

THE LEGISLATIVE COMPONENT OF LABOR MOTIVATION AS A CORPORATE DOCUMENT REGULATING THE APPLICATION OF STIMULATING BENEFITS AT ENTERPRISES

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Due to the continuous improvement of the mechanism of management and increase of the competitiveness among enterprises, the problem of increasing the efficiency of activity at the expense of the human factor comes to the fore. In the sphere of use of labor resources the system of stimulation of personnel at the enterprise is of great importance. The basic directions of research of general principles of employees' motivation are analyzed. The basic methods of motivation of the personnel and the individual are singled out, the theoretical overview of the methods of formation of the system of stimulation of the personnel at the enterprises and the estimation of their effectiveness are presented. The most effective methods of stimulation are systematized - moral and financial with defining disadvantages and advantages. It is proposed to introduce a normative component, in the form of a corporate document, which is formed from indicators of motivational benefits, depending on the cost component.

Keywords: efficiency, financial motivation, motivation, motivational factors, non-financial motivation, personnel.

JEL Codes: M14, O31.

1. Introduction

In the conditions of growing competitiveness in the labor market, leaders have to seriously engage in the maintenance of personnel and implement practices that support their interest in the success of the enterprise. There are cases when many workers have to do double work because employers either cannot afford to hire more employees or are unwilling to do so because of the still unsustainable economy. In such cases, the role of additional motivation or incentive becomes paramount as there is a risk of losing valuable workers. The development and implementation of the most effective incentive system capable to strengthen the competitive position of an enterprise on the basis of meeting the needs and development of the personnel working in it is studied insufficiently today - in theory there is no unified approach to defining the structure of the formation process.

The individual approach to the building the mechanism for the personnel motivation provides the use of all motivational methods (social, psychological, economic), which makes it possible to analyze employees and identify ways to influence each individual.

Approaches to understanding the essence of the process of employees' motivation in the organization, discussed in the article, emphasize the need to create the conditions of activity by the management of enterprises, which will allow employees to perform functions qualitatively, making maximum use of their physical and mental abilities to generate and implement new ideas and projects in the enterprise.

For the effective and productive development of the company, its management ought to remember to pay attention not only to the whole department or team as a whole, but also to take into account the individuality of each employee and be able to find personal approaches. In this case, each department of the firm will work as a single cohesive mechanism, developing into a well-established system throughout the organization.

Purpose: the purpose of the article is to analyse trends and prospects for the development of building a personnel motivation mechanism.

Object: the normative component of the system of motivation and labor incentives, in need of reform.

Research methodology. The research is based on the analysis of scientific papers in the field of corporate documents of personnel motivation, personnel questioning. An analysis of strategic social factors will provide the totality of all determinants of employee behavior. Analysis of psychological factors will provide the main vectors of motivation for an individual. Analysis of economic factors will provide a plan for the financial incentives of employees.

These factors are chosen because it is assumed that they differ in the level of influence on a person's motivation. The aim is to provide the existing environment for the development of corporate personnel motivation documentation and present potential trends for their improvement. Research methods: in-depth analysis of scientific literature, analysis of corporate documents, statistical data analysis, comparative analysis.

2. Theoretical background and insights

The problem of motivation in enterprises has long been the subject of attention, the subject of empirical study of psychologists, sociologists and economists in foreign countries. Every year, scientists from different countries carry out global monitoring of entrepreneurship, study the main problems of formation and development of business structures (Potomkin, 2013). Theoretical and methodological aspects of the problem have been studied in a number of works in the field of motivation and social management. At the same time, scientists pay attention to the study of motivation only by touching one of the sciences.

Problems of labor motivation are the subject of research of different sciences Andrus (2014), Kovalska (2010), Kuksa, Vasurenko (2019) with each of them focusing on their aspect, treating them in their own way. The main components of motivation - needs, interests, values - permeate all spheres of public life, all social relationships. Therefore, they are accepted as general concepts for the whole body of social science, each of which deals with this issue to a greater or lesser extent. Labor behavior, and therefore motivation, is a very complex phenomenon: economic, social and psychological, because it organically interweaves objective and subjective, general and special, social, economic, moral – mental, volitional and emotional, conscious and untimely. Therefore, while studying it, it is necessary to rely, first of all, on the achievements of such sciences as economics, sociology, psychology.

3. Research results

Motivation of personnel is a set of actions on the part of the manager, aimed at improving the performance of employees, as well as ways to attract qualified and talented professionals and their content.

In his works, Yurkish (2009) shows that workers are driven only by instincts and the desire to satisfy the needs of the physiological level. Labor productivity increases if there are ways of motivation, such as coercion on the part of management; instructions describing the workplace procedure; production standards; hourly wage (Yurkish, 2009).

The theoretical foundations of moral motivation were laid down in the works of Zamanan (2020), Aburumman (2020), Wei-Essor (2016) and others. Extensive experience in the application of tools of moral motivation is noted in foreign science.

Pungavaman (2018) says that the actions of workers depend on external conditions of work (which include regulators of motivation - money) and the content of work (here the psychologist meant the main motivators - a feeling of joy from the task done). In Pungavaman's opinion, these are the most effective types of motivation of the personnel.

The work of Suhartanto and Mulyavan (2018), and others is based on three main motives: the need to belong, to have power, and to be successful. Let us consider in detail how methods of motivation are perceived in different sciences, namely sociology, psychology and economics.



Figure 1. Classification of motivation methods

1. Social methods of motivation. They are connected with social relations, with moral and psychological influence. They help to activate civil and patriotic feelings, regulate people's value orientations through motivation, norms of behavior, creation of social and psychological climate, moral stimulation, social planning and social policy in the enterprise.

2. Psychological methods of motivation. The set of motivating factors that cause the activity of the individual and determine the orientation of its activity. With these methods, they mainly influence the human consciousness, social, aesthetic, partially religious and other interests. Psychological methods of motivation can influence issues related to belief in a supernatural being only in part (partially). Some methods of motivation used by psychology may not affect one's spiritual decisions. From a psychological point of view, some human decisions may be irrational or difficult to understand.

3. Economic methods of motivation. Ways of influence through the creation of economic conditions that encourage people to act in the right direction and to achieve the tasks. Thus, money is the most obvious and commonly used incentive.

Among the economic measures there is a "negative": fines or other penalties imposed on the enterprise for improper performance of professional duties or violation of established discipline.

Nowadays, a lot of executives believe that financial incentives are the best motivation for their subordinates. Cash rewards: bonuses for personal performance (KPI - motivation) and bonuses for the year without reference to personal results, various social packages, etc. Being rewarded for the good, punishing for the bad, carefully controlling them so they do not shy away from work – those are considered by the majority to be the best way to motivate personnel.

However, such an approach to motivation has a number of negative consequences, namely;

1. Money causes a burst of work activity for only a few days (depending on the amount), after which this activity begins to decline. A person motivated only by money and other incentives loses interest in the work being done.

2. Fines and incentives are addictive and lead to situations where workers do nothing until they are marked. Having paid for any job once, the manager will no longer be able to force the employee to do the same job for free or for less money without reducing his motivation. If you pay for it again and again, the employee begins to perceive it gradually not as a reward, but as a given, that is – an addictive event. Such incentives cease to motivate and executives have to pay more and more.

When an employee is told what they will get if they work well, or what they may expect if they do something, executives focus their attention on the consequences, not the work itself. The work itself is in the background. The employee becomes accustomed to thinking that the whole thing is about money or avoiding punishment, not the results that can be achieved if they work more efficiently.

That is why there is a question of analyzing the attitude of the employee to work when using sociological and psychological methods.

To do this, we conducted a survey that considers the impact of all three methods of motivation on employees.

To begin with, it is necessary to consider what exactly motivates a person in terms of sociology, psychology and economics.

1. In sociology, motivation is the set of all behavioral determinants, including external and internal, social and biological motives, all kinds of cognitive guiding variables. As the most important structural elements of the motivational system of the individual there are needs, interests, motives, goals, values, ideals, attitudes allocated.

The realization of one's personal potential, the manifestation of one's abilities and capabilities, have become the leading motives for human participation in socially significant activities.

It is important for a person to get positive support from others in their activities, to establish themselves in their own eyes, to feel their involvement in a common cause.

2. In psychology, motivation is an internal state (sometimes described as a need, a desire) that serves to activate behavior and determine its direction. It is a natural tendency to seek and overcome problems when the person pursues his or her personal interests and shows his or her ability.

There are the following vectors of personal motivation:

- motivational system of personality - the general (holistic) organization of all the driving forces of activity underlying human behavior, which includes such components as needs, proper motives, interests, beliefs, goals, attitudes, stereotypes, norms, values, etc.;

- motivation of achievement - the need to achieve high behavioral outcomes and meet all other needs;

- motivation of self-actualization - the highest level in the hierarchy of personal motives, which builds the needs of the individual and leads them to the fullest realization of their potential, the needs of self-realization.

3. In economics, motivation is the orientation to fulfill commercial trade issues, indicators or tasks, and to receive, after their completion, economic remuneration for the results of work. The use of economic methods is associated with the formation of a plan of work, control over its implementation, as well as economic incentives for labor, that is, a rational system of remuneration, which is provided for the promotion of a certain amount and quality of work and the application of sanctions for its improper performance, smaller volume or poor quality.

A large number of variables can simultaneously influence a person's motivation. First, all people are different, and what might be an attractive incentive for one may be of no interest to

another. Secondly, there are not only different situations in which the employees find themselves, but also how different people perceive the same situation.

Using expert judgment, we conducted surveys among employees (of different ages, genders, and management levels) and summarized the results in Figure 2.

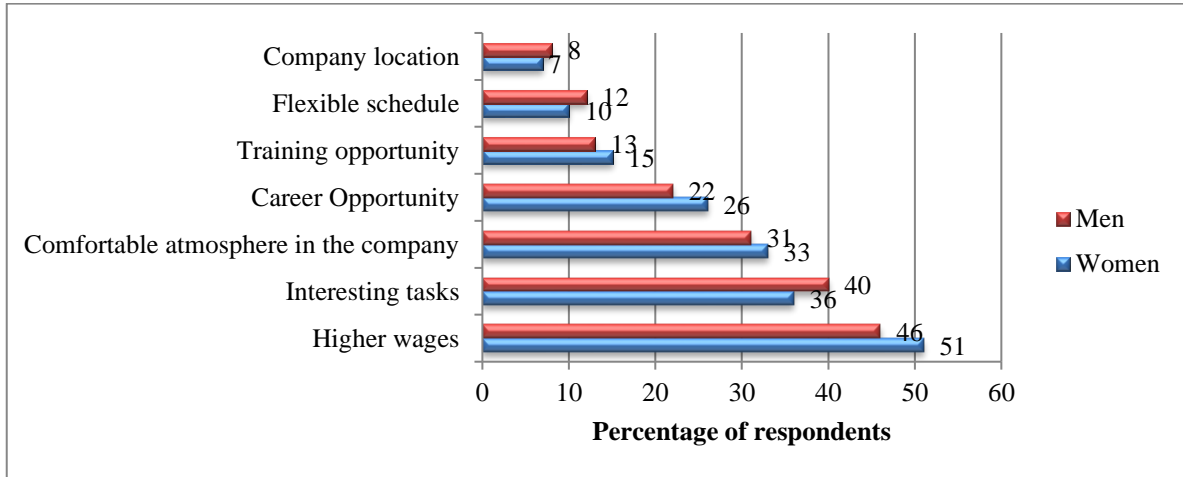


Figure 2. What factors motivate you to work the most? (% , Not more than 3 options)

According to the results of survey, the main motivating factor for the greater number of workers remains the level of labor remuneration. Other important factors - scale and interesting tasks and comfortable atmosphere in the enterprise collected popularity, but possibility of career advancement has lost a few positions in the hierarchy of values. Other motivating factors include the possibility of training, the availability of flexible schedules, and convenient location of the enterprise.

Considering the additional options of motivational factors, the following results have been obtained: among the additional factors that influence the motivation of employees, the most important are the social package, payment of transport expenses, food compensation, preferential lending programs and payments for mobile communication. Less popular are the following: company parties, retirement programs (Figure 3).

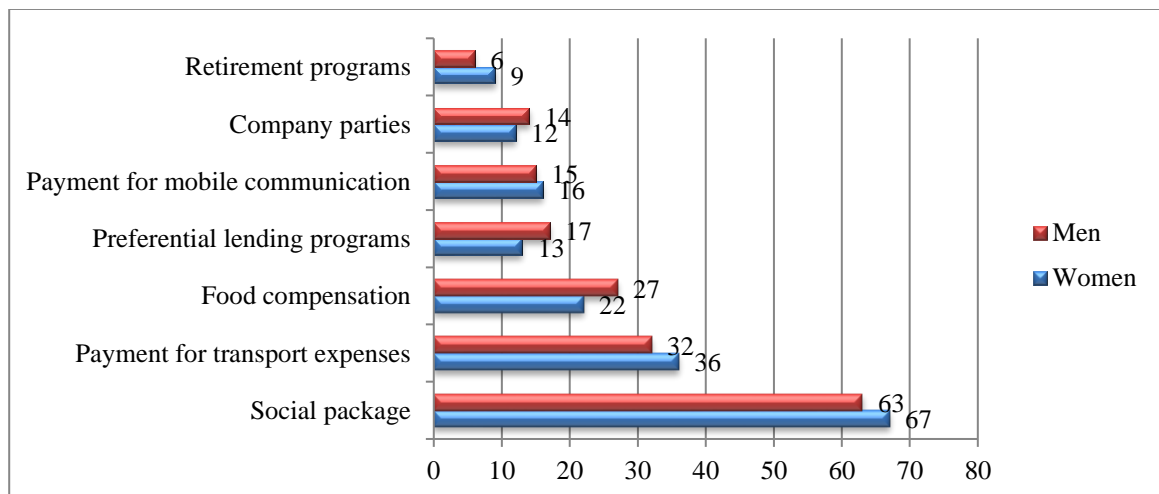


Figure 3. Which options will have the most positive effect on your motivation? (% , Not more than 3 options)

No less important factor of motivation is the necessity to create aesthetically attractive workplace for employees. Surveys show that 43% of employees report that their office environment is directly related to job satisfaction. Meanwhile, 91% of executives believe that office planning directly affects staff performance (Figure 4).

To improve the moral and psychological climate in the enterprise, increase productivity, it is advisable to invest a small amount of money every month in providing recreation opportunities. For example, one of the latest innovations is the equipment of special rooms for employees' rest at the company. If people are not given a rest, they will not be able to work productively. If the employee is allowed to feel at home, he or she will be treated more responsibly, and this will affect the final result of his or her activity.

Effective workplace design can come in the form of proper lighting and aeration, comfortable and non-broken office chairs, established discussion spaces, and even indoor plants that, as it has been proven, have physiological and psychological benefits in the workplace. This not only makes the workplace conducive to work, but also gives employees the impression that their well-being is valued and promotes further working life.

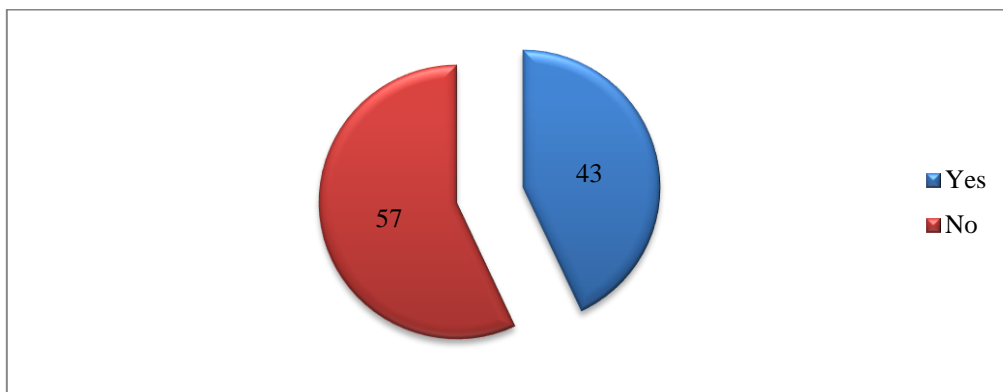


Figure 4. Does your office environment affect you? (%)

Employee dissatisfaction with wages and incompetent management were the main reasons for the demotivation. Equally important are the delayed payment of wages, reduction of bonuses, unfriendly corporate culture, public criticism, lack of career advancement, fines, flexible schedule, etc.

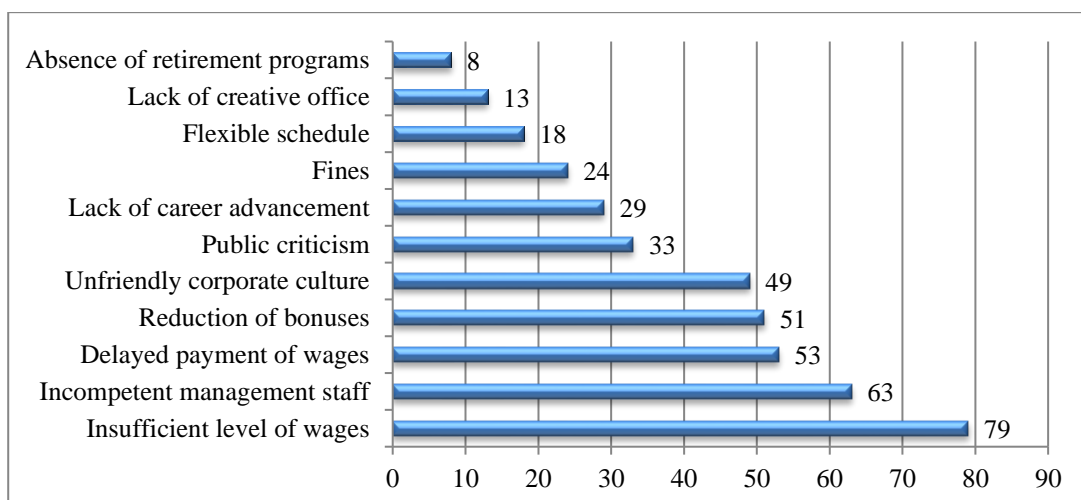


Figure 5. What factors demotivate you the most? (% , Not more than 3 options)

Only 35% of all employees feel inspired and interested in their careers. Only 49% of all employees rarely recommend to friends to use the product or service they provide. Most employees rated their work as safer (47%) or much safer (38%). So 69% of respondents said they would continue to work, even if they no longer had to work because of a significant inheritance. The analysis showed that 60% of investments in motivation should go to financial motivation, and 40% to non-financial one.

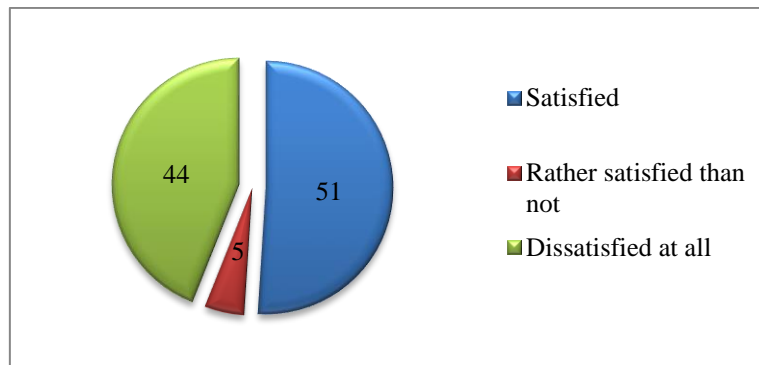


Figure. 6. Are you satisfied with the motivational system in your enterprise? (%)

In Figure 6 above, we see that most employees are completely satisfied with the motivational system in the enterprise, namely 51%. The number of employees, who are more satisfied than not, was 5%. And the number of those who for some subjective reasons are more likely to be dissatisfied with the system of motivation and stimulation of the personnel was 44%. This indicates that the company has a system of personnel motivation, but it does not take into account the needs of each individual.

The generalization of the experience of practical activity of enterprises and organizations showed the importance of non-financial motivational tools for employees and confirmed the misconception of the exceptional importance of financial factors in the formation of staff loyalty.

Thus, the systematized structure of motivation at the enterprise is presented as an economic component, because an effective system of motivation allows to increase the economic performance of the organization, to satisfy the economic needs of its members, as well as the psychological component, since its construction has to take into account ideals, aspirations, needs for achievements and self-expression of its participants.

Financial motivation is not a way to retain employees and motivate them to work hard. If an enterprise is concerned about retention, it should strive to provide a good corporate culture where employees feel valuable with the flexibility to make a significant contribution to the work, regardless of their role.

The employee should feel that he or she is responsible and that his or her work is valued. When the work is done very well, it should be highlighted and noted.

Non-financial employee leads to certain expenses for the enterprise. However, in the aggregate, they have a much greater effect than the expenses of direct payment of bonuses. An additional success factor is the recruitment of self-motivated staff. Such employees are easily "tuned" for maximum efficiency and high loyalty of the company. Vigorous, active and initiative employees are the key to success, which is why a well-designed motivational system for personnel is the most important task for a manager.

However, combining these or other tools of motivation in the construction of a common system, it must be remembered that non-financial tools can be used only when employees are

satisfied with a financial point of view. That is, when their financial expectations are satisfied, what is more, the question is not only in the salary but also in the fulfilling the compensation package. Often, enterprises forget that for an employee, in addition to wages and bonuses, for example, free lunches, transport expenses, extra days before leave, and sick leave are greater than it is required by law. This is also the financial component of the compensation package. It is not necessary to increase wages immediately, it is necessary to calculate all components of the compensation package, which will allow to compare own enterprise with other mid-market ones.

Taking into account the information above, it would be advisable for the manager to develop their compensation package by conducting a survey among the employees of the company. To do this, employees should be offered a list of benefits from which they can select the benefits they are most interested in:

- payment for mobile services;
- payment for public transportation;
- compensation for the cost of gasoline;
- payment for advanced training (additional education, profile seminars and trainings, foreign language learning, internships);
- payment for corporate sports events (e.g. football for men and pool for women);
- free meals or food allowances;
- payment for housing for non-resident employees;
- payment for the education of employees' children;
- providing preferential vouchers;
- additional leave;
- paid sick leave;
- providing loans for the purchase of housing;
- providing a car;
- compensation for the purchase of office clothing;
- providing days off;
- private office or workplace improvement;
- updating of equipment;
- employee health improvement programs;
- providing one-time financial assistance for recovery during annual leave;
- training in secondary specialized and higher education institutions at the expense of the company;
- flexible schedule;
- discounts on services for partners of the firm (insurance, tourism, cosmetology, etc.);
- providing free housing while working at the enterprise.

Taking into account the fact that all the benefits have different cost components, we propose (in regard to a comparable value) to divide them into three groups of indicators, which employees will be able to choose from, one type of motivation that interests them most (Table 1). Given the first part of the sentence, which implicitly contains a requirement for a balanced value of benefits, it is appropriate to express this directly.

For wage calculations, it would be advisable to use the KPI system, which helps to reduce the level of wage costs.

The KPI-based payment system allows you to:

- provide control over current and long-term performance of the organization;
- evaluate the personal effectiveness of each employee, unit and enterprise as a whole;
- orient personnel to achieve the required results;
- manage the budget of the payroll fund and spend time calculating it.

The final stage in the development of the motivational system for the personnel is the development of regulatory support - a single corporate document that contains all the provisions of the new motivational system.

Table 1. Corporate document: indicators of motivational benefits, depending on value component

The first group of indicators	The second group of indicators	The third group of indicators
payment for mobile services	compensation for the cost of gasoline	payment for the education of employees' children
payment for public transportation	payment for advanced training (additional education, profile seminars and trainings, foreign language learning, internships)	providing loans for the purchase of housing
free meals or food allowances	payment for corporate sports events (e.g. football for men and pool for women)	providing a car
additional leave	payment for housing for non-resident employees	employee health improvement programs
paid sick leave	providing preferential vouchers	training in secondary specialized and higher education institutions at the expense of the company
compensation for the purchase of office clothing	private office or workplace improvement	providing loans for car purchase
providing days off	updating of equipment	discounts on services for partners of the firm (insurance, tourism, cosmetology, etc.)
providing one-time financial assistance for recovery during annual leave	flexible schedule	providing free housing while working at the enterprise

Motivated employees can increase productivity and allow the enterprise to achieve higher levels of productivity.

Such an individual mechanism of motivation can help an employee achieve his or her personal goals and can promote the self-development of the worker. As soon as this employee reaches some initial goals, he or she realizes a clear link between effort and results, which encourages them to continue working at a high level.

The level of employee performance depends not only on their abilities or qualifications. In order for the company to achieve the best results, the employee should have a good balance between being able to accomplish the task and the desire to accomplish it. This balance can lead to increased productivity and increased efficiency.

4. Conclusions

Having analyzed the basic directions of survey of general principles of employees' motivation and identifying the basic methods of personnel motivation and the person in particular, theoretical overview of the methods of formation of the system of stimulation of the personnel at the enterprises and estimation of their efficiency was presented.

While using the method of expert assessments (interviewing employees of different age, gender, level of management), a systematic design of the most effective methods of stimulation with the separation of non-financial instruments of motivation was constructed, which confirms the misconception of the exceptional importance of financial factors in the formation of staff loyalty.

The model of the normative component, in the form of a corporate document, which accumulates the indicators of motivational benefits depending on the value component is formed and proposed for implementation.

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