

# Motivative Tools for Increasing Labor Productivity in a Complexed Branch Network of Organizations

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**Abstract**—The system of motivational tools, being one of the most important elements of the organization's personnel policy, solves the urgent tasks of attracting and retaining highly qualified personnel, forming competitive production behavior and increasing labor productivity. The subject of the research is socio-economic and managerial relations that determine the effectiveness of motivational tools in a complex branch network of organizations. The proposed recommendations can be applied in the development of projects and programs aimed at forming a motivational mechanism that increases the efficiency of labor activity and forms a stable basis for achieving the strategic goals of the organization and ensuring its competitive advantages, which are the absence of the need for additional material, financial, labor costs, while simultaneously saving obtained by reducing staff turnover and, as a result, increasing labor productivity. The implementation of the proposed measures will make it possible to form a highly effective system of labor motivation, ensure efficient spending of funds for social programs and social incentives for personnel, as well as increase the investment attractiveness of a complex branch network of organizations.

**Keywords**—*motivation, incentives, personnel, labor productivity.*

## I. INTRODUCTION

To ensure the positive dynamics of sustainable development of complex economic systems, it is necessary to assess the efficiency of its structural divisions, based on indicators reflecting the main aspects of their work, which most characterize the achievement of the Company's strategic goals [5, 7, 10].

## II. METHODOLOGY

The choice for a comparative study was dictated by the similarity of performance indicators (the share of services provided and the average headcount within the company), which means, with similar (presumably) performance results.

The proposed indicators for evaluating the work of branches exclude the use in the analysis of financial and economic results (revenue, cost of sales, net profit, volume of services), as well as the labor indicators that depend on them (labor productivity), due to objective reasons associated with

the problem of biased assessment of financial results different branches due to incomparability.

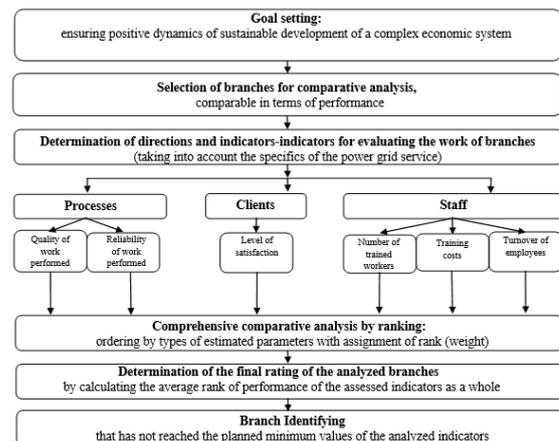


Fig. 1. The sequence of stages of assessing a complex branch network based on a comparison of branches

Despite the seeming minimalism in the choice of indicators, indicators, their analysis in dynamics (or the ratio between branches) allows tracing the main directions of development of branches in the field of motivation, as well as identifying and assessing their stability in this area [6, 3]. The proposed ranking method presupposes ordering of data by branches as follows: by types of estimated parameters with assignment of a rank (weight) to the achieved value for the analyzed position: 1 - maximum value; 2 - average value; 3 is the minimum value. It should be borne in mind that the proposed comparative analysis is based not on comparing the values of the estimated indicators for the studied branch in its pure form (assessment of its absolute value), but on the observed trend (direction of development) [2,8].

## III. RESULTS AND DISCUSSION

To identify the needs and opportunities for improving personnel activities in the field of motivation and stimulation of labor of a complexly organized branch network of organizations, the following sequence of analysis can be used (Fig. 2).

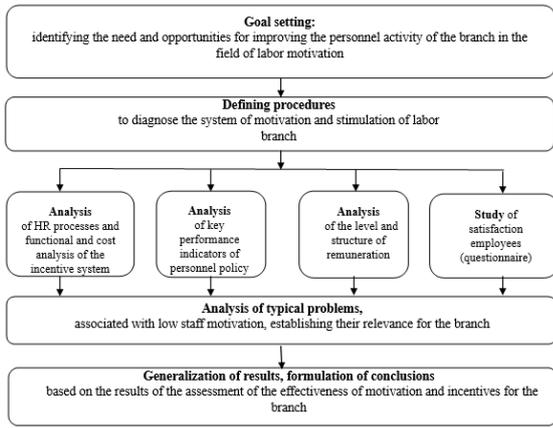


Fig. 2. The sequence of stages of assessing the effectiveness of the system

Problems indicative of low labor motivation in the organization directly affect the level of labor productivity, staff satisfaction, which affects both the individual efficiency of employees and the overall efficiency of the organization (Table 1).

TABLE I. TYPICAL PROBLEMS ASSOCIATED WITH LOW PERSONNEL MOTIVATION IN BRANCHES OF A COMPLEX BRANCH NETWORK OF ORGANIZATIONS

Issues	Notes
High staff turnover	-the growth trend of the indicator (without exceeding the critical value) hinders the sustainability of the branch's development.
High level of conflict, unsatisfactory moral and psychological climate	- the quality of labor relations in the team determines the dynamic development of the production environment.
Poor quality work	- the quality of the manufactured products, the provided service forms the image of the branch, determines the competitiveness.
Weak connection between the results of the work of performers and encouragement	- the level of wages does not depend on the volume and quality of products produced (services rendered),
Low professional level of staff	- the percentage of employees with professional education determines the competitive advantages of the branch.

Evaluation of the effectiveness of motivational tools in the branches of a complex branch network of organizations shows that economic systems of this level are characterized by a systemic and planned policy of motivational stimulation of labor productivity growth:

1. functional and cost analysis of the branch motivation system has determined the correct ratio of the importance of the incentive system functions and the costs of their implementation - which confirms the competent and rational organization of the labor incentive system;

2. the bonus payments in branches can be up to 75% of the tariff part, depending on the fulfillment of certain bonus conditions - a level that is quite stimulating (according to researchers in the field of motivation, the bonus system does

not have a stimulating effect if the bonuses are too low : less than 7-10% of the tariff rate, official salary);

3. The level of wages of employees throughout the branches of a complexly organized branch network of organizations not only remains competitive, but also exceeds the average level of income both in the regions of the location and among enterprises of a similar profile in the region.

Together with the three, despite the high-quality tools of labor motivation, there are a number of problems typical for the development of branches in the structure of a complex branch network of organizations: staff turnover, poor quality work; ineffective spending of funds allocated for social incentives of personnel [11].

To eliminate problems in the system of motivation and incentives, it is necessary to comprehensively use multidirectional measures to form effective motivational tools in order to increase labor productivity (Table 2).

TABLE II. THE LOGICAL STRUCTURE OF THE DEVELOPMENT OF MEASURES TO MAKE THE NECESSARY CHANGES IN THE MOTIVATION SYSTEM OF A COMPLEX BRANCH NETWORK OF ORGANIZATIONS

Stages of activity development	Result (Description)
Determination of the purpose of the planned activities	Optimization of the system of motivation and stimulation of the branch personnel, increasing its efficiency.
Identifying problems in the organization	Problems identified: - growth in the rate of employee turnover; - unsatisfactory level of service quality indicator (decreasing tendency); - ineffective spending of funds allocated for social support of personnel.
Determination of ways (activities) to achieve the goal	Suggested activities: - Providing staff with the opportunity to obtain professional education at the expense of the enterprise; - changing the conditions of bonuses through the use of such a tool for distributing remuneration as the labor contribution ratio (Labor Contribution Ratio); - changes in the formation of the system of benefits; - making changes to the operating mode for some categories of workers.
Identification of funding sources	Reallocation of funds within a single item of expenditure, or between items of expenditure when planning the company's budget for the coming year (changing the purpose of funds).
Identification of stakeholders in the process (users of the result)	Internal: employer, employer representatives (top management of the enterprise, managers of appropriate levels), enterprise personnel. External: consumers of the services provided by the branch, investors (potential owners of enterprise funds).
Identification of possible risks	Financial losses associated with the "Professional training" event: dismissal / expulsion of an employee, for whose training the enterprise funds were spent.
Predicted social outcome	- Decrease in staff turnover and associated financial losses; - improving the quality of work performed; - rational spending of funds for social support of personnel; - more complete customer satisfaction;

Stages of activity development	Result (Description)
	- formation of a favorable image of the company.
Projected economic result	The final stage, characterizing the feasibility of implementing measures, based on an assessment of the economic effect by reducing turnover, as the difference between the results obtained and the costs incurred.

In a complexly organized branch network of organizations, in a comprehensive assessment of the economic and social effectiveness of the introduction of motivational tools to increase labor productivity, the following approach is used: at first, solutions are developed and considered from the standpoint of social goals, regardless of economic ones, and then their economic efficiency is determined [11, 4]. At the same time, taking into account the functioning of complex economic systems, in which the main resultant indicator is labor productivity, it is necessary to use the labor contribution coefficient (Labor Contribution Ratio), which has a number of differences from the labor participation rate, one of which is the following: Labor Contribution Ratio can be both decreasing and increasing. As a result, you can use two options for the redistribution of amounts within the planned payroll (in order to avoid a formal approach to this type of incentive) (Fig. 3).

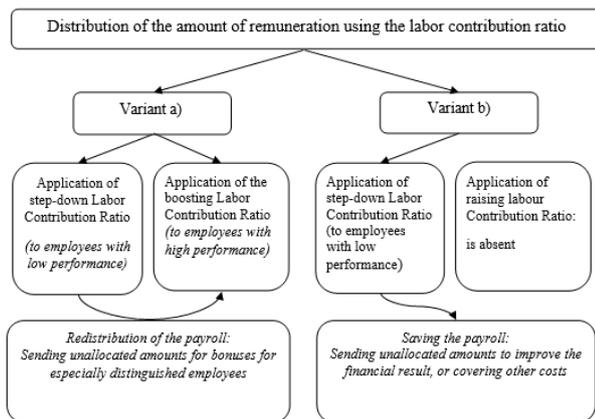


Fig. 3. Scheme of distribution of bonus pay using the labor contribution ratio

The introduction of systemic measures aimed at the formation of optimal motivational tools does not imply additional costs (financial, material, labor), but is carried out through the redistribution of funds within a single item of expenditure (between its constituent positions), or the redistribution of funds between cost items when planning the

budget of the branch for the coming year. The term "redistribution", in this case, can be interpreted as a change in the targeted purpose of funds.

**IV. CONCLUSIONS**

The undoubted advantage of the proposed measures, from an economic point of view, is the absence of the need for additional material, financial, labor costs, while simultaneously saving obtained by reducing staff turnover and, as a result, increasing labor productivity. The implementation of the proposed measures will make it possible to form a highly effective system of labor motivation, ensure efficient spending of funds for social programs and social incentives for personnel, as well as increase the investment attractiveness of a complex branch network of organizations.

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