
Motivation of Personnel in an Innovative Business Climate

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Abstract:

With increasing understanding of the importance of labor motivation in the personnel management system it is necessary to study the examples of practical implementation of personnel motivation programs that have been tested in successful companies. This work is designed to give answers to the following questions: How and what should motivate employees under the conditions of innovative business development? How is it done in Russia and around the world? What motivating programs are offered by employers today, what are their common features and fundamental differences? The main goal is to identify the best practices of motivation by using the examples of the leading foreign and Russian companies.

The main conclusion – even considering the Russian specifics, one large salary is not enough in innovative conditions, therefore progressive companies introduce multifactorial motivation systems, including material and non-material components. The work is of practical value for the Russian business. The continuation of this original research can develop in two directions: "in breadth" and "in depth". In the first case a similar analysis carried out with a large sample of enterprises will reveal additional dependencies. In the second case an empirical study of the reaction to certain motivators and the ways of their implementation within a separate company is proposed.

Keywords: *Motivation of Personnel, System of Motivation, Motivation Factors, Innovative Development, Personnel Management.*

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1. Introduction

Innovation can be considered as an object – a new product, as an event, the emergence of something previously unknown in the field of business organization, and as a process in which one innovation invariably involves a chain of the following ones. The latter makes it possible to assert that innovative business development requires innovative approaches to its management (Korableva *et al.*, 2017). In turn, the quality of human resources directly influences the value of the company, its success: *"for employers' quality labor resources serve as a guarantee of effective implementation of the current activities of the company, the ability to implement new projects, to introduce and adapt innovative products, technologies, etc."* (Bondarenko, 2015).

An integral part of the company's management system is the motivation of its employees. In the world practice the issues of personnel motivation are given increased attention, but it is only recently that the managers of Russian enterprises began to think about the importance of a comprehensive analysis of labor motivation systems – from 10,5% in 2002 to 61,2% in 2013 (Milyaeva, 2015). It is logical to assume that this indicator should grow every year, but in 2017 answering the question *"Does your employer pay attention to staff motivation?"*. Only 52% of those polled in Russia said "yes" (Kelly, 2017). These figures make actual the study of positive effects of the introduction of progressive practices of employee motivation by the Russian and foreign companies, their compliance with theoretical developments (Osadchy and Akhmetshin, 2015; Vasin *et al.*, 2017).

Despite the large number of works published annually on various aspects of staff motivation, a generally accepted approach and a universal theory of motivation have not evolved. *"The available developments are disjointed theories and concepts that are poorly consistent with each other ..."* as it is stated in Shmatko and Volkova, (2017). Stoyanovskaya (2014) gives 15 interpretations of the term "motivation" including the author's definition. The current situation raises the need to clarify the meaning of the concept of "staff motivation". Within the framework of this work, under the motivation of personnel as a function of management we understand a set of measures aimed at creating an internal incentive for employees to achieve personal and corporate goals, to produce high-quality and efficient work with maximum impact (Kilinc, 2017; Akopova *et al.*, 2016; Guskova *et al.*, 2016).

2. Literature Review and Research Methodology

Motivation, its specific manifestations and factors are in the focus of close attention of the Russian and foreign researchers. The most popular areas of scientific research:

- search of motivational priorities in various professional environments (Mawoli and Babandako, 2011; Shmatko and Volkova, 2017);

- comparison of motives for work in different socio-demographic groups, for example, identification of national characteristics of motivation and the degree of economic development of the country of origin of employees (Shmatko and Volkova, 2017), which is especially relevant for Russia;
- analysis of individual motivating factors such as salaries (Popov, 2016), education (Makasheva and Nesterova, 2011), etc.

The main methods of conducting research are social surveys, questionnaires (Milyaeva, 2015) and tests (Rebrov, 2011) to determine the degree of satisfaction of respondents to improve their motivation. In this article we consider the already existing motivational programs that have been developed and tested by the leading companies according to their development levels and economic indicators, recognizing their effectiveness with the aim of identifying common trends and characteristics (national, age, professional, etc.). Adhering to the quality management standard of "Investors in People" (Investors in People, 2017; Zavyalova *et al.*, 2017) we will assume that the policy of motivation of employees of any company should be constantly improved. The practical significance of this research is the possibility of using separate standard and non-standard solutions in the Russian business practices (Fedotova *et al.*, 2017). The data sources of this research are the following:

- official websites (JTI, METRO, Norilsk Nickel, Euroset) – due to the unassailable reputation of the surveyed companies the data presented on their official websites can be considered reliable;
- reports and other documentation of the studied companies, which are available in the public domain;
- Forbes ratings;
- sociological research of Kelly Services, 2017;
- works of the Russian and foreign authors over the past decade.

3. Results

We have selected four leading companies from different segments of the market (production and sales), including 2 foreign companies (Japan, Germany) with representative offices in Russia and 2 Russian companies. The general and special data about these companies are presented in the form of a table for ease of perception and interpretation.

Table 1. General and specific information about the companies selected for the study

Name, profile, country of foundation, general information about the company	Ratings, awards	The main provisions of the system of motivation that are in open access
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<p>JTI / Japan Tobacco International, international company, tobacco industry, Japan.</p> <ul style="list-style-type: none"> - The number of employees in the world is about 26-27 thousand people. - In Russia there is the largest production center, a division for marketing and sales with offices in 67 cities. - The number of employees of JTI Russia is approximately 4 thousand people (The JTI Foundation, 2017). 	<ul style="list-style-type: none"> - According to Forbes (2017): the fourth place in the ranking of the largest foreign companies in Russia (Forbes, 2017b). - Accreditation in "Investors in People"; - One of the best employers in Russia and the world in 2016 according to the version of the Top Employers Institute. - the Central office in Moscow – Best Office Awards 2016 in the nomination "Comfortable environment" (The JTI Foundation, 2017). 	<ul style="list-style-type: none"> - One of the best employers in Russia and the world. - A reliable, well-established and growing company that sets interesting tasks; an opportunity to grow and develop together. - A company that generously invests in the development of its employees. - Internship program "Jump" – in-depth training and experience on the workplace (real projects); possibilities to be trained by professionals; access to international practice and a variety of experiences in global business. - Team support. - Career growth strategy within the company: about 90% of managerial positions are recruited from the company's own staff. - Encouragement of the initiative. - Comfort and culture of the working environment, in which people can fully realize their potential. - "Green" production – protection of environment (The JTI Foundation, 2017). <i>Internal monitoring of employee involvement for management optimization, the philosophy of continuous improvement, "Investors in people".</i>
<p>METRO AG, international trading holding, Germany.</p> <ul style="list-style-type: none"> - The number of employees in the world is about 150 thousand people. - Represented in Russia by METRO Cash & Carry – a small wholesale trading network. - 90 shopping centers in 51 regions of Russia. The number of employees is about 20 thousand people (METRO Cash & Carry LLC, 2017). 	<ul style="list-style-type: none"> - According to Forbes (2017): the second place in the ranking of the largest foreign companies represented in Russia (Forbes, 2017b) 	<ul style="list-style-type: none"> - The same approach to the motivation of employees in Russia and abroad, equal opportunities. - Reliability of an international company and stable jobs, guaranteed social packages, official employment. - MPP program: the goal is to prepare future leaders today – a 2-year training program (in Russia and abroad); the institute of mentoring (Tarman, 2017). - Working in professional teams, where everyone can see the fruits of their work. - Wide range of career opportunities, opportunities for personal growth and professional development; environment for innovation and creativity (Akhmetshin <i>et al.</i>, 2017). - Flexible working models – work on a part-time basis, work from home; work close to home. - Support of Cerrado Manifesto – against deforestation; for rational use of natural resources. - A full informal life, interesting corporate culture. - Comfortable conditions for work and

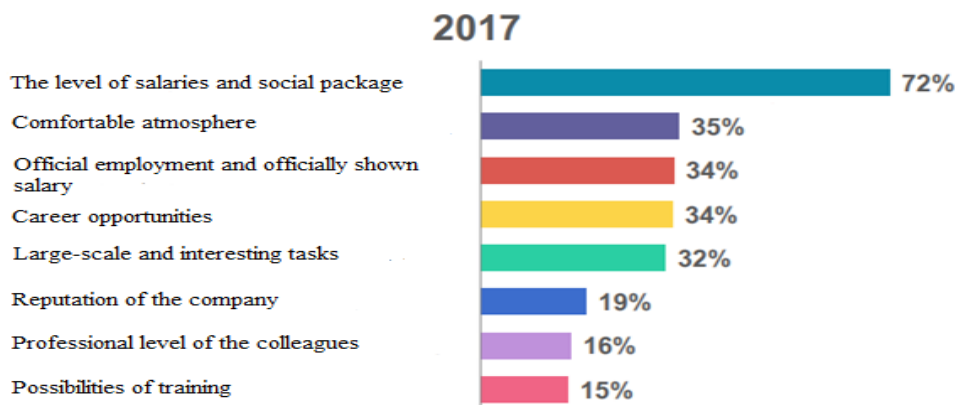
		<p>relaxation (METRO Cash & Carry LLC, 2017; METRO AG GmbH, 2017). <i>The company is clearly focused on young professionals with leadership qualities, "cultivating" its own professional staff.</i></p>
<p>PJSC MMC Norilsk Nickel (Nornickel), the metallurgical industry, Russia. - One of the world's largest producers of nickel and palladium. - The average number of employees is 81,4 thousand people, the average monthly salary for the company is 94,2 thousand rubles (2016). - The company has foreign units (Nornickel Group of Companies, 2017; Norilsk Nickel LLC, 2017).</p>	<p>- According to Forbes (2017): 8th place in the rating of the largest private companies in Russia; 63rd place in the rating of the most innovative companies in the world (Forbes, 2017a; Forbes, 2017c). - Randstad Award-2016 as one of the most attractive employers of the metallurgical industry in Russia; the 3rd place in the All-Russian competition of the best practices of employers regarding the work with the human potential "Creating a future" (Nornickel Group of Companies, 2017).</p>	<p>- Career development in a team of like-minded experts. - Training throughout the whole work activity (training, retraining, advanced training, internship). The program "Professional Start", business game "Conquerors of the North" for students and graduates of 2015 – a team solution to the real challenges of the company's development. - Realization of creative engineering potential through implementation of unique projects. - Competitiveness of wages on the labor market, grade system, bonus payments based on the results of production and economic activities (of the company, department, personal contribution); employment according to the LC of the RF. - Strengthening the image of the company as a responsible and reliable employer; program of sports and mass events to strengthen corporate solidarity, environmental programs (Çalışkan, 2015). - Corporate awards. - Social package for employees and their families: introduction of the targeted approach. - Comfortable working conditions. Development of social infrastructure of cities taking into account the comfort of employees and their families not only in the working environment (Nornickel Group of Companies, 2017; Norilsk Nickel LLC, 2017). <i>The concept of social corporate responsibility can be considered a theoretical basis of the system of motivation (Isaksson et al., 2014).</i></p>
<p>Euroset-retailer, a network of mobile communication stores, Russia. - In 2017 4000 stores in 1500 cities of Russia and Belarus; more than 30 thousand employees. - The average salary of a salesperson is 37,9</p>	<p>- According to Forbes (2017): 136th place in the rating of the largest private companies in Russia (Forbes, 2017a). - "HR-brand 2015" award for motivational programs of the company; according to RBC (2015),</p>	<p>- Opportunities not only to work and earn salaries, but to performing daily tasks to increase one's income; motivational program for store sellers - "BestSeller", etc. - Leadership, professionalism, teamwork. - Continuous training, more than 60 training centers throughout Russia. - Fast career growth within the company</p>

<p>thousand rubles, the maximum salary – 170,6 thousand rubles (Euroset, 2017).</p>	<p>the second place in the ranking of companies focused on corporate education and development of their employees (Euroset, 2017).</p>	<p>– 90% of executives started as seller. - Mass corporate events, corporate awards (Euroset, 2017). <i>Non-standard methods of motivation: career growth and salary increase through the computer game BestSeller".</i> <i>In accordance with the project documentation, the involvement of sellers in motivation is 80–85%, the timeframe is from 01.02.2015 till present, the budget is less than 1% of the company's total budget. The result: an increase in commercial indicators, added turnover (more than 1,4 billion rubles in 2015), an increase in salaries (People Investor project, 2016).</i></p>
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We believe that, despite some differences, all motivation systems presented in Table 1 are effective, because the listed companies occupy a leading position in their professional activities. Under the system of motivation, we understand a set of motivating factors identified in the studied companies.

We will try to answer the question: *"Do the proposed systems of motivation correspond to the priorities of the Russians?"* by using the results of a survey of Kelly Services. The international company Kelly Services, which provides the services of outsourcing and personnel management solutions in many countries, including Russia, conducts the annual monitoring of personnel motivation. In July-September 2017 taking part in the study were more than 1100 respondents older than 18 from different regions, different professional and educational levels, 53% of men and 47% of women (KELLY, 2017). The main results (over 15%) of answers to the question "What are the most important factors that motivate you to work?" are reflected in Figure 1.

Figure 1. "What are the most important factors that motivate you to work?" (in %, there are several possible answers) (KELLY, 2017).



We will compare the results of the study of the current motivational systems of companies and the results of a survey of Kelly Services.

Table 2. *The use of factors, which are motivating for Russia in the studied companies*

№	Motivating factor/ Company	JTI	METRO	Nornickel	Euroset
1	The level of payment and social package	Indirectly	The level of remuneration is not emphasized, only social package	Yes	The level of remuneration, social package is not emphasized
2	Comfortable atmosphere	Yes	Yes	Yes	Not emphasized
3	Official employment and officially shown salary	Implied	Implied	Yes	Implied
4	Career opportunities	Yes	Yes	Yes	Yes
5	Big-scale and interesting tasks	Yes	Indirectly	Yes	Indirectly
6	Company reputation	Yes	Yes	Yes	Yes
7	Professionalism of colleagues	Yes	Yes	Yes	Yes
8	Possibilities of training	Yes	Yes	Yes	Yes
9	Other factors	Yes	Yes	Yes	Yes
	<i>Priority factors:</i>	2, 4, 5, 6, 8	4, 6, 8, 9	1, 5, 6, 7, 8, 9	1, 4, 6, 7, 8

Therefore, the Russian priorities are more in line with the system of motivating factors of "Norilsk Nickel".

4. Discussion

Based on the analysis of the obtained results the following conclusions can be made:

- 1) In the motivational systems of all companies the common features include career, reputation, professionalism of colleagues and training with the companies paying the greatest attention to their reputation and the training of personnel.

Therefore, the company's reputation is not only a predetermining factor from the point of view of its customer, but also a powerful motivator for employees. All the studied companies initiate various educational incentives, which meet the criteria of the "Investors in People" standard. The applied educational programs are comprehensive, based on the principles of consistency and continuity. The relevance of the continuous education in innovative conditions is confirmed by other studies (Makasheva and Nesterova, 2011). The main revealed tendency is an independent "cultivation" of highly professional personnel, which involves the development of

the companies' own training base and the institute of mentoring (Ragins, 2016), i.e. the transfer of professional experience within the company. In addition to the general motivators present to varying degrees in all the surveyed companies, it is possible to identify specific motivational factors (for example, in Norilsk Nickel this is a program of "Resettlement" (Norinickel Group of Companies, 2017), caused by the difficulties of living under the conditions of the Extreme North), or, at least, specific methods of motivation (for example, computer games in Euroset) (People Investor project, 2016).

- 2) Contrary to the expectations, no consistent dependence of the set of motivating factors on the professional orientation of companies has been identified in the course of this study. Possible causes: the blurring of boundaries between the required professional skills in modern conditions; all the studied systems of motivation are multifactorial, designed to cover the interests of as many employees as possible; also, the conducted research does not take into account the internal assessment given to these systems of motivation by the personnel.

More narrowly focused studies empirically prove that the motivational structure of different groups of personnel has significant differences, and "any analysis of the factors of formation of motivation can be carried out only within certain categories of personnel" (Rebrov, 2011). Our research is not very detailed; it cannot confirm or refute this conclusion, although in this case it is possible to interpolate it to the main personnel of the company – managers, sellers, workers, etc. It should be noted that personal characteristics are also significant in the selection of priority motivating factors. Their study can be carried out empirically – by means of questioning with the preliminary drawing of a psychological portrait of each respondent. Such in-depth study can be a continuation of this work.

- 3) The study *"The Russian dream: what kind of dream is it and how can it be realized?"* containing a representative national sample prepared by the Institute of Sociology of RAS, 2015 revealed a triad of prevailing motivators: the size of salaries, the meaningfulness (interestingness) of work and good working conditions (Bessokirnaya, 2016). It is the salary, the material incentive, most of the Russians are concerned about in the recent sociological survey of Kelly Services, 2017 (KELLY, 2017). The analysis of the current motivation systems of JTI, METRO, Norilsk Nickel and Euroset demonstrates the fullness of this motivating factor only in two Russian companies – Norilsk Nickel and Euroset. This "national peculiarity" is explained by the persistent low standard of living, economic and social problems (Korableva *et al.*, 2017).

Nevertheless, the Russian companies, along with the foreign ones, tend to motivate employees in "inexpensive, but ingenious ways" (Kabanov *et al.*, 2010): career growth in performing certain tasks, large-scale and interesting working projects, flexible work schedules, entertainment at work and outside it, that is, to involve

social and spiritual factors of motivation, to satisfy the emotional needs of employees (Bulankina and Meshcheryakova, 2013).

5. Conclusion

Under the conditions of innovative development rational organization of management is the basis of effective activity of the company while human resources remain the main source, engine and reserve of any changes in the organization (Belkin and Belkina, 2010). Modern managers should create conditions that enhance the efficiency of the company's personnel and its involvement in the implementation of corporate tasks ensuring the transparency of approaches to management and motivation.

It should be emphasized that there is no universal "recipe" or a step-by-step instruction on how to motivate employees. Innovative environment requires innovative methods of motivation and ways to implement them. The factors and forms of motivation that ideally work in one company can demotivate the personnel of another company. Based on theoretical developments and using the experience of the leading companies, Russian companies striving for success need to create their own motivational systems that take into account their own specifics down to the smallest detail.

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