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**THE RESEARCH OF THE MOTIVATION FACTORS OF  
PERSONNEL IN RUSSIAN COMPANIES**

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*Abstract*

The research of the current state of personnel motivation and demotivation factors in Russia is conducted in the article. It is based on the survey of 3600 respondents engaged in different branches and living in different cities. The goal is to identify the factors that have the greatest impact on the behaviour of the employees and job satisfaction. It is proposed to divide all the factors into two groups: material and non-material factors. Questions and answer options are formulated for questioning respondents on their motivation and demotivation. The most significant monetary benefits and moral incentives that increase the efficiency of employees' labour are identified. Among the material factors, the first place is traditionally given to a sufficient monetary reward and bonuses for achieving goals. Among the non-material factors, the possibility of professional development and the acquiring of new skills are noted. Negative factors discouraging career growth and making professionals leave the company are identified. The growing role of the leader's personality is emphasized. At the same time, employees appreciate the opportunity to make a personal contribution to important decisions making as well as personalized approach. The issues of loyalty of the personnel to the chief and the company in general and the attitude to overtime work and extra work are investigated. The increase in the need for maintaining a balance between work and personal life is revealed. The data obtained identify the key stress factors that lead to professional burnout syndrome. Stress-preventive methods and measures are considered.

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**Keywords:** Motivation, factors, personnel, influence, effectiveness, organization.



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## 1. Introduction

The relevance of the study of modern mechanisms of personnel motivation is stipulated by the increasing role of human resources in conditions of digital transformation of the market environment. The purpose of motivation is an economic function aimed at maximizing the financial activities of the organization, increasing profits by increasing the level of labour productivity of the staff and the quality of services and products (Sviridova, Kablashova, Shkarupeta, & Khmeleva, 2019).

It is important to understand why some employees perform their functions with pleasure, do additional tasks willingly and take initiative in making decisions while the other are reluctant to work. It is important to understand the motives of the employee and to develop appropriate methods to stimulate his labour activity.

In modern business the interest is growing to the intellectualization of labour, the development of personal consciousness and effectiveness of labour contribution. The importance of non-material needs is growing, too. The aspirations of employees to develop their own innovative resources are being actualized.

Monetary incentives include salaries, quarterly and annual bonuses and bonus options (Afanasyeva, Trubnikova, Postnikova, & Khalitova, 2019). Non-monetary incentives include trips to health resorts, corporate health resorts, as well as compensation of transport costs. Social incentives include the prestige of the position, company rating, career prospects and career opportunities (Dunaev & Nagornov, 2017).

Moral incentives include the degree of respect of the colleagues and people in general, public awards for professional achievements, portraits on the boards of honour, corporate publications and calendars with photographs and images of the best employees of the organization.

Creative incentives include the prospects of self-development and self-realization, the possibility of corporate development and training, the possibility of an internship in a successful company, the prospects of well-paid business trips. Creative incentives include the prospects of self-improvement and self-realization, the possibility of corporate development and training, the possibility of an internship in a successful company, the prospects of well-paid and interesting business trips from a professional point of view (Parakhina & Ustaev, 2018).

## 2. Problem Statement

Personnel is becoming the key resource of the organization (Sobolev & Chubarova, 2017). For successful functioning of a modern organization, an effective motivational system is needed that increases the efficiency of work taking into account interests and potential development as well as the correct ratio of incentives and needs.

The employee and the employer differently evaluate the importance of motivational factors in different ways. As a result, conflict of opinions leads to the situation when key employees leave the company, labour productivity reduces and conflicts and stress in the team arise.

It is important to find the factors except monetary interests that will help to reveal the employees' potential and create a healthy, productive work environment. This research is aimed at identifying material and non-material factors of motivation and demotivation of personnel in Russian companies.

### 3. Research Questions

The basis of the research is the division of factors into two groups. The first group consists of the factors motivating the employees for high results, for the company loyalty and the desire to develop professionally in their company. The second group consists of the factors demotivating the employees, reducing their satisfaction and making them want to leave their organization.

#### 3.1. Material and Non-material Motivation Factors

The first question of the research was the identification of the most important material factors of motivation. Traditionally and expectedly, the favourites were good salary and bonuses. Respondents invest in the development of professional knowledge and value the employer for providing the possibility of additional education (40% of the respondents). The survey data on the importance of material factors is presented in the Table 01.

**Table 01.** What are the most important material factors that motivate the employees?

Answer option	% of the respondents
Good monetary reward	93%
Bonuses for achieving goals	66%
Compensation of additional professional education / foreign language courses	40%
Company car or compensation of transport costs	32%
Meals compensation/catering	31%
Individual rewards (for the company loyalty, for work experience)	30%
Compensation of fitness / yoga / swimming pool costs, etc.	29%
Paid out of turn days-off, holidays, etc.	24%
Workplace technical facilities improvement	20%
Life insurance	18%
Free parking place/ Compensation of parking place costs	18%
Corporate pension programmes	13%
Gifts	11%
Free sanatoriums, health camps	10%
Share-based rewards	9%

Source: authors based on Hays (2019).

The desire to make a career (54%) is being replaced by the desire to develop professionally (64%). Flexible schedule (54%) and the possibility to maintain a balance between work and personal life (49%) are more important for the employees than the popularity ratings of the company. More than half of the respondents (61%) noted the importance of the personality of the chief. The survey data on the importance of non-material factors is presented in the Table 02.

**Table 02.** What are the most important non-material factors that motivate the employees?

Answer option	% of the respondents
Professional development opportunities	64%
The personality of the chief	61%
The possibility to perform diverse and interesting tasks	56%
Flexible schedule	54%
Career opportunities	54%
Competent and efficient management staff of the company	53%
The possibility to maintain a balance between work and personal life	48%
The possibility to propose ideas and make decisions independently	46%
The possibility to work outside the office (at home)	42%
Open and friendly corporate culture	41%
The possibility of corporate training abroad	40%
The company stability	40%
Job satisfaction and awareness of your usefulness at work	39%
The possibility of corporate training in Russia	37%
The possibility to solve complex problems	35%
Employment guarantee	35%
Comfortable office space	32%
Business processes transparency	30%
Popularity of the employer brand in the market	27%
Participation in strategic decision making in the company	25%
The possibility to be useful to the others	23%
Clear distribution of tasks and separation of responsibilities	22%
Informing about the company strategy	20%
Public recognition of achievements	19%

Source: authors based on Hays (2019).

The third of the respondents (35% of respondents) choose guaranteed employment. It is worth noting that the “lifelong” loyalty to the same company is no longer relevant today. Employees change jobs easily enough for their own professional development. At present the popularity of the company cannot hold a professional employee.

### 3.2. Demotivation Factors

Demotivation factors are correlated to a great extent with material factors of motivation. Salary, delays in its payment, reduction of premiums and bonuses are still leading. Almost half of the respondents (49%) are demotivated by various kinds of fines (for non-observing of the dress code, for coming late). The survey data on the importance of material and non-material demotivation factors is presented in the Table 03 and the Table 04.

**Table 03.** What are the most important material factors that demotivate the employees?

Answer option	% of the respondents
Insufficient level of salary	81%
Delays in salary payment	56%
Reduction of premiums and bonuses	52%

Fines	49%
Lack of medical insurance	37%
Reduction / lack of social benefits	18%
Lack of possibility to take paid out of turn days-off	16%
The company does not provide a car	14%
Lack of special individual rewards	10%
Lack of meals compensation / catering	10%
Lack of compensation for additional education	8%
Lack of free parking place or compensation of parking place costs	8%
Lack of life insurance	7%
Lack of compensation of fitness / yoga / swimming pool costs, etc.	6%

Source: authors based on Hays (2019).

In addition to salary and bonuses, such factors as the inability to take unplanned holiday and day-off (16% of respondents) deserve attention. The employees consider the absence of bonuses for the loyalty to the company (10% of respondents) and discounts for company products (10%) unfair. Respondents also noted the lack of discounts on company products, lack of additional benefits for child care, and the inability to go to a corporate sanatorium.

**Table 04.** What are the most important non-material factors that demotivate the employees?

Answer option	% of the respondents
Incompetent and inefficient management staff of the company	70%
Unfriendly corporate culture	64%
The personality of the chief	56%
Conflicts with colleagues	47%
Lack of career opportunities	42%
Lack of professional development possibilities	40%
Too much control from the chief, lack of freedom to propose ideas and make decisions	39%
Lack of flexible schedule	37%
Lack of possibility to maintain work-life balance	35%
Public criticism / reprimands	30%
Unclear distribution of tasks and separation of responsibilities	28%
Routine tasks /lack of interesting projects	28%
Lack of employment guarantee	27%
Lack of possibility to perform diverse tasks	26%
Unstable position of the company in the market	26%
Lack of incentive for taking the initiative	24%
Lack of possibility to work from home	23%
Unclear strategy of the company	23%
Lack of business processes transparency	21%
Uncomfortable office space	19%
Lack of satisfaction and self-realization	16%
Lack of possibilities to study in Russia and abroad	15%
Lack of possibilities to take part in strategic decision making of the company	9%

Source: authors based on Hays (2019).

The respondents also noted dissatisfaction with the lack of public recognition and with working overtime. Company management should pay attention to the level of professional competence of both the management staff and ordinary employees (70% of respondents noted this). The personality of the chief (64%) and corporate culture (64%) are also important.

## **4. Purpose of the Study**

The purpose of the study was to identify motivation factors that affect the employee's performance, loyalty to the company as well as the desire to develop professional competencies and make a career. At the same time, the reasons were analyzed that lower the level of satisfaction with work in the company, provoke stresses and conflicts and cause the desire to leave the company.

### **4.1. Key Motivation Factors**

To study the significance of motivation factors for the employees, we formulated answer options to reveal the importance of material benefits for the employees of various companies at all positions and answer options to assess non-material motivation factors. When planning staff costs, the managers should take into account the importance of such motivation factors as paid meals, the ability to use the company car, and technically equipped workplace. The survey also showed that 11% of respondents would like to be sent to sanatoriums at the expense of the company, and for 6% of the respondents the problem of kindergarten was relevant. As for non-material factors, in addition to training, friendly atmosphere (42%), guaranteed employment (38%), and a clear distribution of tasks (25%) deserve attention.

### **4.2. Personnel Demotivation or Why Professionals Leave the Company**

Along with the revealing of significant motivation factors, it is important to reveal problem areas. It is important to understand why professionals leave the company, why stresses and conflicts arise. To reveal the reasons of the employees turnover and their dissatisfaction with work, about 50 material and non-material demotivation factors were proposed for assessment.

## **5. Research Methods**

The research of the importance of motivation factors for the employees was being conducted from February to March 2018 in Russia by the company Hays (Hays, 2019). Online survey was used as the method of collecting information. 3600 respondents took part in this survey: 486 employers and 3114 employees of various companies. 47% of the respondents were men and 53% - women. The majority of the respondents was represented by people from 29 to 39 years old (58%), young people from 18 to 28 years old accounted for 22%, older employees from 40 years or more accounted for 20%. The majority of the respondents work and live in Moscow or Moscow Region (67%), the representatives of Saint-Petersburg accounted for 10%. Among the respondents there were the representatives of the Central Federal District – 6%, the Volga Federal District – 5%, the Siberia Federal District – 3%, the Urals Federal District – 4%, the North-West Federal Region – 2%, the Crimea – 4% and the Far East Federal Region – 2%. The research was conducted in the companies where the total number of employees was 100 to 1000 people. 55% of the

companies were international ones and 45% were Russian ones. The respondents had a work experience from 1 year to more than 10 years. They occupied positions from trainee to the owner of business. There were the managers of international and Russian companies from pharmaceutical, information, financial, construction, industrial, automotive and chemical industries. The respondents were engaged in IT, sales, marketing, advertising, finance and accounting, personnel management, purchasing, logistics, jurisprudence, designing, construction, quality service, extraction and processing of raw materials, distribution and real estate management. The goal of the survey was to reveal the opinions of the respondents on material and non-material motivation and demotivation factors for the work of the employees in Russian companies.

## **6. Findings**

A motivated and satisfied employee is an effective employee that contributes to the success of the company (Konovalova, Laas, Svistunov, & Starun, 2019). In this context, the level of conformity of expected and proposed benefits is of particular importance for the competitiveness and prosperity of a business. The research focuses on traditional factors of personnel motivation and demotivation.

### **6.1. Motivation and Demotivation Factors**

For the survey, we proposed to divide motivation factors into two blocks: material and non-material factors. So, the respondents did not have the dilemma of choosing between corporate training and monetary reward, compensation of meals costs and freedom of communication with the managers.

Among the leaders of material incentives, there were traditionally salaries and various bonuses, which is not a surprise. However, the attitude of employees towards the importance of career growth, the leader of the past decades, has changed. Today professional development and the opportunity to study both within the company and beyond it are more important. The factor of the chief's personality is growing (60% of respondents). The issue of changing the job is not relevant because of the fear of a new leadership style. If the current boss evokes personal sympathy, the employee is unlikely to go to another one. The attitude of the staff towards comfortable working conditions, social climate in the team, the relationship with the management staff has changed. In modern Russian companies employees want to participate in solving problems and planning results. The opportunity of open discussions when an employee can express personal opinion and listen to the opinions of professionals, use their experience is valuable. Management should be based not on fear and hierarchical ladder, but on partnership.

The interest to diverse tasks is growing rapidly; employees want to participate in related projects (56%). Almost 50% of respondents prefer flexible work schedule: the possibility to combine work in the office and from home. It is interesting that in modern companies employers support this trend. The young generation tries to maintain a balance between work and time for personal life.

### **6.2. Company Loyalty**

To begin with, the respondents were asked what exactly they understand under the concept of loyalty. It turned out that employees understood by "the loyalty to the employer" as the loyalty to the

company in conditions of financial instability. The next question was if they considered the concept of loyalty ephemeral. More than half of the respondents said that they absolutely believed in the existence of loyalty. It is worth noting that some employees are more likely to be loyal to their direct chiefs and not to the organization as a whole.

### **6.3. Work-Life Balance VS Overtime Work**

The desire of employees to maintain a balance between work in the office and time for personal life is growing rapidly (73% of respondents noted this). The young generation does not like to work overtime and to work on weekends or holidays. The attitude to overtime work and additional work load is changing. According to the analysis, 87% of the respondents had to work overtime, and 32% were ready to work overtime if they had additional compensation.

### **6.4. Stress at Work and Career Changes**

As the research shows, 48% of the respondents think about a career break. The reasons are lack of time for personal life (18%), lack of time for the family (13%), weakening interest to the work (33%), lack of understanding of the usefulness of the activities (16%).

Professional burnout syndrome indicators are rising. Almost 80% of respondents said that their friends and colleagues had had that problem. The solution may be changing of occupation or learning a new profession. Some respondents (34%) recommend going on a trip to reboot. Stress is caused by duplication of functions, blurred boundaries of responsibility, misunderstanding of the colleagues and managers. To combat stress, employers offers sports activities, including yoga. The work of a company psychologist contributes to open corporate culture and reduces tension in the team.

## **7. Conclusion**

The research shows that moral and material incentives must be combined because of their mutual influence on the staff. Employees value trust (Narimanova & Narimanov, 2019). It is important not to give instructions threatening the employees with punishment but to see a business partner in the subordinate, ask him/her for advice and listen to the employee's suggestions. The relationships based on trust provide a favorable climate. The assessment of labour contribution should be as objective as possible. It is important to inform the personnel about the criteria on the basis of which salary calculations are made as well as about the bonus. The main material and non-material factors that positively affect the employees of the Russian companies are revealed: salary, bonuses, chief's personality, flexible work schedule and a balance between work and personal life. The factors that negatively affect the work of employees are revealed. The information obtained will help to build an effective motivation system that will expand the opportunities for interaction and mutual understanding between the employees and the employers.

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