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## **Efficiency and motivation of the management staff of the enterprise**

### **Abstract:**

The article studies the motivational issues of managerial staff in the context of ensuring the growth of enterprises and organizations.

The results are interesting from the theoretical and practical aspects to be applied for the improvement of the motivation to employees, including managerial staff at the enterprises and organizations. Personnel management should provide a supportive environment in which creative abilities of employees are realized, and their abilities develop. As a result, people should enjoy the work performed and the public recognition of their achievements.

The main levers of motivation are incentives and motives. A stimulus usually means a material reward of a certain form, for example, wages. Unlike the stimulus, the motive is the inner driving force: desire, attraction, orientation, internal attitudes, etc. Modern theories of motivation are largely based on the results of psychological research and are aimed primarily at determining the list and structure of people's needs. In this context needs are considered as a conscious absence of something causing a motivation for action, and are divided into primary (congenital) and secondary (formed during the acquisition of a certain life experience).

**Keywords:** management system, motivation, managerial staff, enterprise, venture staff, organization, development.

**JEL Classification:** L51, Q12, M20, M54.

**Introduction.** At the present time, personnel management is considered to be one of the strategic directions of the organization's development, the goal of which is to provide each sector of the organization with highly qualified and motivated employees, the formation of a creatively active work collective that responds positively to changes that are capable of development and

renewal. To achieve high performance, the organization must: formulate the mission and strategy of the organization, and bring their content to each employee; design an organizational structure in accordance with the objectives of the organization; introduce the most progressive methods of human resource management. The effectiveness of the organization depends on human resources in many respects. Professional decisions taken by employees at any workplace, determine the effectiveness of the implementation of production objectives and determine the overall success and effectiveness of the organization.

A study of global trends in entrepreneurship development shows that in order to ensure the growth of enterprises and organizations, special attention should be paid to the motivation issues of managerial staff. At the same time, the practice of functioning of modern enterprises and organizations reveals that the timely identification and diagnosis of problematic situations, arising in the way of development and growth of many enterprises and organizations, depends on the level of qualification and professionalism of the administrator (manager). Whereas, the success of the manager's activity is shaped under the pretext of his ability to combine personal qualities and implement them into the decision-making process of management.

Therefore, in the context of ensuring the effective functioning and long-term growth of enterprises and organizations, it is necessary first of all to solve the problematic issues of motivation of the administrator.

Key principles of managerial staff's motivation in the context of enterprise and organization growth are presented in researches of many world's leading scientists.

The effective operation of any manufacturing enterprise depends on the use of human resources. Therefore, the key element in the management of a production enterprise is the function of personnel management, which should be directly linked to the overall strategic concept of enterprise development. Modern market conditions make demands not only for qualifications and qualities of employees, but also for the behavior of enterprises with respect to human resources. In accordance with this, it became necessary to consider the management of personnel as an integrated system built on the basis of an appropriate strategy.

**1.Literature review.** Analysis of recent research and publications. P. Bamberger and I. Mechoulam pioneered to study the problems of strategic management of personnel at the manufacturing enterprise. The works of F. Delmar, J. Wiklund, S. Gillan, B. Alstrand, D. Campbell, D. Lampel, H. Mintzberg, S. Maslen, W.Ke, G. Stonehouse, B. Huston, K. Mitchell, D. Norton, R. Kaplan, and others are also devoted to solving the problems of strategic management [1; 2; 3; 4; 9].

In the given works the various aspects of strategic management of the enterprise are reflected, effective technologies of management by strategy are offered, questions of interrelation of strategy of development of the company and private strategy are considered, however the methodical base for conditions of process management by the personnel of the enterprise is not developed to a satisfying extent.

Consequently, Delmar F. and Wiklund J. (2008) have investigated the effects of motivation on manager's career advancement. In addition, scientists have come to the conclusion that the motivated manager effectively controls the activity of the enterprise, and thus, affects the improvement of business results (Delmar, F., Wiklund, J., 2008) [1, p. 440].

Gillan S. L., Hartzell J. C., Koch A. and Starks L. T. (2010) have analyzed peculiarities of work activity motivation at enterprises, operating in environmental, social and management spheres. According to the results of the analysis, scientists have come to the conclusion that managers, including administrators, are more careful about the values, including the costs of the enterprise, in contradistinction from the shareholders of the enterprise, despite the fact that their salaries are significantly lower than shareholders' ones (Gillan, S. L., Hartzell, J. C., Koch, A., Starks, L. T., 2010) [2].

However, Maslen S. and Hopkins A. (2014) have investigated the motivation features of managers, working in hazardous areas of activity. Therefore, scientists have identified the role of

incentives that are designed to manage a number of high-risk accidents occurrence in hazardous areas of activity. It has been established that managers need to be motivated not only to obtain business and financial results of the enterprise, but also to ensure the safety of this activity in the context of preventing the occurrence of various kinds of accidents (Maslen, S., Hopkins, A., 2014). [3, p. 420].

Ke W., Tan, C-H., Choon-Ling S. and Kwok-Kee W. (2012) consider that two leverage values can cause internal motivation of managers at the enterprise:

- 1) autonomous design of workplaces;
- 2) tactics of socialization.

The scientists also prove in their studies that intrinsic motivation is manifested through normative motivation (inclines towards the idea that technology allows to obtain a number of external benefits, namely: fulfillment of tasks, increasing the level of labor productivity) and hedonic motivation (provides the pleasure of using technologies) (Ke, W., Tan, C-H., Choon-Ling, S., Kwok-Kee, W., 2012) [4, p. 260].

Rusetski A. (2011) has examined the cultural and procedural factors that influence the motivation of business executives. The study has found that an important factor that reduces the level of manager's motivation is the strategic orientation of technologies. However, customer orientation of the enterprise and cultural disregard of the classical management principles only increase the motivation of managers. According to the scientist's conclusion, the influence of cultural factors remains more effective in motivating managers than carrying out an appropriate assessment of the manager's activities or providing him with compensatory payment (Rusetski, A., 2011) [5, p.115].

At the same time, Chromjakova F. (2016) has presented the main motivation criteria that the manager should possess. In particular, these include:

- 1) a focused concentration on achieving the goals and implementing the targets of the enterprise;
- 2) making of considered and reasonable management decisions;
- 3) good relationships with the team;
- 4) creative thinking and innovative approaches to solving problems, etc. (Chromjakova, F., 2016) [6].

In the framework of the mentioned above, Li Q. (2015) believes that the incentive for the head of the enterprise should be carried out on the basis of the theory of emergency situations. In turn, the use of one or another incentive for the head should first of all depend on the level of education of the administrator and whether the manager is a high-qualified employee. At the same time, the research of Li Q. has shown that generally the manager wants to see the independence of his own capabilities as an incentive, while the demand for financial incentives is not so important (Li, Q., 2015) [7].

Laura L. Paglis and Stephen G. Green (2002) have developed a leadership model based on the criteria for motivating managers to achieve leadership positions at the enterprise. The basic features of this process include:

- 1) determining the promising direction of the future manager's activity;
- 2) strengthening the position of the manager's supporters;
- 3) elimination of existing and potential obstacles that arise in the way of strengthening leadership positions (Laura, L. Paglis, Stephen, G. Green, 2002) [8].

Herewith, Schmid Mast M., Hall J. A., and Schmid P. C. (2010) argue that one of the key elements in the effectiveness of a head's leadership position is his or her strong motivation, which is directly related to the dominance of the manager as an individual (Schmid Mast, M., Hall, J. A., Schmid, P. C., 2010) [9].

At the same time, Wziatek-Stasko A. (2016) remarks that managers' motivation is a key indicator of determining the quality of their leadership (Wziatek-Stasko, A., 2016) [10].

In the context of the topic insight of the scientific article, it should be noted that Buble M., Juras A., and Matic I. (2014) have analyzed the relationship between the leadership style applied

at the enterprise and the motivation of the head, which encourages him to achieve goals and objectives of enterprise activities. In the course of the research, scientists have come to the conclusion that the manager's occupation of a position in the upper echelons of the enterprise management system requires the manager to have significant work experience (at least 10-15 years) and the necessary level of education. Despite this, it has been established that the motivation of managerial staff is divided into two parts:

- internal motivation, which reflects the methods of incentive to the manager's activities in accordance with the complexity of his / her work;
- external motivation, which reflects the level of satisfaction of the manager with his / her working conditions and salary through the means of inducing (Buble, M., Juras, A., Matic, I., 2014) [11].

In turn, Decoene V. and Bruggeman W. (2006) have investigated the relationship between the strategic dimension of motivation (including the development of certain motivational mechanisms) and the organizational effectiveness of the enterprise's head, by using a balanced scorecard. The results of the research conducted by scientists provide an opportunity to obtain information on how the company can improve business performance. At the same time, it has been established that an effective strategic dimension not only motivates the head, but also requires his direct and active participation in the business processes of the enterprise (Decoene, V., Bruggeman, W., 2006) [12].

**2. Research methodology, data and hypotheses.** From this follows the importance of controlling and motivating employees to create conditions that allow them to fully realize their professional luggage on the one hand, and on the other hand, to form a desire to work qualitatively and productively. Such concepts as «cadres» and «personnel» have been widely used in the domestic and foreign management practice in recent years. So, under the «cadres» it is accepted to understand the basic composition of the employees of the enterprise. This category does not reflect the qualitative characteristics of a single individual, but represents the totality of employees united in a collective to jointly achieve the overall goals of the organization. As a rule, the «cadres» of the enterprise does not include temporary workers, parttime workers, and freelancers. The term «personnel» means all the staff of employees (including permanent and temporary), consisting of the organization as a legal entity in the relations governed by the contract of employment. From the modern understanding of the essence of the term «personnel», follow approaches to its evaluation, measurement and management. For the assessment of personnel, qualitative and quantitative characteristics are used. The required number of employees reflects the quantitative characteristics of the personnel. Modern organizations strive to optimize the composition and number of employees, paying more attention to qualitative characteristics that reflect certain essential properties and capabilities of human resources (Table 1).

Qualitative characteristics are determined by the specifics of employees as individuals, which differ in their individual abilities and capabilities, motivation, skills and experience (Volgin, 2014). The basic unit in the analysis of personnel is a separate employee, considered in the totality of their qualitative characteristics that affect their economic behavior [13].

Some of these measures are of an organizational nature (personnel planning, labor organization), others are related to the impact on the employee with a view to changing his motivation, behavior, mobilizing his internal capabilities (reward system, assessment, interoperability, etc.). An important management tool is personnel planning, which ensures the purposeful development of the team in accordance with the resource capabilities and objectives of the enterprise. Personnel planning is part of the overall planning system, so it must be closely related to its other types (planning production, marketing, finance, investment, etc.) Through personnel planning, there is an impact on such aspects of personnel work as: the need for staff; work on hiring and filling vacancies, including training; the release of unnecessary labor; labor costs, etc.

**Table 1. Features of work with the personnel of the enterprise**

<b>Elements of the personnel management system</b>	<b>Staff of domestic enterprises</b>	<b>Joint venture staff</b>
Personnel policy	use of personnel only with domestic experience	getting the effect of combining national assets, people and experience with the knowledge, technology and business processes of Western companies; attracting specialists from countries where there is an existing or potential market
Staff development	<ul style="list-style-type: none"> <li>– improvement of professional skills and knowledge of employees is insufficiently funded;</li> <li>– advanced training takes place on the territory of Ukraine, to a greater extent within the limits of the enterprise;</li> <li>– there is no single system of relations between enterprises and specialized universities;</li> <li>– own education system at enterprises is imperfect;</li> <li>– development activities are aimed only at individual units</li> </ul>	<ul style="list-style-type: none"> <li>– improvement of professional skills and knowledge of employees has significant funding;</li> <li>– foreign business trips are used to improve staff skills;</li> <li>– develop their own education systems for all categories of staff and strategies for interaction with key universities that train professionals for the required field;</li> <li>– there are different types of training that cover all employees of multinational corporations</li> </ul>
Career planning	<ul style="list-style-type: none"> <li>– internal vertically at the levels of the hierarchy;</li> <li>– transition from organization to organization</li> </ul>	<ul style="list-style-type: none"> <li>– internal vertically at the levels of the hierarchy;</li> <li>– internal horizontally between structural units;</li> <li>– transition from organization to organization</li> </ul>
Corporate values	insufficient level of corporate culture	high level of corporate culture with integration of different national values
Occupational Health	new standards are introduced only when necessary	new standards and procedures in the field of labor protection, industrial safety and environmental protection are being actively introduced, large-scale assessment work is being carried out
Information system	<ul style="list-style-type: none"> <li>– low quality;</li> <li>– is created on the basis of own experience</li> </ul>	<ul style="list-style-type: none"> <li>– high quality;</li> <li>– all the latest achievements in the field of communications are used</li> </ul>
Level of education of managers	do not have additional education in personnel management	specially trained in personnel management methods

Personnel management should provide a supportive environment in which creative abilities of employees are realized, and their abilities develop. As a result, people should enjoy the work performed and the public recognition of their achievements. A widely spread means of influencing an employee, on developing labor relations is the motivation of labor, which provides: a system of reward, material and moral encouragement; enriching the content of labor, increasing interest in the work; development of personnel, provision of opportunities for professional qualification promotion, career planning; improvement of the socio-psychological climate in the organization through a change in leadership style, terms of employment and work, promotion of individual and group initiative, creativity and self-development; active involvement of employees in the management of labor processes, participation in the profits and share capital of the firm, etc. Motivation allows solving such problems as the stabilization of the collective, increasing the productivity of work and motivation in mobility (first of all professional), ensuring systematic skill development.

The main levers of motivation are incentives and motives. A stimulus usually means a material reward of a certain form, for example, wages. Unlike the stimulus, the motive is the inner driving force: desire, attraction, orientation, internal attitudes, etc. Modern theories of motivation are largely based on the results of psychological research and are aimed primarily at determining the list and structure of people's needs. In this context needs are considered as a conscious absence of something causing a motivation for action, and are divided into primary (congenital) and secondary (formed during the acquisition of a certain life experience).

**Conclusions.** Thus, we can conclude, that personnel management is the foundation of any economic system, since people are the most valuable of the country's resources and enterprise. The content of personnel management is determined by social relations, production volumes, technology and other factors. In the economy of the country, human resources management is aimed primarily at regulating employment, terms of payment, ensuring business relations between employers and employees, improving the skills of the able-bodied population, developing legislation in the sphere of labor, employment and social relations [14]. Human management is of particular importance for all organizations: large and small, commercial and non-commercial, industrial and operating in the service sector. Without people there is no organization. Without the right people, no organization can achieve its goals and survive. A person is the most important element of the production process in the enterprise. The capital needed for the implementation of new investments in the creation of a new enterprise can be obtained in the capital market. Finding competent staff is a much more challenging task. The enterprise staff in modern conditions is the basis and the most important condition to achieve market success [15]. Money and material success is by no means a guarantee, but only a prerequisite for prosperity. A reliable foundation is its employees, specialists of the enterprise.

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