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MODERN APPROACHES TO EMPLOYEE MOTIVATION

Summary. This paper describes how different motivation methods can be applied to improve enterprise performance. The significance and place of employee motivation in the enterprise management are considered. The main problems reducing the effectiveness of the enterprise motivation system are summarized. Progressive approaches increasing personnel motivation are suggested.

Keywords: employee motivation, organizational performance, motivation system, motivation methods, reward.

Introduction. To begin with, the new challenges such as global competition, dynamic changes of the environment, knowledge-driven economy, and technological progress lead managers to find innovative strategies to organization development. To be effective in the modern competitive market, all factors of production (land, labour, capital, entrepreneur skills) should be managed in a progressive way. Furthermore the great emphasis should be put on human resources, as the most challenging and efficient recourse. Unfortunately, just a few organizations consider the human capital as being their main asset, capable of gaining the competitive advantage and leading the organization to success. A current system of human resources management should be based on a statement that people are the main enterprise's economical resource. They are, of course, a source of profit, competitiveness and future growing. In our opinion, the issue to be focused on is employee motivation. Undoubtedly, it is one of the most crucial problems nowadays.

Literature review. A large number of studies discovered the effect of motivation on the productivity of workers, and on the overall business performance. It is important to understand the role of foreign experience of the employee motivation in order to implement the best practices on the national enterprises. Let us now consider some of the classical motivational theories. According to Maslow's theory there are two types of needs: lower level and higher level needs [1]. Lower level needs can be satisfied externally and higher level can be satisfied internally. Lower level needs are the basic biological human needs such as food, shelter, sex and dress while upper level needs are those which individual strives to achieve after the satisfaction of the lower level such as self-esteem and self-actualization. When lower level needs are satisfied in the hierarchy, individual strive for the next level. We can say that when physiological, safety and social needs are satisfied, the individual strives for self-esteem and self-actualization. In addition, Herzberg states that there are two factors of motivation such as Satisfiers (or motivators) and Dissatisfies (or hygiene) [2]. According to Herzberg, satisfiers or motivators are intrinsic motivational factors which are related to job itself and internal to individual such as, recognition, development and responsibility. It also corresponds to Maslow's motivation or need hierarchy theory where self-esteem is an upper level need. Dissatisfactions or hygiene are extrinsic motivational factors which remove dissatisfaction such as salary, working condition and relationship with colleagues. The Herzberg theory constitutes the same framework in support of the argument of

reward and recognition and its effect on employee's job satisfaction as constituted by Maslow's hierarchy theory. The motivating factors reflect self-esteem which is actually recognition. Hygiene factor reflects the lower level needs like physiological. For example, Vroom's theory explains that individuals make choices on the basis of their expectations [3]. This expectation is based on the fact that certain reward may be the result. It means that in an organization people will be motivated for a work which will bring some gratification or a desired result to the employee. What is more, numerous studies have proved that rewarding employees is one of the best ways to keep the workforce motivated. It has been found that connection between rewards, recognition and motivation of employee are strategically significant to the success of an organization. For example, the study by Sobia Shujaat confirms that motivation, thus, is a factor that exerts a driving force on our actions and work [4, 24]. We follow the Rafia Alam that proposes both monetary and non-monetary methods to attract people to join an organization and keep them motivated to perform up to high levels [4, 29]. Ovidiu-Iliuta Dobre suggests that people appreciate social systems, so the sociability aspect of effective organizations cannot be neglected [5, 53]. Khan's statement that a motivated employee has his goals aligned with those of the organization and leads his efforts in that direction is worth considering [6, 27].

Hence, the organization is more successful, if its employees are always in search of new ways to improve their work. Getting the employees to reach their full potential can be achieved by motivating them. Thus, the ways to enhance employee motivation require special attention.

Problem statement and research objective. Undoubtedly, the issue of effective personnel motivation is of great scientific and practical significance. At the same time a lot of crucial aspects of motivation methods and their combinations are under investigated in Ukraine. It is obvious that well motivated employees contribute greatly to the enterprise overall performance. Nevertheless, the core difficulty consists in determination the most effective approaches increasing the employee motivation. Hereby, the goal of the article is to investigate and determine the significance and place of employee motivation system in the business management analyse problems and prospects of its functioning, draw appropriate conclusions. Therefore, the objectives of this paper are to determine the main problems reducing the effectiveness of the enterprise motivation system and to suggest progressive approaches increasing personnel motivation.

Key results. In the case of Ukraine, some researchers consider motivation as being contained within the individual whereas others define it as a force arising from sources outside the individual. In this study we support Franken's view on motivation [7]. His suggestion that motivation is the driving force in any individual which moves him (or her) to act in a certain way is uncontroversial. In other words, it is what drives the employees to give the excellent performance for the success of the organization. As the

same time we believe that motivation could be changed externally. Moreover, we can presume that the main task of a good top manager is to find the key factors to affect the employee motivation and in that way increase their performance. To conclude this discussion on the issue of what personnel motivation means, it can be said that each individual is already motivated, but that such inherent motivation can and should be stimulated by means of external motivation to inspire performance.

There are many options to influence the motivation of the individual. It is clear that ways ensuring effective impact on the motivation of work are not sustainable. Moreover, the same factor works differently for different people and could increase productivity of a specific person and reduce all the motivational guidelines for another. Therefore, it only confirms the necessity and the importance of studying the needs of the individual, his attitudes, desires and priorities for the development of effective motivation system.

Taking into account Maslow's motivation hierarchy it is obvious that employers would benefit by having a noncash reward system in place when they already have an appropriate cash bonus system. However, in the current economic situation in our country all the intangible motivation methods would appear to be useless, because of the insufficient monetary compensation system. Thus, to benefit from noncash reward system, it is obligatory to provide proper salary level in Ukraine.

It is likely that goal setting processes have a significant effect on personnel motivation. We can draw the tentative conclusion that setting objectives incorrectly usually causes problems and demotivate employees. Besides the generally accepted rules of goal setting (specific, measurable, achievable, relevant, time-bound) it is necessary to zoom in on the communication among the targets, the efforts and the rewards.

Definitely, an effective motivational system includes an obvious relationship among employee's everyday objectives, firm's goals, and the way the personnel is rewarded. What is more, if any kind of ambiguity arises in this communication then it will decrease or eliminate the effect of motivation. It is certain that high level of employee satisfaction enhances their performance and decreases the staff turnover which in turn reduces the cost of recruiting, selection and training.

The analysis has shown significant gap in the time that organizations have implemented a motivation technique and the increase in the organizational performance. There are some factors to explain it. The first problem is that the correlation between the personnel stimulation and the productivity growth is difficult to identify, observe and estimate. Secondly, very few organizations have well established and specialized expertise in the area of employee motivation.

Furthermore the variety of stimulation methods, their combinations and multiform effects on different people leads to the lack of understanding the precise benefits. Taken together, all the above mentioned characteristics determine that the implementation of effective motivation system requires fundamental changes in the everyday patterns and procedures of the organization that make it very difficult to undertake in an effective manner, and significantly.

It is obvious that financial reward is the key motivator for the employees. At the same time, only monetary methods do not enhance productivity over a long period and money does not improve performance significantly. Fortunately, there are other non-financial factors that have a positive influence on motivation, such as rewards, social recognition and performance feedbacks.

In sum the main problems reducing the effectiveness of the enterprise motivation system are: 1) neglecting the influence of non-cash motivation methods or using them with no monetary basis; 2) difficulties in diversifying motivational techniques among different groups of personnel; 3) the link between motivational action and organization performance is not always clear; 4) ambiguous goals and instructions; 5) uncertainty in the employee reaction on the motivation technique; 6) incertitude in employees' loyalty and engagement; 7) difficulties in assessment the impact of motivation on the organization performance.

Hence, to increase the human capital investment on the domestic enterprises and organizations we need to consider all the above mentioned issues. Therefore, until previously mentioned problems are solved, it is not effective to implement specific motivational techniques.

That's why our suggestions are: 1) to provide the satisfactory level of monetary reward for the personnel; 2) to improve on-the-job conditions; 3) to perfect the existing corporate culture and psychological climate; 4) to provide the feedback both when an employee operates well and when he/she does something wrong; 5) to set objectives with clear effort/reward correlation; 6) to give rewards that are meaningful and appropriate according to the task fulfilled; 7) to provide both on-the-job and off-the-job upgrading training; 8) involve employees in the decision making process; 9) involve employees in the process of assessment criteria determination.

In conclusion, we suggest starting with on-the-job training as a powerful motivational factor. We want to zoom in on its positive impact on personnel wages and development, as well as employment, mobility. We would like to emphasise the positive impact of training on company performance. In terms of benefits for enterprises, the evidence points towards positive impacts on productivity, innovation and organisation culture. A more systematic and fundamental approach to researching influence of on the job training to personnel motivation would enable stronger conclusions.

Conclusions and future research perspectives. To sum up, we are convinced that personnel is the most valuable and efficient recourse available to the enterprise. Thus, increasing employee performance by different motivation methods and techniques is one of the most progressive ways to provide corporate advantage and the long-term effective development of the organization. In view of this, further research on intangible motivation methods and their influence on the employee performance on Ukrainian enterprises is suggested.

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Мохнюк А.М. Сучасні підходи до мотивації працівників

Анотація. У статті визначено, як різні методи мотивації можуть бути застосовані для підвищення ефективності роботи підприємств. Розглянуто значення і місце мотивації персоналу в управлінні підприємством. Узагальнено основні проблеми, що знижують ефективність мотиваційної системи підприємства. Запропоновано прогресивні підходи до підвищення мотивації персоналу.

Ключові слова: мотивація працівників, діяльність організації, система мотивації, методи мотивації, винагорода.

Мохнюк А.М. Современные подходы к мотивации работников

Аннотация. В статье определено, как различные методы мотивации могут быть применены для повышения эффективности работы предприятий. Рассмотрены значение и место мотивации персонала в управлении предприятием. Обобщены основные проблемы, снижающие эффективность мотивационной системы предприятия. Предложены прогрессивные подходы к повышению мотивации персонала.

Ключевые слова: мотивация работников, деятельность организации, система мотивации, методы мотивации, вознаграждение.