

Features of Methods of Motivation and Incentives in the Context of Sustainable Development

Elena Kuznetsova^a and Marina Fedorova^b

*K.G.Razumovsky Moscow State University of Technologies and Management
(the First Cossak University), Omsk, Russia*

Keywords: Personnel Motivation, Sustainable Development, Organizational and Moral and Psychological Factors in the Motivation System, New Estimated Indicators, Rationalization Proposals.

Abstract: The article is devoted to topical issues of motivation and incentives for company employees in the context of sustainable development. The features of various systems of motivation are noted and the effectiveness of their application in the organizational activities of the company is analyzed. The author considers the essence and significance of the motivation system in domestic and foreign studies. In the era of sustainable development, the priority influence of organizational and moral-psychological factors in the personnel motivation system is shown. A special role in the effective management of employee motivation is assigned to the introduction of proposals for the improvement and improvement of current production processes. The number of proposals made by employees is considered as an important criterion in assessing the effectiveness of the activities of departments and the enterprise as a whole.

1 INTRODUCTION

The purpose of this article is to identify the features of the most effective methods of motivating and stimulating employees in conditions of sustainable development, as well as the influence of these methods on the behavior of employees and the development of their professional competencies.

Along with the material factors of motivation and incentives, the creative and innovative potential and energy of those people who own them become a key factor in the development of the economy in conditions of sustainable development (Lutokhina, 2020).

The effective activity of any organization depends on the quality and efficient work of its employees. And therefore, in the modern world in organizations, the question of the effectiveness of the use of labor resources increasingly arises. In this case, the readiness of the personnel and their desire to perform their work with high quality is important.

Productive and useful work of an employee of the organization presupposes that he has an incentive to work. Many heads of organizations and companies

understand that today it is impossible to do without a competent personnel motivation system, and now, in conditions of sustainable development, the problem of employee motivation is very relevant, since the results of the company's organizational activities depend on precisely developed motivation systems.

Work motivation is one of the leading places in the organization's personnel management. Changes in the content of labor in the context of sustainable development and social expectations of employees have increased the importance of motivation as one of the main functions of management.

Therefore, the problems of methods of motivating and stimulating employees often become the subject of many studies and are key in building the management process.

To date, the solution of problems of management of the system of motivation and incentives for personnel, as well as the search for mechanisms for the effectiveness of such management, in their studies are engaged as foreign ones (I. Ansoff, F. Becker, P. Drucker, G. Kunz, M. Mescon, F. Hedouri, S. O'Donnell, T. Peters, G. Simon, S. Adam, D. McClelen and A. Maslow.), And domestic scientists

^a <https://orcid.org/0000-0002-0549-384X>

^b <https://orcid.org/0000-0002-0903-1132>

(N.A. Solomatina, Z.A. Nagimova, D. Boginya, A. Kolot, I. Petrova, L. Balabanova, V. A. Yadova, V. I. Gerchikov).

So Peter Drucker developed a theory of motivation based on management by goals (Drucker, 2003). The idea of this concept is that in all the diversity of the organization's goals (not only the traditional profit maximization, but also the focus on motivation), the task of a rational manager is to optimally combine the various goals of the organization.

Using this concept as a method of improving organizational performance helps to integrate planning and control, increases the involvement of managers at all levels in the process of setting goals and stimulates feedback processes.

F. Hedouri and M. Mescon define motivation as "the process of stimulating oneself and others to work aimed at achieving the individual and general goals of the organization."

Adam Smith believed that money is the only motivating factor, seeing people as purely economic beings who work only to obtain funds to buy food, clothing or housing. But today it is known that an employee can be motivated by the desire to receive not only material profit.

For some workers, universal respect and recognition may be the most important on the scale of needs. Satisfaction of needs is expressed in the form of rewards, which are divided into internal and external. A person receives internal reward from the very process of work, feeling the significance of his work, or receiving satisfaction from friendly relations with colleagues. Accordingly, external needs are salaries, promotions, symbols of service status and prestige.

In his works, N.A. Solomatina, Z.A. Nagimova give a definition of motivation as "the internal state of a person, an integral part of character, associated with his interests and determining his behavior in the organization" (Solomatina, 2011).

Vladimir Aleksandrovich Yadov offers his own view of motivation within the framework of the dispositional theory of personality. According to his theory, human behavior is regulated by his system of dispositions (attitudes of various levels). What level of dispositions play a role at the moment is determined by actual needs and the situation (Poisons, 1983).

Moscow professor V.I. Gerchikov developed a model based on the selection among the personnel of persons with a predominance of one of the five types of motivation. Gerchikov summarized the basic rules for applying incentive systems to employees who

differ in the type of labor motivation (Gerchikov, 2005).

Despite the fact that modern authors do not have a single definition of the concept of "labor motivation" and each has its own vision and interpretation, all definitions have a common feature - motivation acts as a motivation for a person to work.

The analysis of all foreign and domestic researchers in the field of methods of motivation and incentives confirms that additional and new directions of scientific research in the field of motivation and incentives are required.

2 MATERIALS AND METHODS

The main research method used in the work was system analysis, the essence of which is to find the relationship between various phenomena and processes.

The theoretical, methodological and informational base of the study was the works of domestic and foreign scientists dedicated to the development and construction of systems of motivation and incentives in market conditions of management.

Based on the analysis of the above definitions and features of methods of motivation and incentives, the author believes that there are still little-studied issues in the field of building a system of motivation and incentives for personnel in the era of sustainable development.

So O.A. Kozlova in her article "Features of employee motivation in the formation of the digital economy" notes that the digitalization of the economy and society requires the system of motivation to adjust to reveal the personal qualities and abilities of a person, the ability to think critically, the ability to work in a team, initiative, perseverance, and sociability (Kozlova and Selezeneva, 2018).

As a result, it becomes necessary to correct the motivation system based on achieving a balance between the methods of material incentives and methods that open up the possibility of self-realization of workers, the growth of their interest in work and obtaining not only material, but also moral satisfaction from work.

To ensure competitiveness, employees need to constantly improve their skills, master related professions, and raise the level of knowledge and qualifications.

Professor of the Department of Economic Theory of the Academy of Management under the President E. Lutokhin in his article "Motivational" thresholds

"on the path of the digital economy" says that the leading force of digital transformation is the creative and innovative activity of employees. It is formed by the synergy of two essential components: the availability of the appropriate potential for the personnel (this is especially significant in the transition to the VI technological order), as well as strong motivation of employees for innovative, including digital restructuring, which, as a rule, complicates the customary traditional human activities, enterprises and management systems (Lutokhina, 2020).

In addition, workers and personnel in general must be capable not only of training, but, which is more difficult, of retraining. However, not everyone can do it. Here special efforts are needed to overcome the established stereotypes, traditions and habits.

Why do companies today strive and want to have skilled and motivated employees? Changes in the world and business environment in recent decades have undergone significant changes in traditional positions in organizations.

Each position in a company has a role to play and contributes to the success of the business (software developers, electronics engineers, developers, network professionals, IT managers, etc.). Expanding the range requires opening and motivating new vacancies.

New technologies and global competition are pushing entrepreneurs to train professionally, improve their skills and use new methods of incentives. The rapid obsolescence of knowledge has an impact on an entrepreneur who needs to manage knowledge and improve employee literacy.

Among the large number of different theories of motivation, it is necessary in the context of digital transformation to single out organizational and moral and psychological factors in the personnel motivation system.

Figure 1, 2 shows the organizational and moral-psychological incentives of personnel in the motivation system.

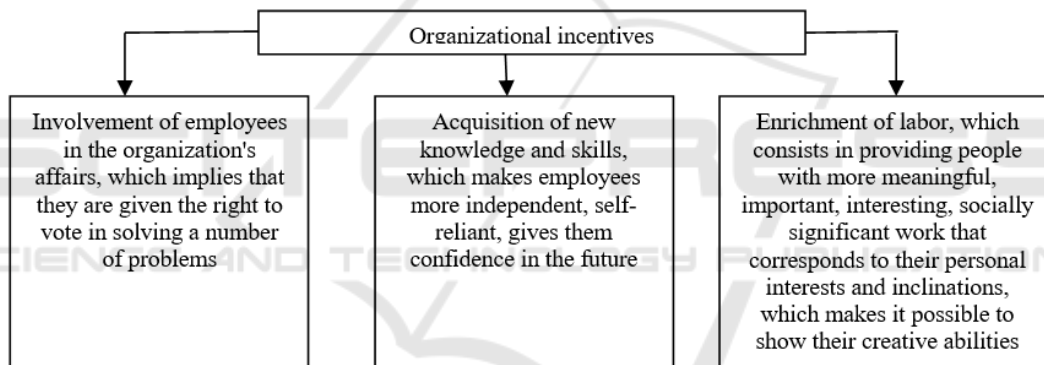


Figure 1: Organizational incentives of personnel in the motivation system.

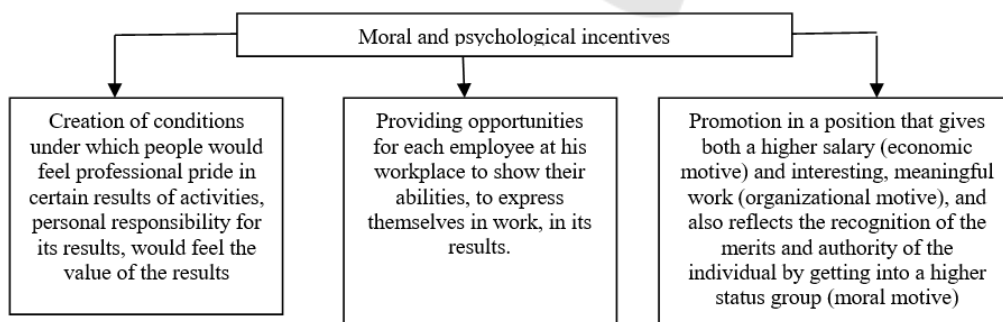


Figure 2: Moral and psychological incentives of staff.

At some modern enterprises (with an unconventional approach to management, world-class enterprises), traditional competitive advantages (cheap labor and energy, low rents and low social costs) are being replaced by a trademark, know-how,

inventions, the degree of creative activity of workers, introduction of new technologies, the ability to build marketing and distribution networks, the brand of the enterprise, its business reputation.

In these conditions, it is necessary to develop intra-firm entrepreneurship, identify the intellectual capabilities of the team, delegate authority to all employees of the enterprise.

New approaches are required. What are they?

These companies with a non-traditional management approach set the same goals as companies with a traditional approach to management - to reduce production costs, but in a completely different way. Namely:

- Through new relationships with suppliers, business partners;
- Due to sometimes minor, but everyday improvements in the production process;
- Due to the new organization of incentives for participants in production.

The key element is strict adherence to the rule: make at least a little bit of any improvements and improvements in production every day. And thanks to this approach, they achieve a stream of proposals. In these companies, stimulation of the development of personnel creativity is developed.

Thus, it is advisable and necessary in the company to establish such indicators that would stimulate workers and employees to achieve the most effective results.

In many factories (with world-class manufacturing), many business estimates are excluded. First of all, they do not use the indicator of labor productivity, calculated as output per one production worker or per 1 man-hour of working time. In general, production rates, various standards for the expenditure of working time per unit of output, etc., are practically not applied. Completely new estimates appear, namely, the number of rationalization proposals, the process of their implementation, which characterizes the degree of involvement of ordinary workers and employees in management; indicators of reducing the time for launching a new product and others.

What can a leader, a manager of any enterprise, do in order to achieve efficiency gains in the shortest and least costly way?

Try to implement a system of incentives for employees for making any proposals aimed at improving the organization and management of production at their enterprise.

Determine the terms of payment of remuneration for any offer. Why any? Because it contributes to the development of a new way of thinking, aimed at a constant, everyday search for new ideas, solutions, discoveries. Workers develop the habit of constantly thinking about improvements.

3 RESULTS AND DISCUSSION

How consistent is the modern system of motivation aimed at new performance indicators at manufacturing enterprises? To answer the question posed, let us consider a modern personnel motivation system using the example of Omskvinprom LLC, introduced at the end of 2019.

An effective personnel management system at Omskvinprom LLC includes a set of measures that stimulate personnel not only to work for which money is paid, but above all to special diligence and an active desire to work at this particular enterprise, to obtain high results in the process of performing their duties, to increase loyalty to the management.

The company has a developed motivation system based on rewarding employees for being active in the development and implementation of positive changes (improvements) in production.

An Improvement Proposal is an employee idea aimed at improving current production processes. The proposal submission system aims to involve staff in a continuous improvement process.

The number of proposals made by employees is considered as an important criterion in assessing the effectiveness of the activities of departments and the enterprise as a whole.

The manager assesses the significance of this improvement according to one or several criteria:

- increasing labor productivity;
- increasing the level of labor safety;
- reducing production costs and saving resources;
- increasing the efficiency of the equipment;
- improving the organization of the workplace and working conditions;
- improving the quality of products and work performed.

Based on the existing ideas, the employees of the enterprise are selected in the following nominations: "The most productive" and "The most productive".

Within the framework of the incentive program for suggestions for improvement, the motivation of the heads of the division is provided. At the end of the year, the head of the authors of promising ideas is provided with a one-time bonus in the amount of 20% of the total amount of accrued employee benefits.

Also, the employee motivation system provides for training and advanced training of employees, which is continuous and is carried out throughout the entire labor activity.

Personnel training consists in teaching the labor skills necessary for high-quality work performance.

For lifelong learning to be effective, employees need to have a stake in it.

In modern conditions, the management of any organization should admit that the existence of a cost-effective company is simply impossible without a well-thought-out system of staff training, this applies to both ordinary employees and top managers.

The high level of qualifications of employees allows them to more quickly and efficiently fulfill their duties, improves the quality of the company, and minimizes the occurrence of risks and problems.

As a result of the introduction of the new incentive system, there was a 5% decrease in production costs due to a decrease in product rejects due to the interest in the work of employees and a better organization of labor. There was also a 3% decrease in the staff turnover rate.

The forecast of the main economic indicators of Omskvinprom LLC after the introduction of the new personnel incentive system is presented in Table 1.

Table 1: Forecast of the main economic indicators of the activity of Omskvinprom LLC, thousand rubles.

Indicator	2019 year	Forecast 2020	Deviation is absolute	Growth rate, %
Revenue	5 080 617	5 080 617	-	100
Cost of sales	2 871 353	2 727 785	-143 568	95,0
Gross profit	2 209 264	2 352 832	143 568	106,5
Business expenses	1 862 992	1 862 992	-	100,0
Administrative expenses	102 033	102 033	-	100,0
Revenue from sales	244 239	387 807	143 568	158,78
Return on sales,% E	4,81	7,63	2,82	158,63
Employee turnover rate	0,14	0,136	-0,004	97,14

Cost of sales for 2020 amounted to 2,727,785 thousand rubles. and decreased by 143,568 thousand rubles. compared to 2019, the rate of decline was 95%.

Gross profit for 2020 amounted to 2,352,832 thousand. rub. and increased by 143,568 thousand rubles. or 6.5% compared to 2019.

Profit from sales increased by 143,568 thousand rubles. and amounted to 387,807 thousand rubles in 2020. The employee turnover rate was 0.136 and decreased by 0.004 compared to 2019, the rate of decline was 97.14%.

In general, it can be noted that the new system of incentives for employees of the enterprise had a positive impact on the effectiveness of personnel management.

4 CONCLUSION

Thus, the problem of motivation is multifaceted and directly affects the attitude of staff to work. Motivation is an external influence on the work behavior of an employee, aimed at achieving personal, group and social goals. The motivation system is a system that is not of an operational material nature and that stimulates personnel to a

certain way of thinking, organizational behavior and work itself.

There are various requirements for building an effective motivation system in modern conditions of sustainable development. The effectiveness of the motivation system in a particular organization depends on many factors that are individual for each organization. When forming a motivation system, it is important that incentives are based on the goals of the organization and its strategy, generate in employees exactly the behavior that is expected of them, would be understandable, objective and transparent.

In the context of sustainable development, modern enterprises and companies need, first of all, the development of intra-firm entrepreneurship, the identification of the intellectual capabilities of the team, the delegation of powers of all employees of the enterprise. All this can be achieved through new relationships with suppliers, business partners, through sometimes insignificant but everyday improvements in the production process, as well as through a new organization of incentives for participants in production.

REFERENCES

- Gerchikov V.I. (2005). Typological concept of labor motivation. *Motivation and wages*, 3:2-6.
- Drucker P. (2003). Practice of management: trans. from English Moscow: *Williams*, pages 37-43.
- Kozlova O.A., Selezeneva E.A. (2018). Features of employee motivation in the formation of the digital economy. *Human Progress*, 4:10.
- Lutokhina E. (2020). Motivational “thresholds” on the path of the digital economy. *Science and Innovations*, 3(205): 53-55.
- Solomatina N.A. (2011). *Organization management*. Moskow.
- Poisons V.A. (1983). Attitude to Labor: Conceptual Model and Real Tendencies. *Sociological research*,3:50-62.
- Akhmetshin E., Gubarkov S., Morozov I., Pavlyuk A., Yumashev A., Yumasheva N. (2018). Motivation of personnel in an innovative business climate. *European Research Studies Journal*, 21 (1): 352-361.
- Coyle D. (2017). Precarious and productive work in the digital economy. *National institute economic review*,1:5-14
- Graham M. ; Hjorth I. ; Lehdonvirta V. (2017). Digital labor and development: impacts of global digital labor platforms and the gig economy on worker livelihoods. *Transfer-European review of labor and research*, 2:135-162. DOI: 10.1177 / 1024258916687250.
- Kawashima K. (2017). *Service outsourcing and labor mobility in a digital age: transnational linkages between Japan and Dalian, China*. *Global networks-a journal of transnational affairs*, 4:483-499.