РОЗДІЛ IV Управління та адміністрування

УДК 331.101.3

Reikin Vitalii
Doctor of Economics, Professor,
Lesia Ukrainka Volyn National University,
Professor of Management and Administration Department,
Lutsk; ORCID ID: 0000-0003-1395-6135
e-mail: reikin.vitaliy@vnu.edu.ua

https://doi.org/10.29038/2786-4618-2022-04-79-85

FEATURES OF INTANGIBLE MOTIVATION OF ORGANIZATION STAFF

The article is devoted to investigation of intangible motivation of the company's personnel. Methods of nonmaterial motivation in modern conditions are considered. At the same time, the author considers material motivation to be a necessary but insufficient condition for the development of enterprises and organizations. The essence of the concepts "motivation", "motive" and "stimulation" of labor activity is given. From the author's point of view, the possibility of achieving success should be considered a priority motivator. The conditions for effective staff motivation are clarified. The main motives of work and methods of non-material motivation are revealed. The process of "demotivation" is characterized, a list of demotivational factors that directly affect the quality of staff work is given. The main theoretical and methodological principles of personnel motivation at the enterprise are considered. The contribution of the theory of emotional motivation as a type of behavioral economics, which is not based on a rational research paradigm, is indicated. Emphasis is placed on the priority role of intangible motivation and the features of its application in the activities of enterprises and organizations. The main types and tools of non-material motivation of personnel in today's conditions are defined. Differences between material and non-material motivation are revealed. Recommendations for the formation of a personnel motivation system at the enterprise are given. It is noted that the practice of motivating personnel of modern organizations is a complex phenomenon which is complexly hierarchically organized. It is proven that in each situation it is necessary to apply an individual approach; at the same time, motivation for the development of modern personnel should be systematic, consistent and comprehensive. At the same time, it is important to have a fair and logical system for every organization. The motivation system should cover all hierarchical levels for different positions, have uniform principles of construction, supporting the organization's strategy and goals.

Key words: intangible motivation, motive, stimulation, irrationalism, organization.

Рейкін Віталій, доктор економічних наук, професор, Волинський національний університет імені Лесі Українки, кафедра менеджменту та адміністрування, м. Луцьк

ОСОБЛИВОСТІ НЕМАТЕРІАЛЬНОЇ МОТИВАЦІЇ ПЕРСОНАЛУ ОРГАНІЗАЦІЙ

Стаття присвячена дослідженню нематеріальної мотивації персоналу підприємства. Розглядаються методи нематеріальної мотивації у сучасних умовах. Водночає автор вважає матеріальну мотивацію обов'язковою, але недостатньою умовою розвитку підприємств та організацій. Наведено сутність понять "мотивація", "мотив" та "стимулювання" трудової діяльності. З погляду автора пріоритетним мотиватором варто вважати можливість досягнення успіху. З'ясовано умови для ефективної мотивації персоналу. Визначено основні мотиви праці та

розкриті способи нематеріальної мотивації. Охарактеризовано процес «демотивації», наведено перелік демотиваційних чинників, що безпосередньо впливають на якість роботи персоналу. Розглянуто основні теоретико-методологічні засади мотивації персоналу на підприємстві. Зазначено внесок теорії емоційної мотивації як різновиду поведінкової економіки, що не базується на раціональній парадигмі дослідження. Акцентовано на пріоритетній ролі нематеріальної мотивації та особливостях її застосування у діяльності підприємств та організацій. Визначено основні види та інструментарій нематеріальної мотивації персоналу в умовах сьогодення. Виявлено відмінності між матеріальною та нематеріальною мотивацією. Наведено рекомендації щодо формування системи мотивації персоналу на підприємстві. Означено, що практика мотивації персоналу сучасних організацій — комплексний феномен та складно ієрархічно організований. Доведено, що у кожній ситуації необхідно застосовувати індивідуальний підхід; водночає мотивація розвитку сучасного персоналу має бути системною, послідовною та всебічною. При цьому важлива наявність справедливої та логічно побудованої системи для кожної організації. Система мотивування повинна охоплювати всі ієрархічні рівні для різних посад, мати єдині принципи побудови, підтримуючи стратегію і цілі організації.

Ключові слова: нематеріальна мотивація, мотив, стимулювання, ірраціоналізм, організація.

Problem Statement. No management system will work with maximum efficiency if it does not include an existing motivation system. Material and non-material motivation are often used together. Depending on the degree of manageability and complexity, pre-set goals, the ratio of material and non-material types of motivation changes. The problem often lies in how to find the right combination of material and non-material motivation. Non-material motivation as a function of modern management occupies one of the first places in management activities of the organization leaders.

Motivation is an endless process, a kind of "catalyst" for using the staff potential. A motivated labor force is significantly more productive than an apathetic group of employees. With an incompetent approach, motivation acquires a minus sign, that is, it becomes demotivation. The reverse effect of an incorrectly implemented motivation system can many times exceed the possible positive effect.

What exactly motivates a particular human behavior has been of interest to science for a long time, but to this day it acts as one of the key problems. There is no universal motivator for all mankind. Many top managers are looking for new forms of staff motivation. At the moment, each organization has its own system of employee motivation. Each of these systems has its own advantages that make its functioning useful, as well as disadvantages that do not allow the full potential of employees to be realized. Crisis phenomena, including during martial law, gives managers-leaders the opportunity to reconsider the combination of tangible and intangible tools that will be effective for both organizations and employees.

Many managers fail to challenge the traditional management paradigm that money is what really matters. They still believe that salary and bonuses are the dominant incentive. It can be argued that material remuneration in employees motivation is not always of decisive importance. It is a mistake to believe that it is possible to put an equal sign between salary and performance. Salary is a motivator only up to a certain point. You can not raise wages constantly as a person gets used to a given level of wages. We share C. Cooper's idea that excessively high wages are not a motivating measure, but a way to keep people in the workplace [7, p. 176-177]. For people with a satisfactory salary, some non-financial motivators can be more effective than extra fee. Many financial incentives mainly generate a short-term impulse that may have unintended consequences in the long term. After a certain period of time, a person gets used to the level of his income and perceives it no longer as a goal, but as a routine. A kind of paradox is that money is a good motivator, but not a long-term one. At the same time, non-financial methods of motivation in general require more time and commitment on the part of managers, but have a long-term positive effect. In the 21st century, employees should be motivated not only for the result in the form of maximum material remuneration for their work, but also for the realization of personal interests. The correct application of motivational systems is one of the requirements of our time.

Analysis of the last researches and publications. Problems of people's motivation in various spheres of social activity were the subject of research by A. Maslow, F. Herzberg, D. McClelland, A. Vroom. A significant contribution to the development of the intangible motivation system was made by E. Mayo, H. Leibenstein, N. Doshi, L. McGregor, S. Hidi and others.

Such Ukrainian scientists as O. Buhutskyi, V. Honchar, A. Kolot, O. Kuzmin, Yu. Maksymets and others devoted their publications to personnel motivation as an object of research. At the same time, the issue of developing recommendations for the creating an effective system of intangible labor motivation in modern conditions remains insufficiently researched.

The aim of research is to carry out a critical analysis of the theoretical and methodological aspects of personnel motivation and form an author's approach in the context of the chosen research object.

Research methodology is theoretical analysis of scientific literature, logical and comparative analysis, critical analysis, empirical results of functioning the world leading companies, generalization.

Presentation of the main research material. The art of motivation has been of interest to scholars at all times. The first theories devoted to the problem of motivation were noted in the works of ancient thinkers. Greek philosophers equated motivation with hedonism (a philosophical movement, the main principle of which is the desire for pleasure, the avoidance of suffering). Socrates was one of the first scientists who supports the ideas of hedonism. Aristotle in his works defined motivation in this way: it is an impulse to act or to change behavioring [6, p. 45-46].

It is necessary to separate motivation, motive and stimulation. Motivation has various interpretations of the definition. In general, motivation is understood as the ability of a person to perform certain actions and achieve satisfaction of needs. M. Mescon defines it as a process of encouraging oneself and others to act in order to achieve the goals of the organization or personal goals [4, p. 236]. Motivation is an internal impulses process that occurs individually. It will not finish until the need is satisfied or a new impulse to action appears. It should be noted that motivation cannot be forced; violently can only demotivate employees. It can not be only on a self-interested basis, but also directly determined by the emotional state of a person, which is justified by the founders of behavioral economics [15]. The complexity of the motivation system is in a person's different interests and needs. Standard methods cannot motivate all labor personnel, since all people are different, have their own needs and values.

Motivation as a function of management is directly related to work through the formation of motives. Motive is a state of predisposition, conviction, inclination to act in one way or another. A motive can be a belief that incourages specific actions. The motive can be often considered as the reason underlying the choice of practical and personal actions.

Stimulation is the process of external influence on a person, the purpose of which is to achieve a certain result or performing the work. Incentives are a specific levers of influence, i.e. those stimuli that encourage action in order to achieve the final result. For example, free time is one of the effective incentives for an employee.

Despite the fact that many motives, incentives and needs have been known to scientists since ancient times, the theory of human motivation began to be actively developed only in the 20th century. Views and approaches to this problem have been constantly transformed.

Emphasis is placed on the diversity of conceptual and theoretical approaches devoted to the study of the individual motivational orientation. The currently existing theories of motivation can be divided into 3 groups: original, content and procedural. The essence of the original theories is in the analysis of the historical experience of human behavior and the use of simple incentives for material and moral coercion, for example, the "carrot and stick" (Taylor, McGregor).

In one of Elton Mayo's experiments, favorable conditions for communication were created for the selected working group: there was no manager in the group; he was replaced by an observer who was interested in the workers' affairs, their mood, and had friendly conversations. Awareness of the social significance of workers served as a positive incentive to change their attitude to work [12, p. 72-75].

American economist Harvey Leibenstein in the concept of X-efficiency noted that a change in employee incentives will change productivity per person [2, p. 490-503]. Great interest in a certain group of workers by the management, regardless of whether their working conditions improved or worsened, experimentally showed a positive motivation for workers. Also, groups that were given more information about the importance of their work appeared to be more productive. So more general control is more effective than thorough (in the context of non-material motivation).

Informative theories are based on the hierarchy of human needs, which are the driving force of labor activity in the production process (Maslow, McClelland, Herzberg). We single out the theory of motivation by D. McClelland, which, unlike A. Maslow [16], does not avenge hierarchy and is based on the needs of

three groups acquired and changing throughout a person's life: the desire for success, power and recognition [17]. We believe that in today's conditions, the effort to be successful (getting satisfaction from one's own achievements, self-realization and opportunities) is the priority conditionally universal need of the majority of personnel.

A different approach to motivation is in procedural theories. They analyze how a person distributes his efforts in order to achieve his goals and how he chooses this or that type of behavior (Vroom, Adams).

A significant contribution to the theory of motivation was made by studies of behavioral economics, which are based on the irrationalistic methodology of research [9; 15]. In particular, R. Thaler claims that when an organization or a person, in most cases, makes a decision, it affects the behavior of the (entire) group. This leads to "pushing" in some direction, and this in turn will affect the position of individuals. People's decisions are driven by the choices provided by the choice architect, but sometimes the nudges are unintentional or accidental [10, p. 20].

Currently the theory of emotional motivation as a variety of behavioral economics is widely developed [3]. A number of conclusions and discoveries of this relatively new field of knowledge are used by leading companies in the world [18]. The theory of emotional motivation substantiates the influence of an individual's emotions on his perception of the surrounding reality, and also considers them as key motivators of human behavior. The main components of this theory:

- emotions are the stimulus and motive of human activity;
- people need to feel certain emotions;
- motivation is aimed at achieving emotional balance;
- emotions are the conscious and unconscious motivator of an individual's behavior.

The most significant states usually include: optimism, hope, tension, affect, stress, frustration, which is a state that occurs when it is impossible for an individual to satisfy certain needs, a discrepancy between desires and opportunities.

Non-material motivation is an integral component of modern concepts and practices of organization management, ensuring their overall effectiveness. In general, non-material personnel motivation can be divided into several directions: moral, organizational, social and psychological.

Moral motivation is based on the employee's need for respect from the team and management. The most effective tool is awarding, informing about merits and achievements, for which you can use oral public praise, a plaque of honor, and awards.

Organizational motivation affects employee behavior based on job satisfaction in the organization; it is in comfort due to the workplace organization, questions and the rest during breaks (it is realized through the purchase of new office equipment, the construction of gyms, recreation rooms). Regulation of the employee's behavior based on his employment is also one of the important directions of non-material stimulation (flexible work schedule, vacations, additional days off). A relatively new element of modern motivation is gamification, that is, the introduction of elements of the game process into the most important tasks of the team. Games are a powerful tool that causes excitement, enthusiasm, and interest in the very process of the performed work. The participant does not notice himself how he achieves a personal or team result.

The implementation of social motivation involves increasing the employee's sense of self-worth by involving him in decision-making, participating in team management, and delegating important powers. The most effective tool is the designation of career growth prospects, the opportunity for training and self-development. Intangible motivation is often associated with providing the so-called "social package", which may have different components for different enterprises. At the same time, the "social package" can include motivators that are not directly paid to employees, but have a material dimension for the enterprise, for example: official transport, additional medical insurance, paid meals.

Psychological motivation is based on the need of each person for communication. Work on creating a favorable environment in the team is built taking into account the interests of all employees. The employee must feel his importance and participation in the prosperity of the company. An important role is played by corporate culture (some companies even allow profanity [11, p. 197]).

Doshi and McGregor singled out direct and indirect motives for labor activity [5, p. 27-32]. Direct ones are more related to the work itself: the realization of one's own potential, when work is perceived as a "springboard" for career growth. Long-term and high efficiency of the organization's activity is provided

precisely by direct motives. Indirect motives: psychological tension – when the stimulus for actions is anxiety over work results due to personal responsibility, reputational risks from negative perception by work colleagues; the pressure of economic factors – when an employee works exclusively to avoid the penalty of dismissal.

Such differentiated components are directly instrumental of intangible motivation:

- opportunities for career growth;
- various options for flexible working hours (including the possibility of work from home, maintaining a balance of work and life);
 - comfortable place of work;
 - professional development at the expense of the enterprise;
 - friendly relations in the team;
 - public praise;
 - competition for the title of the best employee (in the form of a "board of honor");
 - promotion with titles and diplomas.

There is no direct relationship between non-material motivation and the final result of labor activity. One of the many important factors for achieving success is the ability to correctly apply the methods of motivation and the timely deadlines for their implementation. There is also a certain optimal level of motivation at which work is best performed. The subsequent increase in motivation does not lead to improvement. Therefore, a very high level of motivation is not always the best. There is a certain limit to further increase motivation.

It is necessary to single out and always keep in mind such a process as "demotivation" which is a kind of reverse process of motivation. The main demotivators that directly affect the quality of work are:

- failure to use the staff capabilities;
- manager's incompetence;
- ignoring suggestions and ways to solve the problems on the part of the team;
- negligent attitude to the staff merits;
- no reward for work done;
- bad working conditions;
- unfair criticism;
- work overload.

Conclusions. Formulating general conclusions, which summarize the author's position, we note: the practice of motivating personnel in modern companies is a complex hierarchically organized phenomenon. There is a complex of theories and concepts of motivation. It would be difficult, if at all possible, to develop some kind of "universal" mechanism for motivating personnel, which could be implemented in the practice of any economic entity.

There is no ideal, single method of personnel motivation, as the motives of all people are different. What turns out to be effective for some people motivation, turns out to be completely irrelevant for others. It is necessary to look for an individual approach in each situation, to use combined motivation. Each employee combines several motivational types in different proportions. A very important factor is that you need to motivate someone who really has the ability to perform the task. Initially, it is necessary to eliminate the influence of all demotivating factors in personnel motivation.

Motivation in the development of modern personnel must be: systematic, consistent, comprehensive. It is important to have a fair and logical system for every organization. Such a motivational system should allow covering all levels for various positions, have uniform principles of construction for all, supporting the organization's strategy and goals.

The methodology of classical rationalism is no longer the dominant paradigm [14, p. 58]. The author believes that financial motivation is a necessary but not sufficient condition. Often intangible ways of rewarding help to achieve the desired result much faster than financial incentives. From the author's point of view, the priority motivator should be considered the opportunity to succeed.

Джерела та література

1. Бугуцький О. А. Фактори розвитку мотивації праці. Економіка АПК. 2007. № 7. С. 25-31.

- 2. Вехи экономической мысли. Теория фирмы. Под ред. В. М. Гальперина. СПб.: Экономическая школа, 1999. Т. 2. 534 с.
 - 3. Гоулман Д. Емоційний інтелект. К.: Віват, 2018. 512 с.
 - 4. Мескон М., Альберт М., Хедуори Ф. Основы менеджмента. М.: «И.Д. Вильямс», 2019. 672 с.
- 5. Доши Н., Макгрегор Л. Заряженные на результат. Культура высокой эффективности на практике. М. : Манн, Иванов и Фербер, 2017.
 - 6. Дэкерс Л. Мотивация: теория и практика. М.: ГроссМедиа, 2007. 640 с.
- 7. Купер К. Хороший плохой босс: Наиболее распространённые ошибки и заблуждения топ-менеджеров. М.: Альпина Паблишер, 2018. 349 с.
 - 8. Пінк Д. Драйв. Дивовижна правда про те, що нас мотивує. Х.: КСД, 2016. 208 с.
- 9. Талер Р. Поведінкова економіка. Чому люди діють ірраціонально і як отримати з цього вигоду. К.: Наш формат, 2018. 464 с.
 - 10. Талер Р., Санстейн К. Nudge. Архитектура выбора. М: Манн, Иванов и Фербер, 2017. 240 с.
- 11. Шей Т. Доставляя счастье. От нуля до миллиарда: история создания выдающейся компании из первых рук. М.: Манн, Иванов и Фербер, 2019. 336 с.
 - 12. Элтон Мэйо: теоретик и практик управления. М.: ИНФРА-М, 2012. 111 с.
- 13. Hidi S., Harackiewicz J. M. Motivating the corporatelly unmotivated: A critical issue for the 21st century. *Review of Educational Research*, 2013. № 70. 151-179 p.
- 14. Laloux, F. Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness. Brussels: Nelson Parker. 2014, 379 p.
- 15. Kahneman D., Tversky A. Prospect Theory: An Analysis of Decision under Risk. *Econometrica*. 1979. Vol. 47. № 2. P. 263-291. doi: 10.2307 / 1914185
- 16. Maslow A. Hierarchy of Needs for Motivation. URL: https://www.communicationtheory.org/maslows-hierarchy-of-needs/
- 17. McClelland D. C. The Achievement Motive. Appleton-Century-Crofts, New York, 1953. DOI: http://dx.doi.org/10.1037/11144-000
- 18. Reikin V., Voitovych S., Danyliuk T., Dedeliuk K., Lorvi I. Neuromarketing as Interdisciplinary Area: Theoretical and Methodological Analysis. *Studies of Applied Economics*. Volume 39-6, July 2021. P. 51-64. DOI: https://doi.org/10.25115/eea.v39i6.5164.
 - 19. Herzberg F., Mausner B., Snyderman B. The Motivation to Work. N.Y: John Wiley, 1959. 157 p.

References

- 1. Buhutskyi O. A. (2007) Faktory rozvytku motyvatsii pratsi [Factors of work motivation development]. *Ekonomika APK [Economy of agro-industrial complex]*. № 7. P. 25-31 [in Ukrainian].
- 2. Vekhi ekonomicheskoi mysli [Landmarks of economic thought]. (1999). Teoriya firmy [Theory of the firm]. St. Petersburg: Ekonomicheskaya shkola. Vol. 2. 534 p. [in Russian].
 - 3. Goleman D. (2018) Emitsiinyi intelekt [Emotional intelligence]. Kyiv: Vivat. 512 p. [in Ukrainian]
- 4. Mescon M., Albert M., Khedouri F. (2019) Osnovy menedzhmenta [Fundamentals of Management]. Moscow : «I.D. Williams». 672 p. [in Russian].
- 5. Doshi N., McGregor L. (2017) Zaryazhennyye na rezul'tat. Kul'tura vysokoy effektivnosti na praktike [Charged for results. A high performance culture in practice]. Moscow: Mann, Ivanov & Ferber. [in Russian]
- 6. Deckers L. (2007) Motivatsiya: teoriya i praktika [Motivation: theory and practice]. Moscow: GrossMedia. 640 p. [in Russian].
- 7. Cooper C. (2018) Khoroshiy plokhoy boss: Naiboleye rasprostranonnyye oshibki i zabluzhdeniya topmenedzherov [The Good Bad Boss: The Most Common Mistakes and Misconceptions Top Managers Make]. Moscow: Alpina Publisher. 349 p. [in Russian].
- 8. Pink D. (2016) Draiv. Dyvovyzhna pravda pro te, shcho nas motyvuie [Drive. Surprising truth about what motivates us]. Kharkiv: KSD. 208 p. [in Ukrainian]
- 9. Thaler R. (2018) Povedinkova ekonomika. Chomu liudy diiut' irratsional'no i yak otrymaty z ts'oho vyhodu [Behavioral economics. Why people act irrationally and how to benefit from it]. Kyiv: Nash format. 464 p. [in Ukrainian].
- 10. Thaler R., Sunstein K. Nudge. (2017) Arkhitektura vybora [Architecture of choice]. Moscow: Mann, Ivanov & Ferber. 240 p. [in Russian].
- 11. Hsieh T. (2019) Dostavlyaya schast'ye. Ot nulya do milliarda: istoriya sozdaniya vydayushcheysya kompanii iz pervykh ruk [Delivering happiness. From Zero to Billion: A First-hand Story of a Great Company]. Moscow: Mann, Ivanov & Ferber. 336 p. [in Russian].

- 12. Elton Mayo: teoretik i praktik upravlieniya [Elton Mayo: theorist and practitioner of management] (2012). Moscow: INFRA-M ИНФРА-М. 111 p. [in Russian].
- 13. Hidi S., Harackiewicz J. M. (2013) Motivating the corporatelly unmotivated: A critical issue for the 21st century. *Review of Educational Research*. № 70. 151-179 p. [in English].
- 14. Laloux, F. (2014) Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness. Brussels: Nelson Parker. 379 p. [in English].
- 15. Kahneman D., Tversky A. (1979) Prospect Theory: An Analysis of Decision under Risk. *Econometrica*. Vol. 47. № 2. P. 263-291. DOI: 10.2307 / 1914185 [in English].
- 16. Maslow A. Hierarchy of Needs for Motivation. URL: https://www.communicationtheory.org/maslows-hierarchy-of-needs [in English].
- 17. McClelland D. C. (1953) The Achievement Motive. Appleton-Century-Crofts, New York. DOI: http://dx.doi.org/10.1037/11144-000 [in English].
- 18. Reikin V., Voitovych S., Danyliuk T., Dedeliuk K., Lorvi I. (2021) Neuromarketing as Interdisciplinary Area: Theoretical and Methodological Analysis. *Studies of Applied Economics*. Volume 39-6. July. P. 51-64. DOI: https://doi.org/10.25115/eea.v39i6.5164. [in English].
- 19. Herzberg F., Mausner B., Snyderman B. (1959) The Motivation to Work. N.Y: John Wiley. 157 p. [in English].

Стаття надійшла до редакції 20.11.2022 р.