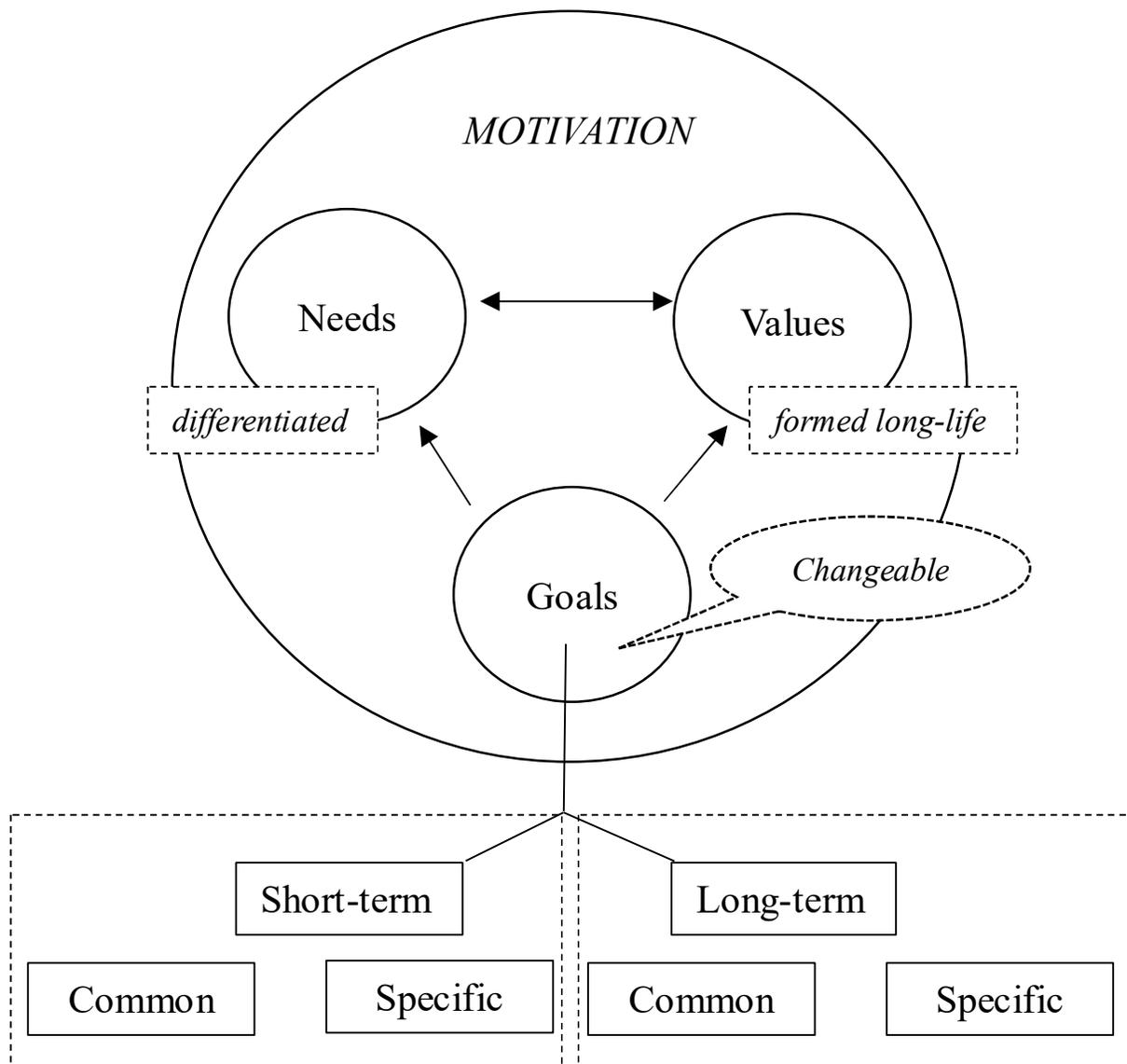


Figure 1: Formation of the mechanism for motivation in the corporate environment

Source: own development

In addition to common indicators for all categories of employees (education, experience, experience), it is recommended to provide special evaluation criteria for each employee. Recently, the leading role in the formation of professional and social competencies in the corporate environment belongs to the mechanism of motivation. It determines the success of companies in the market, as it is the main stimulus for the efficient use of labour resources. However, on the other hand, being the main element of the personnel management system, it must fit organically into the set of related organizational,

regulatory and evaluation subsystems, which determines the relevance of research in this area.

In the traditional sense, the mechanism of effective personnel management includes the following components of the subsystem:

- 1) Motivation;
- 2) Leadership;
- 3) Staff development;
- 4) Evaluation and recruitment;
- 5) Teamwork;
- 6) Methods of certification and staff incentive programs;
- 7) Conflict management;
- 8) Time management;
- 9) Recruitment;
- 10) Staff marketing.

In our understanding, personnel management is a process of purposeful influence on the company's staff and all types of work processes to achieve the company's success in the market.

It is necessary to differentiate both short-term and long-term goals, and cover various aspects of staff development, including financial issues of training and retraining, budgeting of personnel costs, career development management, staff assessment, management of operational working time, optimization of working conditions and other. What is motivation as a component of the personnel management mechanism? First of all, motivation is the driving force for achieving the goals set for staff. It is formed under the influence of internal features of the enterprise and the external environment.

Moreover, motivation is mainly an emotional component for staff, as it is based on a personal vision of the prospects for achieving goals. For high-quality, timely and accurate work, employees need certain incentives and precise directives. In most cases, wages are the main incentive for them to perform the work in accordance with their position.

Recently, however, the salary does not play a major role in the employee's decision to perform their duties, and even more so, is not a decisive factor in the "loyalty of the company".

The so-called intangible factors of staff motivation come to the fore.

If such motivation is lacking, the quality of work will sooner or later deteriorate. To stimulate employee interest, you can use general or specific motivational strategies, depending on the situation.

Each type of labelled strategy includes a soft and hard stereotype of influence. The basic principles of a soft stereotype of motivational strategy are based on unobtrusiveness.

These include logical arguments, emotional appeals, advice and praise. The rigid stereotype of a motivational strategy is based on the establishment of barriers, preferences, the possibility of using pressure and ranking staff.

Specific motivational strategies focus on the need to prove the facts, the expression of feelings, indicating the "right" and "wrong" actions, the possibility of conflict threats.

Numerous theories of motivation developed by foreign scholars and practitioners, including the theories of motivation of Herzberg, McClelland-Atkinson, Vroom, Porter-Lawler, Stringer, are based on meeting the needs of workers, which means that each of them is based on a pyramid of satisfaction.

It is difficult to disagree with the importance of this discovery, including in terms of psychology of individual behaviour in the team, in terms of building social policy and developing a strategy for economic development of the enterprise. However, we should not forget about the peculiarities of the environment in which the company operates, and the impact of so-called "unpredictable" factors of influence (Hetman, & Shapoval, 2010).

The mechanism of staff motivation in the corporate environment is formed under the influence of short-term and long-term goals of the company (the vision of the owner or top management).

Because each employee has their own short-term or long-term goals, working or applying for a particular job, an important aspect is the plane of coincidence (or divergence) of mutual interests and goals.

In addition, we should not forget the psychological context of the problem, e.g. each person has his own priority in meeting the needs, needs under the influence of established values. Schematically, such an approach to the formation of the mechanism of motivation can be represented in *Figure 1*.

The conclusion suggested by the step-by-step formation of the motivation mechanism according to the proposed scheme is very simple: success in effective personnel management to achieve both short-term and long-term goals of the company will be provided only if the personal goals of employees in meeting their primary and secondary needs will coincide with the goals and vision of the owner (top management) regarding the prospects of enterprise development.

If differences are observed, the degree of these differences will determine the so-called "risk area" of conflicts, misunderstandings and deviations from the adopted development strategy of the company, which may ultimately lead to destabilization of its activities.

Based on the above, the degree of success of the company can be determined by the scheme shown in *Figure 2*.

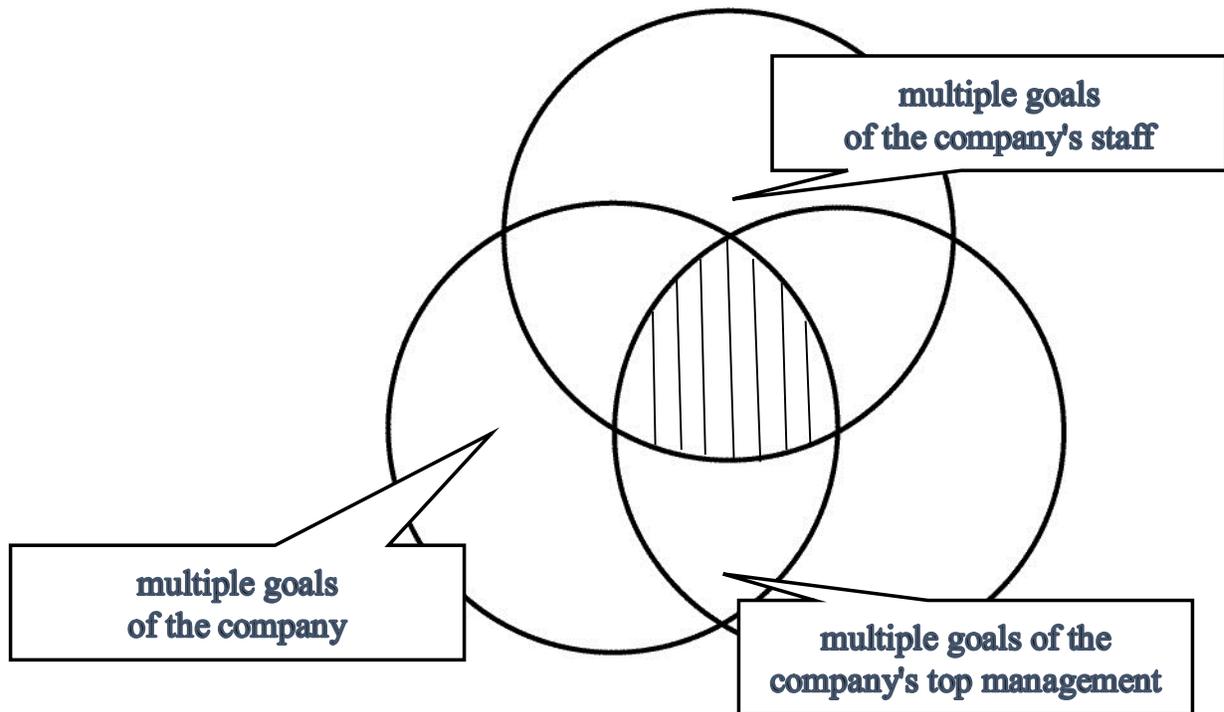


Figure 2: Determining the degree of successfulness of the company based on the goals' interdependence

Source: developed by author

However, in the seeming simplicity of success, which depends on the degree of coincidence of goals, there is a hidden threat: under the fear of losing their jobs, employees can hide their real intentions and be satisfied with the provided "benefits" of the company without the

need for "return". A legitimate question arises: "How to identify the real goals of the employee?" Our advice in this case will be to build an interview (questionnaire, or other type of survey) of employees in terms of the following issues:

1. What do employees think is the company's primary goal? The answer to this question will reveal the real understanding and awareness of employees (or lack thereof) of the main interests of the company in business. The expediency of this issue is due to the need to establish clarity of understanding of the company's principles, priorities for its development and main tasks.

2. What obstacles exist in achieving the best effect from the performance of their duties by employees?

3. What really are the motivating factors for your employees? It is erroneously believed that all employees are motivated equally by salary. In fact, employees are guided by a number of different factors. Therefore, the need for this issue is explained by identifying the real causes and incentives for their work - financial reward, status, praise and recognition, image, competition, employment, public recognition, fear, perfectionism, individual results and more.

4. Do employees know their real powers? As a result of answering this question, it becomes possible to find out how employees understand and accept job descriptions; to what extent they allow autonomy in order to give them the opportunity to find their own solutions or they prefer to strictly follow the list of tasks.

5. Which of the latest changes in the company affect the motivation of employees? If a company has reduced "inefficient employees", imposed a moratorium on recruitment or lost a number of "key executives", this will undoubtedly affect the motivation of "remaining staff". Gathering information from employees about their fears, thoughts and problems related to such events will be extremely important to increase the motivation and motivation of other staff.

6. What models of motivation are used in the company? Which categories of the company's staff are the most motivated and why? What is the staff's assessment of the existing staff motivation system?

7. To what extent do the personal goals of employees correspond to the goals of the company? The top management of the company should establish how the employee organizes his working hours and

how it corresponds to the company's idea of effective organization of the working day.

8. What are the real feelings of employees about stability? This question involves finding out how safe the company's employees are, how much they are really needed, how much they are valued and how much they are cared for? Do they feel used, unnecessary and invisible? What will improve their loyalty and devotion?

9. How do employees participate in the development of the company? Does the top management of the company listen to the issues and opinions of its employees? Are management consultations with management or in interpersonal communications acceptable? Is there feedback?

10. Does the internal image of the company correspond to its external image in the market in the opinion of employees? Disclosure of real goals of motivation (motivators) will help to coordinate the process of personnel management in an effective direction and build a policy of personnel management in accordance with the vision of successful operation of the company in the market (*Figure 3*).

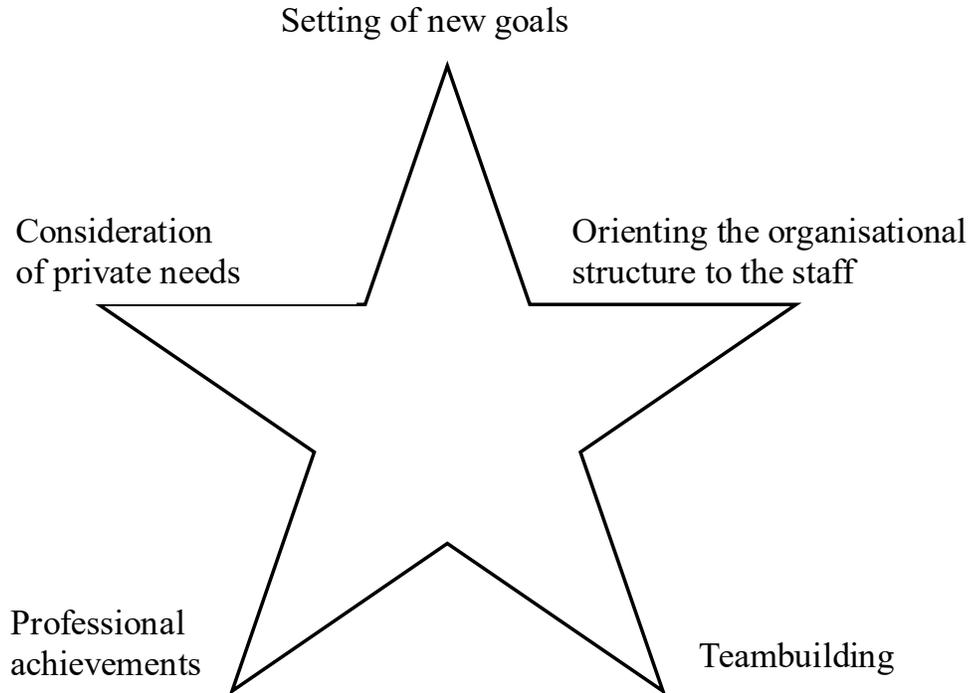


Figure 3: "Pentagram" of key success factors based on the motivation strategy

Source: own development

The following steps will be practical ways to increase employee motivation:

1. Awareness of the real needs of staff.
2. Setting achievable goals and objectives.
3. Avoidance of "monotony of work" and its diversification.
4. Avoidance of demotivation.
5. Creating a favourable environment and working climate.

It should be remembered that the main obstacles that destabilize the effective work of staff, according to a survey of leading European experts in the field of HR engineering research, are:

- lack of proper workplace arrangement;
- uncertainty of the degree of responsibility;
- lack of clear instructions for the performance of work;
- lack of necessary information about the work performed and the company as a whole;
- lack of goals or setting unrealistic (unattainable) goals;
- lack of recognition;
- "opaque" decisions in relation to the stimulation of staff;
- indifference to staff;
- bias and unfounded judgments;
- spreading unjustified rumours about employees who tarnish their reputation.

According to the paper of the famous American businessman Strelski (2009), the most obvious, clear and unambiguous factors of intangible motivation of the company's staff are:

- positive (favourable) atmosphere in the workplace (flowers, fresh air, coffee, sweets), which lifts the mood and helps to improve efficiency;
- the possibility of communication, exchange of views, greetings of employees;
- attention, responsibility, respect for employees;
- small gifts for birthdays and holidays;
- conducting internal seminars;
- building a flexible work schedule for employees;
- optimization of working hours, home office, breaks;
- the interest of management in the opinions and ideas of employees;

- providing truthful information to all employees;
- organization of "family recreation" for staff. In our opinion, the proposed list of intangible incentives should be adjusted to the condition of the national economies, limiting it to the following areas:
 - involvement of employees in the formation of strategy and philosophy of the enterprise;
 - qualified description of responsibilities in the performance of work;
 - comprehensive and truthful informing of employees about the company's activities;
 - adaptation of employees to teamwork;
 - clear setting of goals and objectives;
 - demonstration of effective work on the personal example of top managers;
 - equivalent communication with employees and respect for them.

CONCLUSION

Thus, summarizing the above research results, it should be noted that motivation, as the most effective and efficient mechanism of personnel management, is a decisive factor in the formation of professional and social competencies in the corporate environment. In combination with tangible and intangible incentives, it is designed to create a favourable "business climate" and optimal working conditions for staff.

In turn, deeply motivated staff, focused on the result, will create all the prerequisites for the effective functioning of the company in a competitive market environment. And this, in turn, will contribute to the smooth functioning of the labour market at the local level.

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