

INCREASING EMPLOYEE'S MOTIVATION IN THE PROCESS OF IMPROVING MANAGEMENT SYSTEM

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The methodology of the article is based on research of academic works on Maslow's, Alderfer's and Locke's theories. Two need theories of motivation are compared and contrasted as well as contested by supporting and not supporting research articles. The goal setting theory was presented from the points of view of many researchers in a form of contrast approach to need theories. Analysis of the problems in motivation of the company Navimar-G follows based on the theoretical research. Different recommendations to improve motivation are given, which if used properly will result in higher motivation of the employees and in higher performance of their jobs.

Key words: motivation, goal setting theory, theory of needs, productivity

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ПІДВИЩЕННЯ МОТИВАЦІЇ СПІВРОБІТНИКІВ У ПРОЦЕСІ ВДОСКОНАЛЕННЯ СИСТЕМИ УПРАВЛІННЯ

Статтю викладено англійською мовою. Методологія роботи базується на дослідженні наукових праць з теорій Маслоу, Алдерфера і Локке. Дві теорії потреб мотивації порівнюються, співставляються, аналізуються на основі досліджень, що підтримують або спростовують певну точку зору. Теорія встановлення мети аналізується як протилежний підхід до теорії потреб. Важливим є введення в науковий обіг в Україні близько 70 праць сучасних англійських авторів із досліджуваної теми. Результатом теоретичного вивчення проблем мотивації є аналіз цих питань на прикладі компанії "Навімар-Г". Даються практичні рекомендації з посилення мотивації співробітників, які за умови втілення сприятимуть підвищенню продуктивності праці.

Ключові слова: мотивація, теорія встановлення мети, теорія потреб, продуктивність праці.

Motivation has been of interest to psychologists at least since the 1930s, stimulated in large part by the famous Hawthorne studies, which focused mainly on the effects of supervision, incentives, and working conditions. The need theories have been the focus of much of the research on motivation, because they have been seen as the most enduring ways to understand motivation [3, p. 79]. One of the most widely used of the need theories is Maslow's (1943) needs hierarchy and it has been most notable in the impact it has had on the thinking of organizational theorists such as McGregor, Argyris, Porter, Beer, Hall and Nougaim [4, p. 199].

Abraham Maslow, who was born in New York in 1908, proposed that psychology should focus on the entire person and on how people act. Maslow's theory categorizes human needs into five groups. Physiological needs include the classic drives for food, drink and other primary needs. Safety needs include security, stability protection; while belongingness needs are shown when a person misses his friends, wife, or place in his group. Esteem needs concern each

person's desire for a stable and high evaluation of himself. The last group of needs is self-actualization and Maslow in 1954 defines self-actualization needs as "the desire to become more and more what one is, to become everything that one is capable of becoming" [13, p. 92].

Three assumptions underline this theory. First, needs stimulate behavior, but when they are satisfied, they stopped being motivators. Second, needs range from the most basic upwards to more complex. Third, person must at least minimally satisfy a lower level needs before moving up and activate a new area of need [4, p. 33].

The Maslow's theory is one of the most popular theories of motivation, but there is a little empirical research evidence to support it. In 1960s ten factor-analytic studies attempted to test the theory, and none of them showed all of Maslow's need categories as independent factors. Maslow suggested that needs appear in a strict order and if the need has been at least partially satisfied, the new need submerges and the next level of need become activated. However there was no such activation in the study, which they conducted gathered information from 187 lower level managers [9, p. 499]. The theory has been also questioned as to the assignment of job characteristics to the various theoretical categorizations. Maslow based his research using U.S. subjects, there as findings of literature review show that in China a hierarchy of need differ from Maslow's original model [7]. Some research suggests that higher-order needs tend to become more important as individuals move up the corporate ladder [15]. Needs may vary according to a person's career stage, the size of the organization, and geographical location. There is also no consistent evidence that the satisfaction of a need at one level decreases its importance and increases the importance of the next-higher need [9].

On the other hand, Ajila [1] suggested that the practical significance of Maslow's theory is widely accepted. This is true in developing countries. Employees in four manufacturing companies in Nigeria rated satisfying lower needs as most important, followed by the higher order growth needs [1].

Alderfer [2] attempted to improve the Maslow's theory by aligning the needs hierarchy with empirical research. According to Alderfer, man is motivated by three groups of core needs, namely Existence, Relatedness and Growth needs, hence the name ERG theory. Existence needs include physiological and material desires like hunger, thirst, salary, fringe benefits, and physical safety. They are characterized by the goal of obtaining them, and by satisfaction tending to be correlated with another person's frustration, when resources are limited. Relatedness needs are needs for relationships, mutual sharing of thoughts and feelings. Satisfaction of growth needs occurs when a person solves problems which make him utilize his capacities fully and to develop new capabilities [16].

The differences between ERG and Maslow's theories are that Maslow puts together both such problems as danger with interpersonal threats such as quarreling, but ERG theory includes physical threats with existence needs and the interpersonal threats with relatedness needs. Esteem needs when the person wants to be considered significant by others is a part of relatedness in the ERG framework, but when he needs to achieve his own internal standards, it becomes part of growth. In ERG theory more than one need can occur simultaneously and they have unique frustration-regression character. If the gratification of the higher need is being blocked, the desire to satisfy a lower need increases. The need can progress down the hierarchy as well as upwards [16]. Belongingness needs according to Maslow's theory are similar to ERG'S relatedness, and self-actualization is equivalent to growth. Maslow implies that esteem itself is a basic human need. According to ERG theory esteem is the central in the relatedness process. Maslow's theory seems to imply that a person is born with what he must become [16]. The ERG concept of growth places the person's potential in closer interaction with his environment than Maslow's theory does. According to the ERG view, one is never sure of an individual's potential until one knows the individual's environment.

Alderfer's theory has not stimulated so much research, but is regarded as a more valid version of the need hierarchy and has elicited more support from contemporary researchers.

Its' main strengths is the job-specific nature of its focus. In the theory specific reference is made to pay fringe benefits, relatedness needs from co-workers and superiors and growth need satisfaction at work. Studies of American employees generally do not support Maslow's and Alderfer's theories, and it is likely that international studies conducted in other cultures would yield even less support [8].

Based on extensive laboratory and field experiments conducted in a wide variety of settings using many different tasks, Locke and Latham presented their new theory in 1990 [12]. Mitchell and Daniel [14 p. 225] concluded that it "is quite easily the single most dominant theory in the field, with over a thousand articles and reviews published on the topic in a little over 30 years." More research has been done on goal settings than on any other motivation theory.

Goal setting is a process when people develop, negotiate and formalize the target, which they will accomplish [12]. Authors claim that difficult goals are more likely to lead to higher performance. However, if they are too difficult than they would lower the performance. Goal commitment measures have high reliability and validity. A meta-analysis by Zetik and Stuhlmacher [19] revealed that negotiators who have specific and challenging goals consistently achieve higher profits than those with no goals. According to the goal-setting theory the higher the goal, the higher the outcome [9].

Specific goals are more likely to lead to higher performance, than general ones. Task feedback or knowledge of results is likely to motivate more towards better performance. People also should have abilities and feelings of self-efficacy to reach goals and goals are more likely to motivate people towards higher performance when they are accepted and there is commitment to them.

Seijts and Latham [17] examined the applicability of goal-setting principles. They found that self-enhancing personal goals have a great effect on a group's performance. Those in seven-person groups were more competitive than those in groups of three. Only when the individual's goal was compatible with the group's goal was the group's performance enhanced. High performance is not always the result of high efforts, but is due to understanding of the task and strategy or plan necessary for completing it. Setting goals resulted in the greatest number of strategies.

A number of studies growing out of goal setting theory suggest that performance compared to a goal is a direct cause of affect. After an extensive review of this literature, Locke and Latham [12, p. 232] concluded that, "The most straightforward prediction, then, about the relationship of goals to satisfaction is this: the greater the success experienced, the greater the degree of satisfaction experienced. Similarly, dissatisfaction will be experienced when there is goal blockage or failure...the relation between success and satisfaction is an extremely reliable one".

A limitation of this theory is that it does not take into account that the subconscious keeps knowledge and values beyond that which is found in awareness at any given time. By forming implementation intentions, people strategically switch from conscious effortful control of their goal-directed behavior to being automatically controlled by situational cues [9].

Feedback is a moderator of goal-setting effects [12]. Active feedback seeking by new employees is related to high performance. There are three motives for feedback seeking: instrumental to perform well, ego-based to enhance one's ego, and image-based to protect or enhance the impression others have of oneself. People with high self-efficacy use feedback to increase motivation, task focus, and effort and to decrease anxiety. Feedback seeking increases goal setting, which in turn increases quality and quantity of performance [5].

Although goal-setting theory has received extensive support some research suggests that there are three circumstances under which setting specific, difficult goals will not lead to high motivation and performance: 1. When employees lack the skills and abilities needed to perform at a high level. 2. When employees are given complicated and difficult tasks that require all of their attention and require a considerable amount of learning. 3. When employees need to

be creative. If creativity is desired and employees are given specific, difficult goals, it is likely they will focus on achieving the goals rather than being creative [8].

The company, whose problems in the motivation of the employees we are going to analyze is Navimar-G. The company started its activity in 2005 and now has 6 employees working full time for half a year (the season is from May to November) in 3 offices, one is in Ukraine and two are in Croatia and 4 technicians employees working on the assignment. In each office there are 2 employees, the junior and the senior. The company's main activity is selling and registration of motorboats. The problem is that when the director of the company is in the office the employees are very polite and attentive, but when he is not there, the employees do not pay the same attention to customers and do not show the same passion for boats which they sell. Clearly they are not motivated to behave the same way when their director is not present.

An individual is said to be an individual because he has acquired a distinctive pattern of cognitive style as a trait of his personality, and a specific level of motivational process [17]. It is believed that knowledge on personality traits, such as level of control, authoritarianism, self-monitoring and self-esteem enables management to predict the work behavior of employees more accurately. Therefore the director of Navimar-G has to create a rich picture to find individual approach to every employee.

According to ERG theory, the director of Navimar-G must identify which needs each employee is seeking to satisfy at work, and once these needs have been identified, managers must ensure that the employee's needs are satisfied if he or she performs the desired behaviors. We will analyze the performance of two employees. One of them is the most problem employee of the company, another is very good with occasional problems. Both of employees are around 35 years old. The one who is less responsible has two children. Both employees receive monthly salary.

In order to motivate problem people, the manager needs to create a rich picture about them. The second employee never has enough money for his family, as long as his wife does not have any job and he is working in Navimar-G just a half a year each year in a peak season. According to Maslow's theory, higher-order needs, such as growth needs, do not usually motivate lower-level employees. The junior employee seems not to be interested in respect from his colleagues and mutual sharing of thoughts and feelings, because he is just on the second step of Maslow's hierarchy ladder. Even though he is a kind guy, sometimes he can be rude with customers, as long as he does not understand that he must always keep distance with them. Sometimes it seems like he is bored doing his job in the office. May be the roots of his rudeness are that he feels that he does not match with the image of luxury motorboats and somehow he does not like people who earned enough money to get the boat. If that is the case it is better not to have such person in the office, because customers can be turned off by his behavior. The other very important aspect is that he always feels pessimistic and the senior employee, because of the first pessimistic influence, could also perform much worse. A good solution would be to give such person's temporary job, like to sort any technical issues, rather than work in the office. But may be the reason of his poor performance is that he believes that the company does not pay him enough to work better?

Many authors question whether or not individual incentive pay improves employee job performance and whether people generally work for money. Motivation often results in an overemphasis of extrinsic incentives in motivation strategies. It appears that the last word on the motivation of employees has not yet been spoken. Ettore [6, p. 8], for instance, still asks the question: "is salary a motivator?"

The empirical findings also support the belief, that employees must be paid well and fairly and that everything possible then be done to help them forget about money[9,12]. Navimar-G pays fair money to his employees. It pays the basic salary and in order to improve the motivation of the employees the company chooses the strategy to pay 3% from every boat the

employee sells. This can be a very substantial money taking into account that boat prices range from 300 000 to 2 000 000 Euros. According to Maslow's theory problem employee should value his job, because he is on the second step of the ladder and he needs security and money. But for some reason he does not see the example of the senior one and makes the atmosphere in the office tight instead of friendly and relaxed. Besides, if the director chooses to raise the salary of the junior employee, the senior could feel that it is unfair to him. Perhaps the best solution for manager would be to give that person the last chance and to try to explain him the rules how he should work in another words. The director needs to put simple, exact goals, which will be accepted by him. The alternative way would be - instead of pushing solutions on people with force of one's argument to pull solutions out of them, taking into account the fact that the manager himself can be the cause of that employee lack of motivation; for some reason he is bringing out the worst rather than the best in that person. The manager needs to find the correct approach to that person for the last time and if he will not change, transfer him to technical assignment job. Perhaps, the work in the office does not seem to be interesting for that man, because he does not have abilities for it, but he can be much better doing technical things. The job must be interesting for people to perform it good.

The results of the Alderfer's theory indicate that employees associate growth need satisfaction (learning new things on the job, optimal use of abilities, participation in decision making and opportunities for challenging work) with self-esteem enhancement. The satisfaction of these growth needs will however improve job performance if they reinforce the self-esteem of these employees in a way that increases the acceptance, respect and status these employees receive from their peers [16]. The good option to motivate the senior employee to perform much better would be to show him that the director really appreciates the way he treats every customer. One good think would be to take him once to the yard to Turkey or to USA to show him that the boats are so good made because of the team work, to get him acquainted with CEO and main managers of the yard, to make him feel that the better he performs his job, the better he is doing for everyone and to show how every person feels proud that they are making such beautiful boats and he is a part of that process. Perhaps that trip would allow him to understand that he is not only sitting in the office, trying so hard in order his boss earned the money, but instead he is inside of the whole mechanism of production a superior quality very expensive luxuriant product and without him doing his job excellent, they will not produce the product.

According to Alderfer's theory it would be great, if the director helped his employees, who work in the offices to reevaluate their job, that their job is also challenging and interesting, there is always need for development and they have freedom in communication. Employees have to find personalized way to every customer and that is challenging and interesting. Every day they meet new, interesting people, who are big CEOs, artists, musicians, big entrepreneurs and it is very interesting to communicate with them. There is always room for promotion and if everyone works better and company sells more boats, more offices will be opened in more countries and new positions will be established.

Task-focused individuals are likely to perform better whereas ego-involved people allocate their cognitive resources away from the focal task to self. Managing director of Navimar-G has to have in mind that sometimes people remember their past mistakes and they are afraid to do them again. He has to show to the employees that he concentrates on their future success rather than on past mistakes.

According to the goal setting theory, people need to develop, negotiate and formalize the target, which they wish to accomplish [13]. Managing director of Navimar-G has to set precise goals for each employee, which will be difficult, but possible to reach. He also needs to introduce a certain procedures and ways to behave with customers. Reaching the goal employees on one hand will have satisfaction by getting their commissions. On the other hand, they will have recognition and acknowledgement from their peers.

There are 4 drives to successfully motivate employees, each of them is independent and cannot substituted one for another. Manager can't just pay employees a lot and hope they'll feel enthusiastic about their work, when bonding is not fostered, or work seems meaningless, or people feel defenseless. Manager can certainly get people to work under such circumstances, but he won't get the most out of them. To fully motivate employees the managing director of Navimar-G must address all four drives. He already satisfied drives to acquire by paying the salary and additional percentages from sales. He will satisfy the need for bond offering trips to yard. Perhaps occasionally one of employees could have a more challenging task like organizing a boat-show or a sea-trial to boost the desire to comprehend. The last drive is drive for defense, which can be fulfilled by proper contracts with employees. Therefore the good advice to director of Navimar-G would be to show that he sees the growth that his employees made and he appreciates that not only by paying them more, but personally.

Three theories were analyzed and proved to be very useful in overcoming the motivation problems in Navimar-G. The author believes that after the Director of Navimar-G uses the recommendations, the employees perform their job much better, even when the director is not present in the office. The need theory showed the importance for director to identify what needs employees are trying to satisfy and what outcomes they are motivated to obtain and after control the outcomes satisfying those needs; the Maslow's theory showed that it is necessary to know on which step of the hierarchic ladder is employee now and where he will move, whereas Alderfer's theory recommends that the director has to revise the needs of his employees each time, because they can move not only up, but down the ERG ladder. Director should stress attention of each employee, that receiving the outcome depends on the desired behavior being performed. The director has to organize visits to yard to his best employees; he has to affect their growth and relatedness needs by connecting his employees with the one in the USA optimistic about working for such companies. CEO can sometimes offer his best employees more challenging tasks like organizing boat shows, sea trials, interviews for magazines, etc. The theory also suggested to revise the ability of some employees, try to find different approach and if they will not improve the performance to switch them to different position. It is very important to have optimistic and positive atmosphere in the office.

The goal-setting theory approaches employees from the different aspect. The director of Navimar-G has to establish specific, difficult goals to each employee. He must take into account the fact that when employees are performing very complicated and difficult tasks that require all of their attention and a considerable amount of learning, thus specific, difficult goals should not be set until the employees have mastered the tasks. The goals must be accepted by the employees and that will enhance their performance.

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ПРОБЛЕМА РОЗРОБКИ ЯКІСНИХ АНАЛІТИКО-ПРОГНОСТИЧНИХ МАТЕРІАЛІВ У КОНТЕКСТІ КВАЛІФІКОВАНОГО КАДРОВОГО ЗАБЕЗПЕЧЕННЯ ОРГАНІВ МІСЦЕВОГО САМОВРЯДУВАННЯ: СПОСОБИ ТА ШЛЯХИ ВИРІШЕННЯ

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Досліджено особливості інформаційно-аналітичного забезпечення органів місцевого самоврядування. Виокремлено основні проблеми у процесі розроблення аналітико-прогностичних висновків до проектів рішень міської ради. Наведено приклади вирішення проблем кадрового забезпечення органів місцевого самоврядування.

Ключові слова: інформаційно-аналітичне забезпечення, прогнозування, методи прогнозування, експерт, місцеве самоврядування, управлінські рішення.

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THE ISSUE OF THE DEVELOPMENT OF QUALITY ANALYTICAL AND FORECASTING MATERIALS IN THE CONTEXT OF QUALIFIED STAFFING OF LOCAL GOVERNMENT: WAYS AND SOLUTIONS

In the article the features of information and analytical support of local government. Thesis there is determined the main problems in the development of analytical and prognostic conclusions to the draft decisions of the City Council. Examples of problems staffing local authorities.

Key words: information and analytical support, forecasting, forecasting methods, expert, local self-management decisions.

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