“Ways and characteristics of employee motivation in modern conditions”

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Abstract

An effective human resource management system is a crucial factor for all organizations and institutions. In the light of modern development, it is obvious that improving the quality of service and gaining public trust is impossible without motivating employees, evaluating their performance, clearly defining duties and building an organizational culture. It should be noted that Georgian companies lack well-defined human resource management policy. Moreover, in most cases it is limited to administrative procedures and is considered as an operational activity, despite the fact that everyone understands the importance of each employee in achieving organizational success. Among the various ways to achieve organizational goals, one of the most important is to increase employee motivation. Increasing employee productivity depends on proper choice of the form of motivation and its wise use. If a manager meets the expectations of all employees, in this case, employee motivation increases, which means that the level of employee satisfaction is high and the organizational goal will be fully achieved. All of the above and other important issues are researched and scientifically analyzed in this paper.

Keywords
decision-making, motivation, staff, stimulation, productivity

JEL Classification
D70, E24, J50, O15

WAYS AND CHARACTERISTICS OF EMPLOYEE MOTIVATION IN MODERN CONDITIONS

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СПОСОБИ ТА ХАРАКТЕРИСТИКИ МОТИВАЦІЇ ПРАЦІВНИКІВ У СУЧАСНИХ УМОВАХ

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Anotaciya

Ефективна система управління людськими ресурсами є вирішальним фактором для всіх організацій та установ. У світлі сучасного розвитку очевидно, що підвищення якості обслуговування і завоювання суспільної довіри неможливи без мотивації співробітників, оцінки їх роботи, чіткого визначення обов'язків і побудови організаційної культури. Варто зазначити, що у грузинських компаній відсутня чітка політика управління людськими ресурсами. Більш того, у більшості випадків вона обмежується адміністративними процедурами і розглядається як операційна діяльність, незважаючи на те, що кожен усвідомлює важливість кожного співробітника в досягненні успіху організації. Серед різних способів досягнення організаційних цілей одним з найбільш важливих є підвищення мотивації працівників. Підвищення продуктивності праці співробітників залежить від правильного вибору форми мотивації та її розумного використання. Якщо керівник виправдовує очікування всіх співробітників, то мотивація цих співробітників підвищується, а отже, рівень їх задоволеності високий, і мета організації буде повністю досягнута. У статті досліджено й науково проаналізовано всі перераховані вище та інші важливі питання.

Ключові слова
прийняття рішень, мотивація, штат співробітників, стимуляція, продуктивність

Класифікація JEL
D70, E24, J50, O15
INTRODUCTION

Efficient management of an organization depends on many internal and external factors, out of which one of the most essential is personnel. Using motivational mechanisms to stimulate the employees is becoming increasingly important in the process of human resources management. It should also be noted that in the human resources management process, personnel should be considered not as an expense, but as a company asset, which can improve the profitability and competitiveness of the organization. A motivated employee has an incentive to better use his/her skills, cope with difficult tasks and adequately deploy technical tools in the workplace, which leads to the achievement of desired results and more effective performance of the organization. If a person does not love his/her job, he will not succeed in it, and the failure of a particular employee will contribute to the failure of the whole organization and, on the contrary, properly hired staff is one of the key drivers to an organization’s success.

To achieve a high degree of performance, the employee should want to do the job (motivation), be able to work efficiently (ability) and have appropriate material resources, equipment and necessary information (environment). In modern conditions, organizations try to maximize their profit through minimizing costs and efforts, but it is not achievable without rational selection of human resources. An organization will not succeed even with the most talented and professional staff members too, if it is not able to retain its employees motivated and interested in their jobs.

1. LITERATURE REVIEW

In today’s rapidly changing business environment, the efficiency of the organizational performance can only be improved through increasing employee commitment, which on its turn can be achieved by setting clearly defined motivation system. If businesses want to grow and be successful then they need to find ways to tap into and harness their employees’ discretionary effort. Thus, employee motivation has become a main issue of interest from many human resource managers, they try to find the means to create and sustain employee motivation. Purposeful use of various scientific and practical motivation theories, assessment tools and other similar concepts leads to the higher efficiency of the employee management and thus increased motivation.

Theoretical foundations of the research are the works of scientists engaged in the study of motivational issues. According to Adams, Alderfer, Herzberg, Lawler, Maslow, the factors leading to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Therefore, managers who seek to eliminate factors that create job dissatisfaction can bring about peace, but not necessarily motivation. They will be placating their workforce rather than motivating them. Drucker, Kaplan, Satklif, Osterloh highlight one of Herzberg’s findings, where managers rather than giving employees additional tasks of similar difficulty (horizontal loading), “vertical loading” consists of giving workers more responsibility. Georgian researchers Beridze, Devadze and Gechbaia study comparison of motives for work in different socio-demographic groups, for example, identification of national characteristics of motivation and the degree of economic development of the country of origin of employees, which is especially relevant for Georgia, also search of motivational priorities in various professional environments. Kharkheli identified the most relevant theories and explained the respective theories of motivation and how motivation may impact employee commitment in an organization. Explaining behavior – needs, reinforcement, cognition, job characteristics, and feelings/emotions. Lazviasvili acknowledge different concepts of employee motivation, however a specific methodology for identifying motivation factors that will support formation of a motivation system and development of motivation strategies in organizations has not yet been developed.

2. METHODOLOGY

The objective of the study is to elaborate methodological approaches and develop practical recommendations for fulfilling employee motivation based on the foreign experience.

Human resources management involves different components, including personnel policy, team relations, social and psychological aspects of management. Increase of the labor productivity, stimulation of creative initiatives
and maintenance and enhancement of employee motivation are the most important components that can be singled out. No management system can perform its functions perfectly, if it does not have an effective motivation system established, since the motivation stimulates an employee and the whole team to strive for achieving set goals.

3. RESULTS AND DISCUSSION

The use of motivational methods in the practice has shown that the outcomes can be both positive and negative and this is normal, since in management theories and practices, there does not exist an ideal method or model that will fit all situations. Existing motivation techniques do not provide an exact answer to the question of what motivates a person, his/her readiness to act and to work for achieving success. At present, the most actual problems related to management and motivation still are: relationship with management, unsatisfactory pay, living and working conditions (Mushkudiani, Gечбаia, Gigauri & Gulua, 2020). The main hampering factor for eliminating these problems is the ignorance of these problems from the senior management, while in market conditions, it becomes necessary to pay attention not only to material incentives but also to introduce non-material motivation techniques. The importance of the problems related to motivation is confirmed as by the science, as well as by practice, because establishing a sound and effective motivation systems will result not only in social and creative engagement of a particular employee (whether manager or an ordinary employee) but also the successful performance of the organization.

In the last years, Georgian managers have realized that organization’s success and growth, competitiveness and quality depend on those people who create the product or service that they offer to customers. All these is based on whether the product/service is in compliance with standards, criteria and requirements – on its turn it can be affected by the employee commitment, backbone of which is motivation. It can be said, that time of offering material incentives gradually disappears from practice and the necessity for getting acknowledged with motivation methods and establishing motivation systems existing in the international labor market and management arises.

Motivated personnel are the essential asset of rapidly changing business environment. Effective management of the organization highly depends on managers’ understanding of how duties assigned to a particular employee can motivate him/her. Employee motivation is remained as the most difficult task of managers due to the frequent changes of requirements and needs of the subordinates. Different studies have highlighted that in line with the salary increase, money as the most important stimulator lose its motivating power, and with age it becomes more important for the employees that their jobs are interesting (Gечбаia, 2015).

According to the famous French writer de Motteville (1621–1689): “The true way to render ourselves happy is to love our work and find in it our pleasure”. This is probably the reason why modern organisations look for the employees who are passionate about their job and ask for high level of self-motivation from the job applicants. Self-motivation is a skill to motivate yourself and strive toward the goal without influence of any other person (Paresashvili, Gurbanov, Gечбаia, Goletiani & Edzgveradze, 2020). However, the surveys showed that the employee is highly motivated within three months from being hired. And then, if there are no stimulating tools deployed by the organization, the motivation is reduced. That is when the urgent need of motivating a particular employee or the whole department arises in order to make them pursue the organizational goals.

One of the greatest managers of all time Iacocca once stated that “Management is nothing more than motivating other people”. Indeed, establishing an effective employee motivation system today is one of the difficult practical tasks of management.

As mentioned hitherto, a motivated employee is a valuable asset of the organisation. For better understanding of employee motivation level in modern business conditions we decided to analyze different surveys conducted in various countries in the last 5 years.
3.1. Main outcomes of employee motivation surveys conducted in Georgia and various countries

Three years ago, one of the leader companies in online research in Asia, explored employee motivation in nine major Asian economies - China, Japan, Hong Kong, Taiwan, Thailand, Vietnam, India, Malaysia and Singapore. It should be noted that 40% of respondents identified “salary amount” as their top motivator. Financial concerns were also behind the second most common answer, “bonus”, which took 27% of the total. When analyzed by gender, males prioritize a “skill / personality matching” job (2nd), while females prefer a good “team relationship / atmosphere / culture” (2nd by a wide margin). Women also showed the drive for greater work-life balance compared to men (Rakuten, 2016).

In 2018, The workforce view in Europe, surveyed 9,908 employees across France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland and the UK. According to the survey, 22% of respondents are motivated by having a good work-life balance, 21% - by their relationships with their colleagues, 18% by praise and recognition from management, and 12% - by holiday allowance (27% stated other motivators).

The research also found out that:

- 45% of female respondents are motivated by money, compared to 50% of male respondents;
- 6% of overall respondents feel that nothing motivates or engages them. This number rises to 8% among UK respondents;
- 26% of respondents based in France value work-life balance, compared to 15% of Polish respondents;
- 23% of respondents believe their workplace enables them to be at their most productive all the time;
- 30% of respondents feel so stressed that they are considering finding a new job; this increases to 37% for respondents under the age of 35;
- 14% of respondents believe their organisation has no interest in their mental wellbeing at all (Scot, 2018).

In 2015, the survey, conducted in the UK, which interviewed up to 500 office workers revealed that 70% of the respondents had low motivation and nearly half of respondents rated their energy and motivation below five (maximum was 10 points). At the same time, 80% of the interviewed workers stated that they were going to change their jobs due to a low salary and lack of the appropriate equipment needed for job performance. However, in the context of gender, men felt more motivated at work than their female counterparts. In the context of age, Younger workers, between 18 and 24 years old, were the least motivated age group, while people aged between 35 and 44 were the most motivated (Eden Springs, 2015).

In order to assess the motivation level of the Georgian employees and provide contemporary trends of employee motivation strategies used by Georgian companies we decided to analyze 4 different studies of motivation conducted in the last 3 years, mainly:

- a study conducted in 2017, that interviewed about 100 workers of the 2 biggest Georgia based companies (Gechbaia, 2018);
- labor Market Needs Survey in Tourism Industry conducted in 2018, by Georgian Tourism Administration, which surveyed more than 1 000 employees across Georgia (Ministry of Economy and Sustainable Development of Georgia, 2018);
- a survey conducted in 2018 which interviewed about 450 public service workers of 15 state institutions on motivational issues (Sakvarelidze, 2018);
- a survey conducted in 2019 which interviewed about 100 employees of the HoReCa (hotel, restaurants, catering) sector on personal behavior issues.

Thorough analysis of the above mentioned surveys showed that the majority of the respondents realizes that job performance is affected by the employee motivation. At the same time, it was revealed that from about 1650 interviewed employees, 46% to a certain extent have motivation, 33% feel highly motivated, while 21% of the workers are not at all motivated or have low motivation (shown Figure 1).
If we discuss the Figure 1 in detail, we have to mention, that those employees (33%) who are highly motivated, mainly work in higher management positions and are mostly employed by the public service. Employees, who feel that they have high autonomy at the workplace are more motivated and committed to the job. Comparison in the context of age and sex showed that, young workers aged between 20 to 30 assessed their degree of motivation ‘higher’ compared to older workers and women demonstrated higher levels of motivation compared to men. Moreover, it can be stated that large and financially stable companies strive to create a healthy psychological climate and supportive work environment in order to increase their employee motivation and stimulate productivity (Mushkudiani & Dzotsenidze, 2019) which cannot be said about small companies. Organizational environment, job designing, remuneration and management style are the key factors that drive employee satisfaction and motivation.

As for the motivation mechanisms used by the employers, it should be noted, that the majority of the surveyed companies (mainly small size organizations) stated that they rarely use any tools to stimulate their employees; large companies and public services primarily named verbal and material rewards as the basic motivational tools (see Figure 2).

As the Figure 2 shows, 40.4% of the surveyed organizations do not have any motivational tools elaborated in place, 23% use verbal rewards, 17.2% monetary incentives and small percentage are allocated to promotion, engagement of employees in professional development programs and decision making and other motivational methods used. As the surveyed companies had an independence in listing the motivational tools used by them, we can assume that 9% of the organizations stating that they use other motivation mechanisms, in reality do not have any motivation approach developed. As for those organizations, where monetary incentives are used as a motivator, they have a pre-designed bonus distribution plan, they align employee objectives with end-of-year bonuses for hitting certain milestones (Gechbaia, 2018). Thus, in public services workers mainly receive monetary incentives (bonus

![Figure 1. Motivation level in surveyed respondents](source)

![Figure 2. Motivation tools named by surveyed organizations](source)
or additional salary) prior to public festivals, not directly due to the case, while in private companies at the end of the fiscal year. Sometimes, the money paid according to the schedule loses its incentive. The main difference revealed between incentives stated by private and public service respondents are that for private sector workers, promotion is the main motivator, while for public sector representatives, participation in professional development programs and engagement in decision-making process is more important.

To come back to motivation techniques used in public service, it should be mentioned, that in the case of Georgia, there is a clause in a law of Georgia on public service, that lists different tools that public service institution can use to enhance its employee motivation. In particular:

- head of the public institution has a right to pay a salary increment to the worker based on overtime performed or additional functions assigned. At the same time, a worker who is assigned to a particular officer class (there are 12 officer classes) can receive a salary increment which is determined by the Law of Georgia on the Remuneration in Public Institutions;
- the following types of incentives shall be determined based on the results of the employee evaluation: commendation, cash bonus and a valuable gift. The mentioned incentives can be used at a time;
- officers may, once in five years, enjoy a leave with the retention of pay, for a maximum of three months for participation in a professional development programme (Parliament, 1997).

Thereby, monetary incentives, including commendations and engagement in professional development programs are the most frequently used motivators in public service.

Although different motivation tools used by the organizations, employees are not always fully satisfied. A massive 95% of managers are wrong about what the most powerful motivator is for employees at work. In our case, the surveys showed that 42.3% of the interviewed employees are partly satisfied with monetary incentives, while 26.9% are not and think that they are inequitably distributed; 67% of the surveyed workers are satisfied with non-monetary incentives, while 33% are unsatisfied or partly satisfied. The key demotivators identified by less motivated employees are: low pay, ineffective communication, lack of autonomy and diversity, poor organizational politics and culture, lack of transparency, high bureaucracy and nepotism.

Motivation tools used by the organizations have to be tailored to the employee needs. We tried to analyze the surveyed employee’s needs in the context of Abraham Maslow’s hierarchy of needs and link them to their motivation. Based on it, it was found out that the main motivator for 53.2% of the interviewed workers is to satisfy self-actualization needs, fulfillment of needs for esteem is dominant for 14% of the interviewees, while meeting physiological, safety and love/belonging needs are motivating less than 15% of the interviewees (shown Figure 3).

<table>
<thead>
<tr>
<th>Need</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-actualization</td>
<td>53.20%</td>
</tr>
<tr>
<td>Esteem</td>
<td>14.00%</td>
</tr>
<tr>
<td>Love/Belonging</td>
<td>10.00%</td>
</tr>
<tr>
<td>Safety</td>
<td>10.60%</td>
</tr>
<tr>
<td>Physiological</td>
<td>12.20%</td>
</tr>
</tbody>
</table>

Source: Own computations.

Figure 3. Prioritization of needs by surveyed employees
Employees with high self-actualization needs demonstrated a high need for power as well and they stated to prefer senior position jobs and career growth. It is important to mention, that in the context of gender and age, repartition of needs by priorities revealed that self-actualization is the dominant need for both sexes and as for young people, as well as for old people. Other needs of female workers are prioritized as follows: safety needs, self-esteem, physiological and social (love/belonging) needs. For male workers – physiological needs, social, safety and self-esteem. The only difference revealed between private and public sector workers is that for 58.8% of the public officers, self-actualization is the dominant motivator, while for private sector workers self-esteem is the most stimulant need and is dominant for 40% of the respondents.

Although non-hierarchical thinking about employee needs is important for the company, even for the best performers, sometimes it provides a good understanding what employees really need. Employees are highly productive and driven to do their best work when they feel as if they’re making progress every day toward a meaningful goal.

Different surveys reviewed above showed, that motivation level, both in Georgia and beyond its boundaries is moderate. In conditions of globalization and growing competition employees become more exigent toward employers, they face with new requirements, which in addition to the desired pay is reflected in the need for harmonious work environment and recognition of job performed. The majority of Georgian companies do not use or use outdated motivation methods to stimulate their employees, while there are some companies in the world that deploy original and innovative techniques for increasing employee motivation.

Since 1998, the Fortune magazine has been publishing a list of the best 100 companies to work for. To identify these companies, the magazine uses a specially designed questionnaire and 350 workers answer 57 questions about their companies. The magazine carefully observes the characteristics such as pay, bonuses, communication between employees and employers and etc. More than majority of the identified companies have the following things in common: they offer a good pay to the employees, enable employees to be engaged in decision-making and provide a comfortable work environment. In addition, these companies usually use special stimulation tools, for example:

1. **Smucker**, Manufacturer of jams and jellies distribute cookies at the breakfast to all employees in order that they start the day with positive mood.
2. **Employees of Griffin Hospital** are offered free make up daily.
3. **Wegmans Food Markets** offer to its employees a ten-day trip to the UK, France or Italy to study different sorts of cheese.
4. **Quicken Loans** truly embraces team members as individuals. They don't have to cover the tattoos, they can wear their hair how they want, their race and sexuality have no bearing on their success. Employees say, that they can bring their whole self to work every day.
5. **Managers of Publix Super Markets Inc.** tell the employees thank you at the end of the night and appreciate their work.

These are the few but good examples how successful companies can easily motivate every day work of their employees.

**CONCLUSION**

Employee motivation continues to be a challenge for leaders globally. Typically, Georgian managers believe the idea that pressure makes diamonds and end-of-year bonuses is the most important motivator of employees. As we saw, though pay is one central means of motivation, it is not the only one. For one the effective motivation system will lay down within offering flexible schedules, while for others it will be higher pay, clear processes and procedures, ability to invent their own way of doing things, word appraisal or combination of other dozens of motivation tools invented by supervisor. Since all employees are individual, they are driven by different goals and desires, therefore, managers should make effort to thoroughly explore the needs and abilities of each of them,
determine what motivates each individual employee, develop motivation mechanisms tailored to them and make them feeling as a valuable resource for the organization.

Regardless of technological or cultural advances, human resources remain to be the company’s main driving force. As Henry Ford used to say: “They may ruin my business, they may burn all my plants, but if I secure my human capital, I will rebuild my company”. Therefore, managers should constantly try to motivate workers to retain them and thus achieve high performance. With a well-elaborated motivation system organizations will no longer face with problems such as the outflow of employees, high levels of conflicts, lack of administrative discipline, low productivity, lack of commitment to the job, limited potential for self-actualization and other issues, that are directly affecting the employee’s job attitude and organization’s success.

AUTHORS CONTRIBUTIONS

Conceptualization: Badri Gechbaia.
Data curation: Badri Gechbaia.
Investigation: Nino Tchilaia, Ketevan Goletiani.
Methodology: Badri Gechbaia, Ketevan Goletiani, Zurab Muskudiani.
Project administration: Badri Gechbaia.
Resources: Zurab Muskudiani.
Visualization: Zurab Muskudiani.

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