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Work Motivation of Staff as a Factor in Improving Financial Performance of a Commercial Enterprise

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ABSTRACT

Effective functioning of any organization is based on a seamless blend of the interaction between a person and organization. The importance of various types of work motivation aimed at achieving the goals of the organization and encouraging staff to work effectively determined the relevance of the study. The purpose of the study is to find ways to improve the system of work motivation, on the example of a particular enterprise, and to develop recommendations for improving the performance of the enterprise based on a motivational mechanism. The research objectives are the following: to analyze the current system of work motivation, to assess the efficiency of labor resources at the enterprise, to develop proposals for improving the financial performance of the enterprise through the motivational mechanism. The object of the study is the staff of OOO KL GROUP company specializing in retail trade of footwear, clothing and other products made of genuine leather. The subject of the study is the system of work motivation of staff and financial performance of the company. The following methods were used in the work: comparison, monographic, economic and statistical, horizontal and vertical analysis, expert assessment, sociology, organization theory and others. The authors used the results of a survey conducted by the territorial managers of the company in ten sales departments in order to identify the intensity of customer flows and the time-management of the company employees. A systematic approach in studying motivation factors allowed to develop proposals for creating a system of staff motivation at the enterprise. It is concluded that the implementation of the work motivation mechanism in the sales departments of OOO KL GROUP company gives the following results: satisfaction with the employees and their activities increases, and the company receives an annual increase in profits. Thus, work motivation affects the financial performance of the company.

Keywords: methods of motivation; staff; work motivation management; labor productivity; revenue; profit; profitability; enterprise performance

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INTRODUCTION

Concept of work motivation of staff in the enterprise

Motivation (from Latin “movere”) is a psycho-physiological process that controls human behavior and forms internal motivating factors that act through self-awareness. “Motivation” and “stimulation” are two close concepts. However, if the concept of “stimulus” is used mainly to denote material or moral encouragement, the “motive” is used more broadly and covers all aspects of employee behavior [1, p. 39–40].

There are various factors of motivation that are usually divided into extrinsic and intrinsic. Intrinsic factors of motivation may be: self-realization, self-affirmation, creativity, conviction, curiosity, need for communication. Extrinsic factors of motivation include: money, career, position in society, recognition, etc.

By nature, motives can be positive or negative. A positive extrinsic motive of behavior is reward for good work, and a negative one is punishment for the failure to comply work; a positive intrinsic motive is an interesting job, and a negative one is a routine nature of the work performed, as a result of which a person seeks to get rid of it.

Motivation of staff is carried out at three interrelated levels; each of them has its own characteristics.

There is a long-term, medium-term and short-term motivation of each employee at the personal level. All three types of motivation are in place: attraction, retention and effective work. The main principles of motivation at the personal level are timing, individual approach, connection with the interests of the employee. Important factors for effective employee motivation at the personal level are the clarity of the task, its compliance with the competence and interests of the employee.

At the group level, the motivation of productive and effective group work is in place. The motivation of group work is reduced to determining the range of tasks that can be done in a group way, and creating optimal conditions

for group interaction. The key factors for effective group motivation are group characteristics, leadership and management style, and the principles are reasonableness, trust and openness.

At the organizational level, work motivation of staff is carried out by economic and political incentive methods supported by all management subsystems. Important factors of effective motivation at the organizational level are the image of the organization and the reputation of top managers, as well as its adequacy to strategic goals. The principles of organizational motivation are responsibility, controllability and balance of interests of all categories of workers.

Thus, a systematic approach to motivation of staff is based on a comprehensive consideration of the psychological principles of the motivational process of individual and group activities, as well as effective methods of motivating recruitment, retention and effective work. The systematic approach includes managing the motivation of employees at all levels using all types of motivation: depending on the time frame — long-term, medium-term, short-term and momentary; depending on the incentives — material and non-material [2, p. 25–27].

Theories and methods of motivation research of staff

The current theories divide work motivation into two categories: content and procedural.

Content theories of motivation are based on the identification of intrinsic motives, called needs. These theories are traced in the works of A. Maslow, S. Bernard, D. McClelland and F. Herzberg. Content theories of motivation are based on the needs and related factors that determine people's behavior [3, p. 252–253].

Procedural theories of motivation are more modern, based on ideas about how people behave, considering their perception and cognition. The main procedural theories are the expectancy theory, the theory of justice, the Porter-Lawler motivation model, and others.

The procedural theories of motivation are: the expectancy theory by Victor Vroom, the

theory of justice, the Porter-Lawler model, the Theory Y, the theory of motivation by Hackman and Oldham, etc. Despite the differences between these theories, they are not mutually exclusive and are effectively used in motivating people to work effectively. According to procedural theories, it is believed that human behavior is determined not only by needs, but also by the expectation of the possible consequences of the chosen type of behavior. In effect, the Porter-Lawler model that includes elements of the expectancy theory and the theory of justice is used more often. According to the Porter-Lawler model, the results achieved depend on the efforts made by the employee, personal abilities and character, and also the awareness of their role in the organization [4, p. 56–60].

Thus, it can be concluded that motivation is the process of encouraging oneself and others to certain activities aimed at achieving personal goals or organizational goals. This process is based on the use of a variety of motives including material, socio-psychological, spiritual, creative, etc. Work designed in accordance with the principles of motivation, provides inner satisfaction, stimulates the quality of work, as well as the performance of more complex work.

There are various methods and techniques for researching the work motives of staff in an enterprise. The most common methods are: a survey allowing to identify the features of motivation of various staff categories; testing, allowing to assess the psychological characteristics of a person; expert evaluations where the expert's main tool is a specially prepared questionnaire or an interview. Leaders, business partners or clients are involved as experts.

In *table 1* we present some techniques and their characteristics for our study of work motives and the system of motivation in the company.

Now, let us consider the methods of management of work motivation which are similar to the methods used in personnel management. There are common, widely used in the management of other objects (production, the national economy as a whole — administrative, economic, social methods) and private methods among them. Per-

sonnel management, and, in particular, work motivation, should be based on the principles of a systematic approach and analysis, which means analysis and decision-making in relation to personnel, considering external and internal environment factors and their interrelations.

Usually, three main groups are distinguished among the methods of management of work motivation of staff [5, p. 20–21]:

1. Organizational and administrative methods characterized by direct centralized influence of the subject on the object of management. These methods are focused on such motives of behavior as the awareness of work discipline, a sense of duty, the desire of a person to work in a particular organization.

2. Economic methods due to which material incentive of personnel and individual workers is carried out. Among them are: methods used by federal and regional authorities (tax system, credit and financial mechanism of the country and regions); methods used by the enterprise (economic standards, a system of material incentives for employees, a system of responsibility for the quality and efficiency of work, participation in profit).

3. Socio-psychological methods most applicable in organizations where wages do not reach a high level. They are based on the use of moral incentives to work and influence the person through psychological techniques, in order to transform the administrative task into a conscious duty, the inner need of a person.

Efficiency of use of personnel in the enterprise

The efficiency of the use of personnel in the enterprise is measured by indicators of labor productivity. A direct indicator of labor productivity (labor return indicator) is called output and is calculated as follows:

$$O = V / Ans, \quad (1)$$

where: O — is output;

V — is the volume of output;

Ans — is the average number of staff.

Table 1

Methods used to study work motivation system

Name	Characteristics of the method
Methodology "Assessment of the need for approval". Developed by American psychologists Douglas P. Crown and David A. Marlowe	The need for approval is one of the most significant human needs. To identify this need a scale of approval motivation is used, which allows to determine an indirect measure of a person's need for approval by other people. The stronger this need is, the more the behavior of the person corresponds to the approved sample. Such people do not object to uninteresting work, they are more comfortable and malleable to social influences. They have an increased need for communication.
Methodology "Diagnostics of motivation of the individual to success". Developed by T. Ehlers.	The technique evaluates the strength of the desire to achieve the goal, to success; it was compiled based on a questionnaire of 41 questions. The higher the score, the higher the level of motivation for success. Studies have shown that the higher the motivation of a person to succeed, the achievement of a goal, the lower his willingness to take risks. People who are motivated to succeed and who hope for success tend to avoid high risk.
Methodology "Structure of work motivation". Developed by K. Zamfir.	The structure of work motivation includes three components: intrinsic motivation (IM), extrinsic positive motivation (EPM) and extrinsic negative motivation (ENM). Accordingly, there are 7 positions related to these components in the questionnaire.
Methodology "Diagnosis of the structure of motives of labor activity". Developed By T.L. Badoev.	The technique aims to study job satisfaction. An indicator of overall satisfaction is the sum of points scored. The survey consists of 13 questions. The employee is invited to evaluate the attitude to various factors affecting job satisfaction on a seven-point scale. Evaluation factors are: importance of the profession, prestige of the profession, type of work, organization of work, sanitary conditions, wages, possibility of advanced training, attitude of the administration to work, rest and living of workers, relationships with colleagues, need for the implementation of individual characteristics, possibility of creativity in the work process, job satisfaction in general. Conditional criteria for interpreting responses: 0% – 20% – low; 21% – 40% – reduced; 41% – 60% – average; 61% – 80% – increased; 81% – 100% – high.
Methodology "Career anchors". Developed by E. Shane.	The method allows to evaluate the career orientation of the manager and employees, to create an individual model of motivation, based on the aspirations and orientation of each specific person (interests, values, social attitudes).
Methodology of diagnostics of work motivation. Developed by V. Gerchikov.	The technique is used to analyze the motivation of Russian workers. The study of work motives of staff by means of the technique allows to determine the right direction in the choice of motivation methods, the type of employee and the resulting way to stimulate them. Based on the analysis by means of the methodology, it is possible to build an optimal motivation plan for each group of employees, which, in turn, will ensure the growth of labor productivity.

Source: developed by the author.

Depending on the unit of measurement of working time, the output is distinguished: for one worked man-hour (average hourly output); one man-day worked (average daily output); per average number of employees per year, quarter or month (average annual, quarterly or average monthly output) or per worker for the same periods of time [6, p. 77–78].

It is difficult to determine labor productivity due to the problem of measuring this indicator. A variety of labor productivity indicators due is caused by the possibilities of using variations in calculation.

Thus, the essence of labor productivity, as the efficiency of its use, is the ratio of the economic result of activity (revenue from sales of products, works, services) and the number of personnel, etc. In this sense, the growth of labor productivity is a factor in increasing the financial performance of activities (revenue growth, profit, profitability, profit margin) [7, p. 1–9].

The analysis of use of personnel in the enterprise, labor productivity should be considered in close connection with wages. The growth of labor productivity creates favorable environment for pay rise. At the same time, funds for labor remuneration should be used in such a way that the growth rates of labor productivity overtake the growth rates of the remuneration. These are the only conditions to create opportunities for increasing the rate of expanded reproduction.

Labor productivity is one of the most important indicators of economic efficiency; therefore it is extremely important to consider factors affecting the productivity of workers. Regarding the enterprise, all factors can be divided into internal and external.

The external factors include causes that do not depend on the enterprise: a change in the assortment and range of products, in accordance with market demand, leading to a change and labor intensity; social and economic conditions in society, etc. Internal factors are the level of technical equipment of the enterprise, energy intensity of labor, organization of labor and production, applied systems of labor

incentives, i.e. all factors that depend on the team and its leaders.

The factors that influence the growth of labor productivity can be divided into three groups [8, p. 22–24]:

1. Material and technical. They are associated with the use of new equipment, new technologies, materials and types of raw materials.
2. Organizational and economic. These factors are determined by the level of organization of management, production and labor.
3. Socio-psychological. These factors imply the socio-demographic composition of the personnel, its level of training, moral and psychological climate, work discipline, and the social and natural conditions of the flow of labor.

The reserves for increasing labor productivity are untapped opportunities for saving labor costs.

At a particular enterprise, work aimed at increasing labor productivity can be carried out by:

- reserves to reduce labor intensity, that is, modernization and automation of production, introduction of new technologies, etc.;
- reserves to optimize the use of working time (production management and labor organization, improving the structure of the enterprise);
- improving the structure of personnel and the personnel themselves (changes in the ratio of managerial and production personnel, staff development) [9, p. 129–130].

Creating normal working conditions at all workplaces is the basis for the high labor efficiency of personnel of various categories, i.e. the factor in achieving the effectiveness of work.

2. RESEARCH METHODS (ON THE EXAMPLE OF OOO KL GROUP COMPANY)

Work motivation management of staff in present-day conditions has a significant impact on the economic efficiency and financial performance of the enterprise, and, ultimately, on its position in the market. By the example of a specific enterprise, let us show the influ-

ence of work motivation on the staff performance, the enterprise performance and the financial results of the company.

The main economic activity of OOO KL GROUP company, established in 2013, is the retail trade of footwear, clothing and leather goods in specialized stores. The company has a regional organizational structure, which includes the head office in Moscow and 109 sales stores, of which 52 are located in Moscow and the Moscow region and 57 — in the regions. The average staff of the company as of January 1, 2019 is 488 people.

At the end of 2018, upon an initiative of the company's General Director, OOO KL GROUP territorial managers conducted a survey in 10 sales stores (5 stores in Moscow and 5 stores in the regions). *The purpose of the survey* was to develop recommendations for improving the level and the performance of the enterprise based on motivational mechanisms. *The subject of the research* is the influence of the motivational mechanisms on the performance in the stores.

Staff performance analysis was based on a study of the consumer demand intensity and the rationality of use of working time by means of timing.

In the study of the motivation system effectiveness, the following methods of the motivation theory were used:

1) methods of the survey method by T.L. Badoev, in order to study job satisfaction at all levels of the company's personnel structure, when an employee was asked to evaluate their attitude to various factors affecting job satisfaction on a seven-point scale.

The survey consisted of 13 questions;

2) methods of diagnosing labor motives, developed by V.I. Gerchikov, which allowed to reveal the value orientation of a certain group of workers and the whole team, the direction of motivation, the direction of improvement of work;

3) methods of expert assessments by means of interviews and specially designed questionnaires.

The company's management assumed that knowing the factors of employee motivation is fundamental for the manager, since it is the ratio of internal and external factors of motivation that helps to coordinate the interests of the employee and the company and develop motivation systems for employees. For employees to truly fulfill their duties with high quality, it is necessary to create favorable working conditions and carry out comprehensive incentives and motivation of staff.

RESEARCH RESULTS

Analysis of the main indicators of financial and economic activity of the enterprise

The main financial and economic indicators of the activity of OOO KL GROUP are presented in *table 2*. The source of information for the analysis was the financial statements of the company for 2016–2018.

The analysis of financial and economic activities of OOO KL GROUP for 2016–2018 showed that the revenues, profits and profitability tend to increase, which indicates that the company is developing, the performance efficiency is increasing. However, the company's revenue growth for 2018 was 6.2%, and the growth of the annual wage bill was 9%, while the labor productivity remained virtually unchanged, i.e. the growth of the annual wage bill is ahead of the growth in the revenue and labor productivity. Consequently, the management of the enterprise has to pay attention to the efficiency of the use of labor resources and the level of work organization.

Analysis of the efficiency of use of labor resources

The analysis of indicators of the efficiency of use of OOO KL GROUP labor resources showed that the average number of the employees in 2018 increased compared to 2017 by 6.15% due to the opening of five new stores, which indicates the growth of the company, the expansion of work, entry into new markets [10, p. 48–53].

Table 2

Key financial and economic performance indicators at OOO KL GROUP

Indicator	2016	2017	2018	2018 to 2017, (+, -)	2018/2017, %
Revenue from sale of goods, thousand rubles	1013301	1268530	1347170	78 640	6.20
Production cost, thousand rubles	929750	1170630	1240050	69 420	5.93
Sales profit, thousand rubles	61 681	87 920	94 570	6 650	7.56
Net profit, thousand rubles	31 341	39 302	48 323	6 982	16.90
Profitability of sales, %	6.1	6.93	7.02	0.09	1.30
Net profit margin, %	3.1	3.1	3.6	0.5	13.89
Average number of employees, people	452	458	488	30	6.15
Salary fund, thousand rubles	113 931	118 219	128 891	16 879	9.00
Production per person per year, thousand rubles / person	2241.8	2769.7	2768.6	-1.1	-0.04
Capital productivity	80.1	93.0	94.5	1.5	1.60

Source: developed by the author.

In 2018, the salary fund increased by 9% comparing to 2017. The revenue in 2018 also turned out to be higher than that of 2017 by 6.2%, while the labor productivity remained almost at the same level. Thus, the growth rate of the wage bill (9%) was higher than the growth rate of revenue (6.2%) by 2.8%.

When considering the issues of the efficiency of use of OOO KL GROUP labor resources, an analysis was conducted of the qualitative composition of labor resources: by sex, age, level of education. The following was revealed: 72% of the personnel are women and only 28% are men. There has been a tendency to rejuvenation of workers, which has both positive (new level of education) and negative features (lack of experience). As for education, the majority of workers have a higher education — 58%, and this is typical more for the regions than for Moscow, where the ratio is the opposite.

At the end of the year, the staff turnover was 19%. Currently, the main reason for dismissal in the enterprise is the low chances of promotion. Thus, the indicators presented above reflect a sector-wide tendency in the country's economy in providing production with personnel, in particular, the unattractiveness of the field for young specialists due to the low level of remuneration and the possibility of career growth.

The personnel policy of the enterprise is ineffective, which is confirmed by such facts as the prevailing growth of the payroll fund of the whole company over the productivity growth and the company's revenue. Motivation is needed to reduce wasted time and downtime, increase productivity, increase output and revenue. In fact, the enterprise opens new points of sale, increases funds for the payment of wages, and production and profitability grow more slowly than the salary fund. Increased output and profitability is possible. We will show how to achieve this on our example — the growth of labor efficiency through work motivation.

Justification of measures to improve financial performance of the company

Profit is the most important indicator characterizing the financial result of the enterprise,

since all participants in production are interested in its increase.

Factors affecting profits can be classified according to various criteria. However, the profit of an economic entity is developed under the influence of economic factors which are divided into external and internal. External are those that do not depend, as a rule, on the enterprise or are not controlled by it.

Let us dwell on the internal factors that depend on the activities of the enterprise, and are controlled by it. These include:

- volume and quality of products sold, goods;
- enterprise pricing policy;
- level of prime cost and other costs;
- quality of management at different levels;
- level of work organization;
- level of education and qualifications of personnel;
- technical level of production assets;
- scientific and technical creativity, the creative initiative of employees;
- economic interest of workers, etc.

In many respects, profit growth depends on reducing the cost of production, as well as on the increase in sales. While carrying out the production activities of the enterprise associated with the production, sale of products and profit, these factors are closely interrelated and dependent.

The analysis of OOO KL GROUP financial results for 2016–2018 led us to the following conclusions. The growth of revenue, profit and profitability suggests that the company is developing, the efficiency of its activities is increasing.

The analysis of the structure of expenses in the total amount of revenue, as well as the analysis of the cost structure of the cost components performed by the financial managers of the company over the past three years, showed that the management and administrative expenses of the company changed very little, and the costs of the elements in the cost structure for 2016–2018 changed, for the most part, almost in proportion to the growth in sales of

goods. Therefore, the growth of profits is largely influenced by the growth in sales, increase in the level of work organization, increase in the efficiency of use of labor resources.

Based on the above, our proposals for improving the financial results of OOO KL GROUP will be made on the following statements. It is necessary to develop and conduct activities aimed at increasing productivity, using motivational mechanisms that will bring additional income in the form of revenue from the sale of goods, profits and profitability.

Analysis of staff motivation in enterprises

Let us present some conclusions on the results of our research.

1. The motivational activity of OOO KL GROUP is rather weakly marked. The main motivational element is the store managers in Moscow and the regions. The company uses administrative management methods in the form of a mandatory prescription (order, prohibition). Personnel is in the domain of the personnel department, which, based on the real possibilities of the organization, carries out the recruitment and selection of qualified personnel, the development of modes of operation.

2. In addition to the formal organizational structure, which defines the structure of subordination, rights, duties and responsibilities, there is also an informal structure due to which the production tasks of an enterprise are solved based on human relations. Also, an informal interpersonal system of likes and dislikes established in the team has a direct impact on the motivation of employees.

3. The current bonus system is one of the most significant motivating factors for employees of OOO KL GROUP. As for official salaries of managers and specialists, there is a salary and tariff wage system according to the staffing table. There are professional allowances for individual professional qualities and qualifications of an employee, as well as allowances for a quality attitude to work, overfulfillment of the sales plan. These allowances increase the basic part of the salary, thus they are stimulat-

ing, but at the same time, the charge of these allowances is the subjective opinion of the director, which does not reflect the contribution of each employee to the overall business of the enterprise, which ultimately can lead to a conflict situation in the enterprise.

4. As for the employee bonuses, the bonus part is charged on the salary or tariff of the employee, reflecting the actual hours worked [11, p. 20–21]. Bonuses for the performance of production indicators do not show the individual contribution of each employee, since the coefficient of labor participation for sellers and drivers-loaders are the same. [12, p. 25–27]. According to the value of this coefficient and the total bonus fund, sales managers and drivers-loaders will have the same premium amount. Such an approach to awarding does not reveal the individual abilities of each employee and may also lead to a conflict.

5. Traditionally, developing a motivation system in OOO KL GROUP company is structured in the following way: the organization already has a certain remuneration system, and the administration feels the need to change it. However, the idea of the desired payment system is often built on the wrong idea of the real labor motives of the staff.

6. Labor motivation issues are important for any organization, since it is believed that an effective employee is a highly motivated employee. For OOO KL GROUP, it is necessary to correctly identify the motives of the employees, learn how to influence them, and then get a more motivated and more productive employee.

7. All personnel of OOO KL GROUP company (conveniently) can be classified into four groups: management (senior management), managerial and administrative personnel (medium management); specialists (executive staff — sales managers, cashiers), working staff.

Let us present some of the research results for building a motivation system, based on the results of a survey of managerial and administrative staff, as well as a survey of the sales managers in the stores, on whose activities, to a large extent, sales volumes depend (*Table 3*).

As you can see from table 3, the motivation

Table 3

Motives for performing management functions in OOO KL GROUP

No.	Motive	Place in the ranking	
		Sale Managers	Management and administrative staff
1	Bigger salary	1	11
2	Job promotion	2	12
3	Professional development	3	14
4	Interesting and diverse activities	4	13
5	Possibility to use personal skills	5	8
6	Opportunities to work creatively	6	9
7	Self-expression	7	10
8	Independence in work	8	7
9	Social contacts, work with people	9	4
10	Management activities	10	1
11	Leadership brings satisfaction	11	6
12	Greater influence on the activities of colleagues	12	2
13	Possibility of communication	13	5
14	Status in the organization	14	3
15	Family Status	15	15
16	Risk opportunity	16	16

Source: developed by the author.

for higher incomes, career advancement and advanced training, and, lastly, the possibility of risk, turned out to be the highest priority for the sales managers. It is also important that such motives as: interesting and diverse activities, the ability to use personal skills, the ability to work creatively, also turned out to be priorities for them.

The managerial and administrative staff has a different picture. For them, the top priorities were the motives aimed at managing activities, influencing on the colleagues and the status in

the organization, and the motives for professional growth and diverse activities — almost in last place.

8. The analysis of specific managerial attitudes in motivation for the middle managers and sales managers of the company had extremely interesting results. They are characterized by a focus on success, the desire for independence and the expansion of responsibilities. However, the willingness to make decisions, the inevitable risk in making decisions, is in the last place. In OOO KL GROUP, the managers

Table 4

Analysis of management motivational sets in OOO KL GROUP

No.	Orientation	% of respondents	
		Sales Managers	Management and administrative staff
1	Profit and success orientation	75	75
2	Independence	68	85
3	Responsibility	65	75
4	Willingness to follow the wishes of employees	51	40
5	Willingness to do more than necessary	70	33
6	Prioritizing new ideas	43	32
7	Oppennes to innovations	40	30
8	Tolerance for risk and decision-making	27	27

Source: developed by the author.

of all levels want to receive a higher reward for working independently, but prefer to shift responsibility for the risk to the top management of the company.

Table 4 presents the results of the analysis of managerial motivational attitudes for the managerial and administrative staff and sales managers in the stores, identified during the survey.

We see that the motivational orientation to the willingness to do more than necessary, and the willingness to innovations and new ideas are higher among the sales managers than the managerial and administrative staff, and the motivational attitudes aimed at profit and success, as well as the willingness to take risks, are the same for all the considered groups. The improvement of the personnel management system as a whole, and not only the wage system, may allow to resolve this contradiction. In such a situation, the company's management cannot afford to neglect the problems of improving the incentive system for the store managers.

9. We now turn to the analysis results of the research conducted in OOO KL GROUP regard-

ing the satisfaction with various aspects of the working situation. During the survey involving about 100 people, the overwhelming majority of the respondents said that they are satisfied with the motivating factors. Here we used the methodology "Diagnosis of the structure of motives of labor activity" by T. L. Badoev aimed at studying job satisfaction when an employee was asked to evaluate their attitude to various factors affecting job satisfaction on a seven-point scale. The survey consisted of 13 questions. The respondents provided the following results: the managerial and administrative staff had an increased level of job satisfaction (65%), sales managers — a lower figure (40%). Almost all employees said that they are satisfied with the variety of work, the factors of human relations with the colleagues and the managers. However, the employees of the commercial enterprise declared unanimously that they were dissatisfied with the wages, the solution of social problems, and the store managers were also not satisfied with the possibility of improving their skills and applying creative skills in the work process.

10. Next, let us see what happens with the labor activity in the enterprise. In OOO KL GROUP is an increased level of labor activity among the sales managers (63%), while it is higher than the level of job satisfaction (40%). The managerial and administrative staff, on the contrary, has an average level of labor activity (59%), and it is lower than the level of job satisfaction (65%).

11. Now we will proceed to the analysis of factors affecting labor activity. The survey showed that the main factor reducing the level of labor activity is the incorrect use of administrative measures by the management. The factors increasing the level of labor activity were called moral and, above all, material incentives. Indeed, in the enterprise, incentives, mainly in cash, were made behind the scenes and were small. Mainly, the orders were given orally and the punishment was in writing. In this case, the punishment was quite often public. Considering the high importance of informal relations in the organization, the administrative influences of this nature were perceived by the staff negatively.

12. Applying the methodology of diagnostics of work motivation by V. I. Gerchikov, we revealed the value orientation of two groups of workers. The problem of motivation was investigated by us in relation to the management, administrative and executive structure of the company (the sales managers in the stores).

Next, we define the motivation mechanism and the directions of work. Based on the analysis of the motivation study data, we selected a group of executive managers — the sale managers — for further research. We will use the mechanisms of motivation to them, since in their structure of motives the priority was professional growth, the desire for interesting and diverse activities, the possibility of using personal skills and self-expression, the desire for creative work, the willingness to do more than necessary. All of these motives should provide increased labor productivity.

Conclusions on the motivation system research results

After the motivation system analysis in OOO KL GROUP, some conclusions can be made.

1. The consequence of low staff motivation in the company is:

- high staff turnover;
- weak connection between the work results of the performers and the rewards;
- poor prospects for career growth of the employees;
- dissatisfaction with the work of the employees;
- insufficient level of performance discipline;
- insufficient professional level of the staff;
- lack of initiative of the employees;
- negative evaluation by the staff of the management activities;
- insufficient attention to study and internship reserve;
- underdevelopment of social and cultural enterprises;
- inefficient system of incentives;
- low efficiency of the methods of normative description of labor.

2. Traditionally, developing a motivation system in OOO KL GROUP company is structured the following way: the organization has already had a certain motivation system, and the management feels the need to change it. However, the idea of material motives and the desired salary system is often based on a misconception about the real labor motives of the staff. Before deciding whether to raise wages, the management needs to carefully examine the motivational structure of the employees.

3. For the managerial and administrative staff, it is practically impossible to standardize work; therefore, they can be managed primarily through motivation and incentives. In many respects, the performance of the company depends on the effectiveness of their motivation. If we talk about ordinary performers (the sales managers in the stores), their work, as a rule, is regulated by various regulations, starting with the rate of output and ending with the job description.

4. The hypothesis that there is a direct relationship between job satisfaction and labor

activity is often wrong. Where management is carried out by administrative methods, people work on orders, very often because of fear to lose their jobs, they are extremely dissatisfied with their work, but nevertheless they are very active, because for them the only chance to make a career is to wait for a certain moment and “to jump” to a higher level of management. Fear of losing the job also increases labor activity. There is a direct link between the size of the salary and the level of job satisfaction.

Thus, it can be concluded that the enterprise has developed a turning point when building an effective motivation system can maintain a sufficiently high level of work efficiency in the long term, i.e. there is an urgent need to change the system of work motivation [13, p. 15–20].

PROPOSALS

Work motivation system of staff in the enterprise

Work motivation system of staff in an enterprise plays an important role in personnel management, as it allows to establish the appointment and place of the employees in the team, to identify leaders and provide their support, to ensure effective communication and resolve conflicts in the team, and finally to connect people's motivation with the final financial results of the company.

It is very important for any company to work not only with clients, but also with its own staff, because the success in accomplishing the tasks depends directly on them. Well built motivation system allows to increase the level of loyalty and motivation of staff, and hence, the effectiveness of their activities. At the same time, it is necessary to consider individual characteristics of each employee for the staff motivation programs to work effectively.

Today, there are many methods of motivation of staff, both tangible and intangible. The final result will depend only on the correct use of combinations of these elements.

Based on the study of the theoretical foundations of motivation and the analysis of the

research practical results on the use of various methods and tools of motivation, we offer a system of work motivation for OOO KL GROUP (Table 5).

Implementation of work motivation mechanism in the enterprise

Work efficiency, in many respects, depends on how rationally the work is organized and how efficiently the working time is used. A tool to assess the current situation on this issue is the photograph of working time, which allows not only to optimize working time, but also to determine the structure of working time and the most costly operations and work, to identify loss of working time and their causes [13, p. 5–10].

The latest survey in OOO KL GROUP was conducted in December 2018 by the territorial managers in 10 sales stores (5 stores in Moscow and 5 stores in the regions). The purpose of the observation is to identify the intensity of customer flows, as well as the rationality of the use of working time by the employees to use the mechanism of work motivation. The results obtained for the 7 days were analyzed.

It was found out that the main stream of buyers in the stores is held at lunchtime from 12.00 to 14.00 and in the evening from 17.00 to 19.00. Fewest buyers appeared before 10.00 and after 20.00; therefore, it was recommended to use this time rationally to work with the goods and maintain order in the stores.

As a result, it was revealed that after studying the timing of the working day provided for the employees of all the stores and motivating them according to the OOO KL GROUP motivation program, the productivity of the employees in all the stores increased by 5%. The motivation program includes the following rewards:

- 1st place — a paid seven-day internship in Italy at enterprises producing and selling the best brands of Italian shoes (Pollini, Baldinini, Ballin, Casadei, etc.) with a prospect of promotion in OOO KL GROUP (for the position of a territorial manager);

Table 5

System of work motivation of staff at OOO KL GROUP

Motivation			
Material			Moral
Salary	Bonus payment	Social package	Gratitudes
Wage differentiation	Interest	Leave (study)	Board of honor
Bonuses based on qualification	Material assistance	Sick pay	Honorary certificate for long service
		Pension insurance	
Reward for the final result on sales	Distribution of profits from the company's profit	Health insurance	Advanced training
Clear regulations on compensation of staff for errors in work	Clear regulations on bonuses	Maternity leave	Corporate events
	Paying international internship for professional growth	50% of payment for a kindergarten	

Source: developed by the author.

- 2nd and 3rd places — acknowledgment with a note in the individual record.

Let us present the survey results in the calculations.

The store employees work on shifts. The duration of one shift is 11 hours. Each employee has an average of 15 shifts per month, and there are 12 months in a year. There was no absence from work due to temporary disability; therefore, the shifts were worked out by the employees in full.

As a result, the average hourly output (productivity) of one employee in 2018 was:

$$2768.6 / (11 \times 12 \times 15) = 1.398, \text{ i.e. } 1398 \text{ rub.}$$

The productivity has increased by 5%, which will make the average hourly output per em-

ployee approximately 1,468 rubles. Hence, their output per year will be:

$$1468 \times 11 \times 12 \times 15 = 2906.6 \text{ thousand rubles.}$$

The change in the output of one employee per year after implementing the proposal to increase the work motivation of the managers will be equal to:

$$\Delta_{\text{out}} = 2906.6 - 2768.6 = 138 \text{ thousand rubles.}$$

Effectiveness of the proposed measures

Let us show how the proper use of the mechanism of work motivation of staff can link it with the final financial results of the company.

The sales volume directly depends on 227 managers working in all the stores of the company.

After the implementation of the proposed measures the change in the revenue per year will be:

$\Delta V_y = 138 \text{ thousand rubles} \times 227 = 31\,326 \text{ thousand rubles.}$

The annual revenue of the entire company will grow by 31,326 thousand rubles and will be:

$V_y = 1\,347\,170 + 31\,326 = 1\,378\,496 \text{ thousand rubles, i.e. will increase by 2.33\%.}$

Let us assume that as a result of the growth in labor productivity of the sales managers, their wage allowances will increase by 5%, as a result of which the wages (conventional maximum) will grow by 2%.

Since the annual growth of the average salary per year throughout the company is approximately 2.3% annually, we will also consider these data to reflect the influence of the motivational mechanism in the Report on the company's financial results for the year.

With a constant number of personnel, the salary fund will grow by:

$$\Delta WF = 128\,891 \times 2.3\% + 60\,708 \times 2\% = 4178 \text{ thousand rubles,}$$

where 60 708 thousand rubles is the annual salary fund of the sales managers.

The deductions for social needs will be 1253 thousand rubles.

Thus, the cost of sales will increase by 5431 thousand rubles.

The implementation of our proposal will require an increase in commercial expenses of the enterprise by 50 thousand rubles, and management expenses — by 250 thousand rubles.

Now we will show how the Report on the OOO KL GROUP company's financial results will change in a year after the introduction of the proposal for the use of the mechanism of work motivation in the enterprise (*Table 6*).

In *table 7*, we present the performance of OOO KL GROUP as a result of the implementation of the staff motivation mechanism.

The comparative analysis with the earlier results of the stores showed that after the intro-

duction of the proposal to improve motivation, downtime in the work of the sales managers decreased by 10%. The time spent working with goods increased by 5%, and customer service and advice — by 5%.

Thus, the implementation of the proposal to improve work motivation and stimulation in OOO KL GROUP stores produced the following results:

- the productivity of employees in the stores increased by 5%;
- the annual revenue of the entire company increased by 2.3%;
- the profit from sales per year increased by 27%;
- the return on sales increased by 1.7%, reaching 8.72%.

Based on this, it can be stated that the proposed measures on the use of the work motivation mechanism in OOO KL GROUP is effective and can be used in all stores of the company.

CONCLUSIONS

Motivated staff is the key to successful work of the company to implement its strategy and strengthen its position in the market. Today, the effective operation of the organization requires responsible and initiative employees, highly organized individuals striving for the work self-realization.

The main aim of the motivation process is to obtain the maximum return from the use of available labor resources, which allows to increase the overall effectiveness and profitability of the enterprise.

Based on the study of the theoretical foundations of motivation and the research results on the use of the motivation mechanism in the OOO KL GROUP sales stores, the following conclusions were made:

1. The motivational mechanism of the company, although presented, is in its infancy and requires effort to develop and implement. The motivational policy of the company has not been finalized, due to the lack of a motivating link and a specialist in the field of work organization in the management structure.

Table 6

**Impact of the proposal to use work motivation mechanism on the financial performance
of OOO KL GROUP, thousand rubles**

Indicator	Before the proposal	After the proposal	Change (+, -)	Change %
Revenue from sale of goods	1 347 170	1 378 496	31 326	2.33
Production cost	(1 240 050)	(1 245 481)	(5431)	0.44
Gross profit (loss)	107 120	133 015	25 895	24.17
Commercial expenses	(9 630)	(9 680)	(50)	0.52
Administrative expenses	(2 920)	(3 170)	(250)	8.56
Sales profit	94 570	120 165	25 595	27.06
Income from participation in other organizations	—	—	—	—
Interest receivable	—	—	—	—
Interest payable	(1 741)	(1 741)	—	—
Other income	401	401	—	—
Other expenses	(32 910)	(32 910)	—	—
Profit (loss) before tax	60 320	85 915	25 595	42.43
Current income tax	(12 064)	(17 183)	(5 119)	42.43
Changes in deferred tax liabilities	(134)	(134)	—	—
Changes in deferred tax assets	201	201	—	—
Net profit	48 323	68 799	20 476	42.37

Table 7

Performance of OOO KL GROUP as a result of the implementation of the staff motivation mechanism

Indicator	Before the proposal	After the proposal	Change (+, -)	Change, %
Hour production of one employee, thousand rubles	1.398	1.468	0.07	5
Labor productivity (Annual output of one employee), thousand rubles	2768.6	2906.6	138	5
Revenue per year, thousand rubles	1 347 170	1 378 496	31 326	2.33
Sale profit per year, thousand rubles	94 570	120 165	25 595	27.06
Profitability of sales, %	7.02	8.72	1.7	24.21
Net profit margin, %	3.59	4.99	1.4	38.99
Salary fund	128 891	133 069	4178	3.24

Source: developed by the author.

2. The work motivation system of staff has been proposed which should play an important role in personnel management, and will ensure effective communication and resolve conflicts in the team.

3. The example shows that the introduction of the work motivation mechanism in the OOO KL GROUP sales stores produced the following results:

- the productivity of employees in the stores increased by 5%;
- the annual revenue of the entire company increased by 2.3%;
- the profit from sales per year increased by 27%;
- the return on sales increased by 1.7%, reaching 8.72%.

Thus, it can be stated that the proposed measures are effective and can be used in all the stores of the company to improve the efficiency of use of labor resources, as well as the financial results of the company. The example clearly shows that the proper use of motivation mechanisms allows to link the work motivation of company staff with the final financial results of the entire enterprise.

4. Currently, there are many methods of motivation, both tangible and intangible. The final result will only depend on the correct use of combinations of these elements.

In our opinion, the most effective is the following approach to the development and use of a motivation mechanism and motivation system in personnel management, which will require solving a number of tasks:

- first, research of theoretical material on various methods and tools used to study the motivational profile of the employees and the analysis of the motivation system, which will reveal the value orientation of the employee or team, motivation orientation, directions for improving work;
- second, practical study of the structure of the material and moral motives of the company's employees and the concretization of their essence in the conditions of the company's development;
- third, identification of the factors determining the structure of the motivation mechanism;

- fourth, determination of the possibility to use motivation mechanisms according to the company's development goals (developing proposals for the introduction of mechanisms and calculation of the effectiveness of their use);

- fifth, the choice of an appropriate set of tools to influence the labor behavior of the staff;
- sixth, based on the study of the theoretical material and all research results, to make decisions on the use of motivation mechanisms and changes in the work motivation system of the staff.

RECOMMENDATIONS

To improve the staff motivation system at OOO KL GROUP it is necessary:

1. to develop a full range of measures to manage work motivation by means of:

a) organizational and administrative methods and socio-psychological methods, turning an administrative task into a conscious duty, an internal need to work well; improve the efficiency of the standard description of labor;

b) economic methods, for which it is necessary to develop a system of work incentives at all levels of the organizational structure; to improve the system of material incentives for the employees, which can increase the responsibility of the employees for quality, work efficiency and participation in profit.

2. to use motivation mechanisms aimed at reducing the turnover and retention of valuable personnel in the enterprise, increasing: initiatives of the managers of all levels and leadership, qualifications and professional growth, level of executive discipline, prospects for career growth of the employees.

Improving the work motivation system of all staff links will allow the company to provide a higher degree of staff satisfaction with their workplace, their management, their compensation package, and, importantly, make them more attentive to the results of their work, increasing its efficiency. All this, in turn, will affect the growth of the financial performance of the entire company and the effectiveness of its activities.

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