

# MOTIVATIONAL TOOLS OF CORPORATE PRACTICE

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## Abstract

The aim of the study is to present the individual motivational tools that the manager uses to motivate employees for efficient and effective work. The first chapter deals with the study of the literature. Describes the application of various motivational tools in corporate practice. The second part presents the method and methodology of the research, which is based on a questionnaire survey. The next part of the study presents the results achieved, which can be used to outline the effective motivational tools of the leaders. The questionnaire was filled in by 150 respondents. The obtained results could be applied to the respondents we examined, thus no far-reaching conclusions can be drawn. The results suggest that financial benefits do not necessarily provide an incentive for employees to provide more productive work performance. Research has further demonstrated that leadership style and management praise how could affect employee performance. At the end of the study we conclude our findings.

**Key words:** motivation, loyalty, performance

**JEL Code:** J24, O15

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## Introduction

The aim of the study is to explore the drivers of employee motivation and satisfaction. The research deals with companies with a large mental and physical workforce. In this regard, the article focuses on the relationship between management and employees, in which company executives motivate their employees by various means and to different degrees.

Nowadays, incentive management is playing an increasingly important role in the lives of companies. Research shows that a satisfied employee proves to be much more effective than a dissatisfied one. This fact can be influenced by several significant factors, such as the modernization of society and the emerging thinking of people - the desire to have 'more', e.g. a higher salary or a better position. The paper examines the effect of employee satisfaction on effective work through the motivation system of the companies we interviewed.

The first chapter reviews the guidelines of the topic with the help of literature. The concept of human resources and its existence play an important role in the life of the

organization. The model of the basic motivational process is also illustrated, which is also presented with the help of a formula. This helps to understand how companies can persuade their employees to behave in a way that achieves their own goals while also meeting individual needs.

## **1 Existence of motivation in the organization**

### **1.1 Human resources**

What drives an organization, takes it forward, and develops it further? Should we just look at the performance of an organization as a whole, or go back to its roots and look through the details? There are different answers, but one thing is for sure, one of the greatest values of any organization is human resources – the individuals who work there. No two are the same, they can't be repaired as easily if they're "broken" and don't perform the way management wants them to, but one thing is for sure - it can be improved and, more importantly, it can be motivated. In order to take into account and develop it, it is necessary to be aware of the concept of human resource, human capital. In economics, human capital has a long history. At first it was thought that the capital of the worker was his knowledge, but if we really approach this issue from the point of view of capital, in the end it is also a produced factor of production. But what is the point? (Piatak et al., 2020)

Based on the theory of Samuelson and Nordhaus (1999), human capital is a learned skill, intellectual capacity, and skill potential that can be used to produce or increase the value of material goods and services.

Schultz (1983) also considers capital to be a form of manifestation because it can be a source of future needs or demand. In contrast, Kővári (1992, p. 10) formulates it much more directly. He says of intellectual capital that "knowledge, experience, expertise is a form of capital, part of organizational wealth. Its operation and development is costly and requires significant investments from both the individual and the organization".

Heyne (1991), on the other hand, questions the correctness to call human resources capital, as it is difficult to determine the sources of how much "produced" expertise, inherited skills, or even chance are included. Thus, while it contributes to and adds value to an organization-level investment, it also contributes to an individual's immanent inherent, which may even remain untapped. In many areas, this resource is indeed similar to physical capital, as its subjects are market participants, and therefore its value can be determined in addition to the established levels of demand and supply. This human capital is operated by its owner

according to market logic, makes investments in the hope of some return. At the same time, we cannot say that it is completely similar, because its main difference lies in its human nature. Man is an independent, free-willed personality, he does not run out, is not depreciated, he is able to regulate his actions independently and thus his performance. The time intervals are also different, the payback time of the investment in human resources can really only be taken into account in a longer cycle, sometimes even across generations. It requires continuous investment too, but from a human point of view, it can be self-education, postgraduate training, or on-the-job training.

According to Machlup (1982), the purpose of these expenditures is to enable individuals, based on mental and physical fitness, to provide more or better goods and services, earn higher incomes, spend it more meaningfully, and derive more joy from life. In the Hungarian and German literature, we can find a primarily organization-centered definition of human resources.

Wohlgemut (1990 p. 84) says that “human resources are to be understood as the knowledge, skills and behavior of subordinates, managers, and what they value”.

Chikán (1992, p. 211), on the other hand, puts it in relation to human resources as being used in the same sense as labor and as “a structured set of employees employed by a company according to their skills and place in the hierarchy”. Thus, we can say that human resources are a complex category, in a sociological interpretation we can take them in a broader, while from an economic and labor view in a narrower approach. Development can be both individual or organizational, formal and informal. (Chikán et al., 2016)

## **1.2 Motivation**

Motivation is mostly about the needs, drivers and goals of the individual, not the organization.

Human performance is shaped by the following factors:

- motivation,
- abilities,
- environmental conditions.

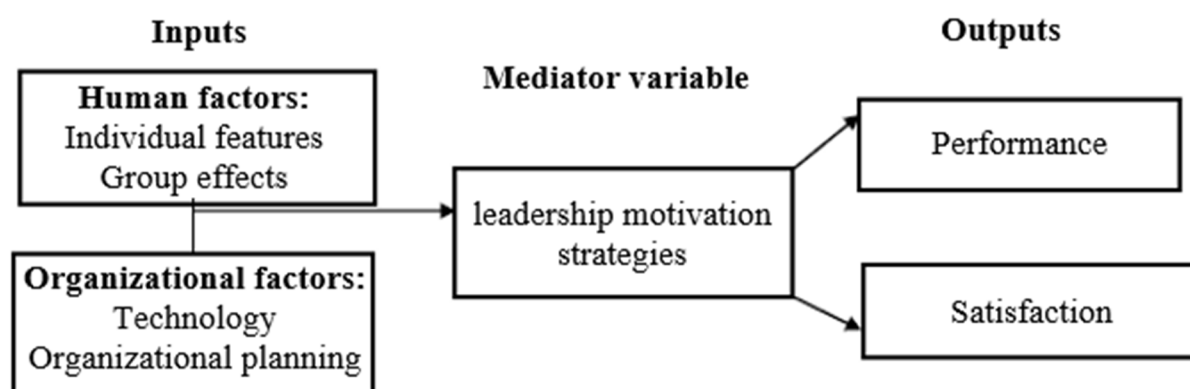
Motivation can be used to create a state where employees are willing to behave to achieve the goals of the organization (Karácsony, 2017). However, a prerequisite for this is that their individual needs are also met. We talk about valuable motivation when employees are able to increase the amount of products produced in the same amount of time. At the same time, it means halving costs as well as the company's expenses. There are two issues to be considered in relation to motivation. On the one hand, what serves as the force to initiate and

maintain behavior, and on the other hand, what are the factors that determine the direction of this force. This can be interpreted as why a person acts differently in different situations. A sufficient level of motivation requires the application of a well-functioning payment and incentive system (Isoraite, 2013). Opportunities for change that directly affect people are described in motivational strategies (Uma, 2015). According to Klein and Klein (2012) the motivation-outcome model shows how a leader can use various motivational tools to improve the effectiveness of the tasks of an employee with expertise.

Figure 1 illustrates the basic elements of the motivational process that distinguish input factors, including human components, which are influenced by an individual's personal characteristics and the nature of the group. Within the input factors we can find the organizational factors, and this largely depends on the technological level of the organization, as well as on the organizational structure. Output factors include the performance expected by the organization and employee satisfaction, which is influenced and motivated by managers to achieve the desired results. Performance is nothing more than the product of ability and motivation. (Klein– Klein, 2008) However, other literature complements this with the opportunity, so illustrating it with a formula looks like (Tóthné Sikora, 2004):

$$\text{Performance} = \text{Ability} * \text{Motivation} * \text{Opportunity}$$

**Fig. 1: The model of the basic motivational process**



Source: Bakacsi, 2010

Motivation explains people's behavior. These behaviors are influenced by motives and are often not directly visible, and it is often the person is unaware of what he or she is doing. We can come across different motives, which means: what makes you act. We can mention three main groups of motives:

- primary motives are those that are physiologically based and not learned;
- general motives are psychic in nature, but even these have not been learned;
- secondary motives that have been learned.

In addition to human behavior, motivation also signifies the aforementioned physiological basis, the internal need. According to K. Kópházi (2007) and Tóthné Sikora (2004) these internal states are signs that indicate the absence of something. Therefore, there is a close relationship between the strength of the need and the intensity of the behavior. (Isoraite, 2013)

Theories of motivation are usually divided into two large groups:

- on the one hand, motivation means that employees must personally feel that their performance is effective. Leaders need to make it important for the individual to complete the assigned task as well,
- on the other hand, it means the proper management and coordination of the activities of the employees. (Karácsony, 2017)

## **Research methodology**

The following assumptions were defined:

*Assumption 1:* Employees prove to be a more productive with higher cash benefits.

*Assumption 2:* If the subordinate is satisfied with the management style used by the management, he / she considers his / her workplace to be more comfortable, through which he / she performs more efficiently.

The research was carried out through a questionnaire survey, an important tool of which was the large and extensive collection of samples. In order to substantiate the assumptions, a large amount of information gathering was required. The statistical methods used to collect the results were essential for the evaluation. Data from the questionnaire were determined and then refined. The questionnaire consisted of 22 questions which focused mostly on motivation and motivational tools. The questionnaire was filled in by 150 respondents, thus the obtained results could be applied to the respondents we examined and no far-reaching conclusions can be drawn. In addition, the paper examined what factors influenced employees in their performance.

During the survey, we addressed the satisfaction and perspectives of the respondents. We wanted to know what relationship is between employees and management, how important are openness and communication to motivation. The evaluation of the questionnaire showed how each factor affected the motivation and sense of comfort of the employees.

## Results

We surveyed fillers about how long they have been working for their current company. Based on the literature, we assumed that the motivation of individuals who are new or have been with the company for a shorter period of time may be different. This is due to the fact that new ones can be motivated by completely different means than those who have been working for the company for long years. The result shows that 30% of those surveyed have been with the company for more than 10 years. A higher proportion are those with 3-10 years of experience – 45% of the respondents. The number of new employees and those with less experience is lower. Most companies strive to develop a motivation system that can retain a more experienced workforce.

49% of the respondents answered that they were interested in the job offered, and 45% were also attracted by the appropriate working conditions. Based on the data, we concluded that primarily the interestingness of the work, the challenges, as well as the appropriate working conditions, cash benefits and sense of security is the order of priority for the employees. 27% of respondents considered the possibility of promotion to be only a secondary consideration when choosing a job.

The next question was about the extent to which factors influenced them in their choice. Based on the result, a higher proportion of respondents were characterized by ensuring adequate working conditions than favorable working hours and good accessibility. The possibility of promotion was considered important by more than half of the respondents, yet its importance can be considered divisive. Performance-based payment can be seen as a motivational tool in itself, which is why we assumed that many people considered cash benefits to be more important. Based on the result the first assumption can be rejected.

The respondents were asked about what is their position at their current organization. 48% of the respondents worked as a warehouse workers, followed by the next 17% who filled customer service position. Overall, IT professionals, marketers and purchasers accounted for 38% of those surveyed.

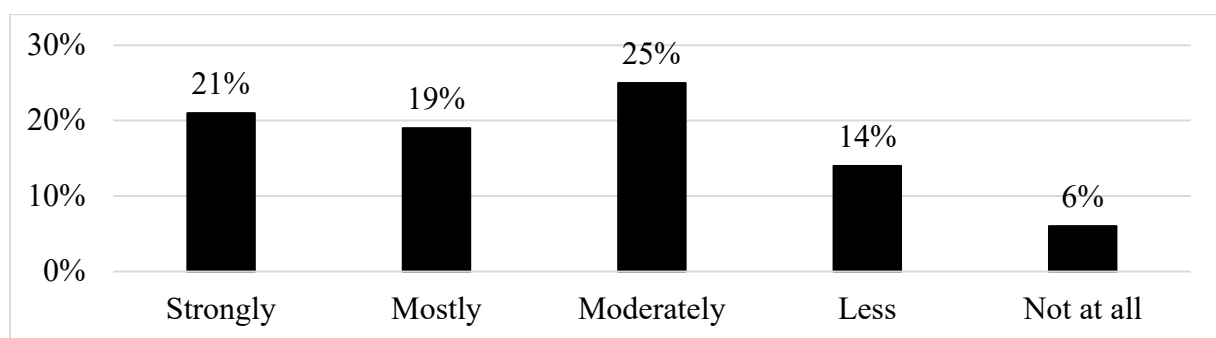
64% of workers were fully or mostly satisfied with their current job, while 34% were moderately satisfied and only 2% less satisfied. These data contributed greatly to proving our suggestion.

The research asked the employees about management praise. Based on the responses received, 60% occasionally received praise from their leader, while 30% responded that they regularly received praise if they shared a new idea with their leader. Basically, 90% of

employees received superior praise for sharing their ideas. This proved that management was open to new ideas from their subordinates.

Our next question was about how often the respondents felt motivated. 55% of employees felt motivated at work, while 15% did not feel at all. We found a strong motivation on the part of managers, as 85% of those surveyed felt motivated in some way. The next figure illustrates the extent to which the employees felt motivated. 40% answered that they actually felt strongly or mostly motivated, while 38% were less or moderately. Only 5% said they did not feel motivated.

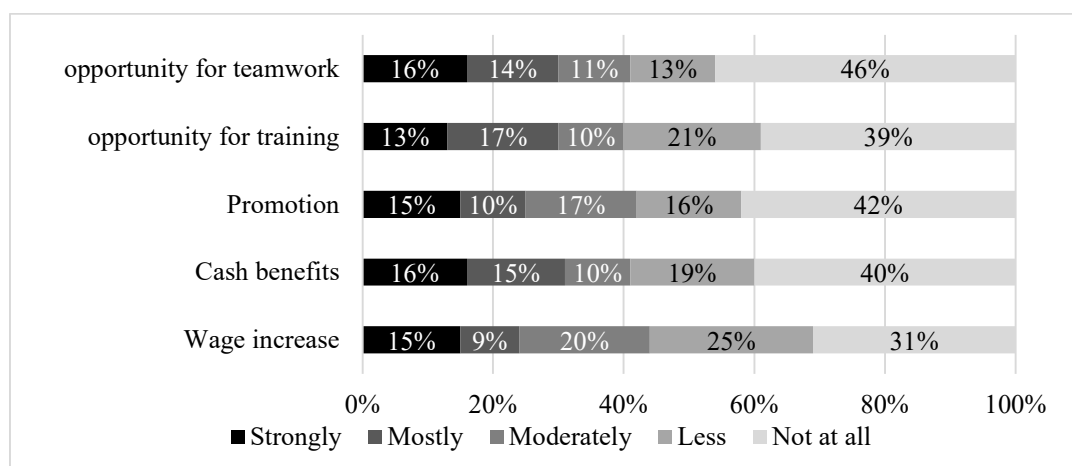
**Fig. 2: Degree of motivation**



Source: Own editing based on the research

The paper surveyed the employees about which motivational tools they were motivated by. Based on the results, a higher percent of respondents (almost 50%) gave a non-typical answer at all. 31% of respondents said they were motivated by cash benefits, while 59% did not feel this way. 24% of respondents felt that wage increases were typical as a motivational tool at their workplace, while 56% did not.

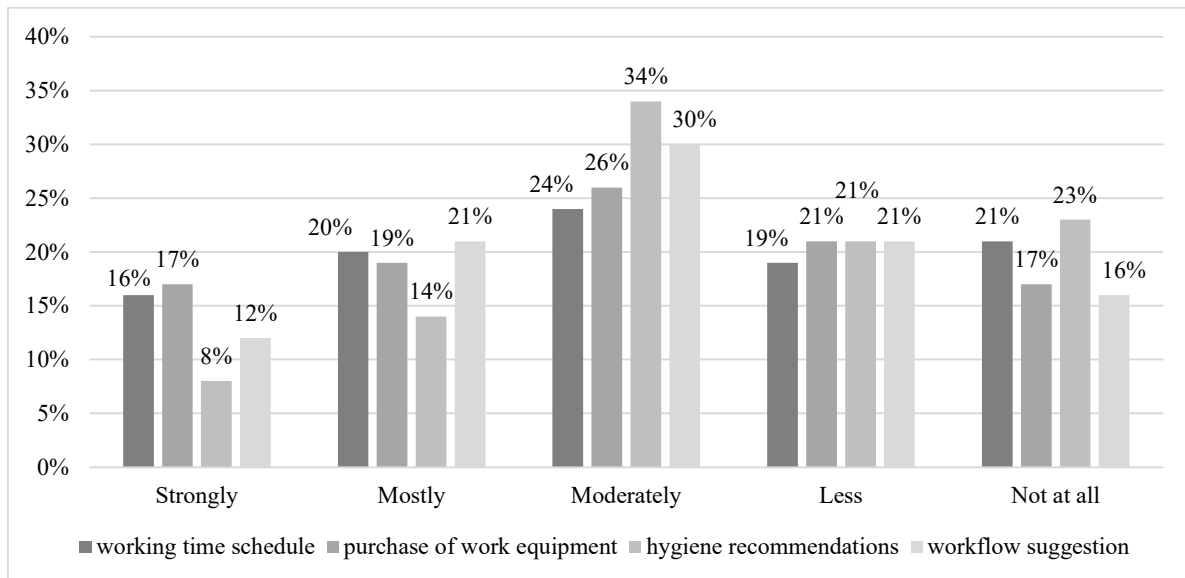
**Fig. 3: Motivational tools used to motivate employees**



Source: Own editing based on the research

The respondents were asked how typical it was that the managers took into account the suggestions listed below. 36% of respondents answered that their proposal for a working time schedule had been taken into account, while a higher proportion felt the opposite (40%). From our research results, the consideration of the suggestions proved to be divided on the basis of the diagram – most of them gave the moderately typical answer.

**Fig. 4: Consideration of suggestions**



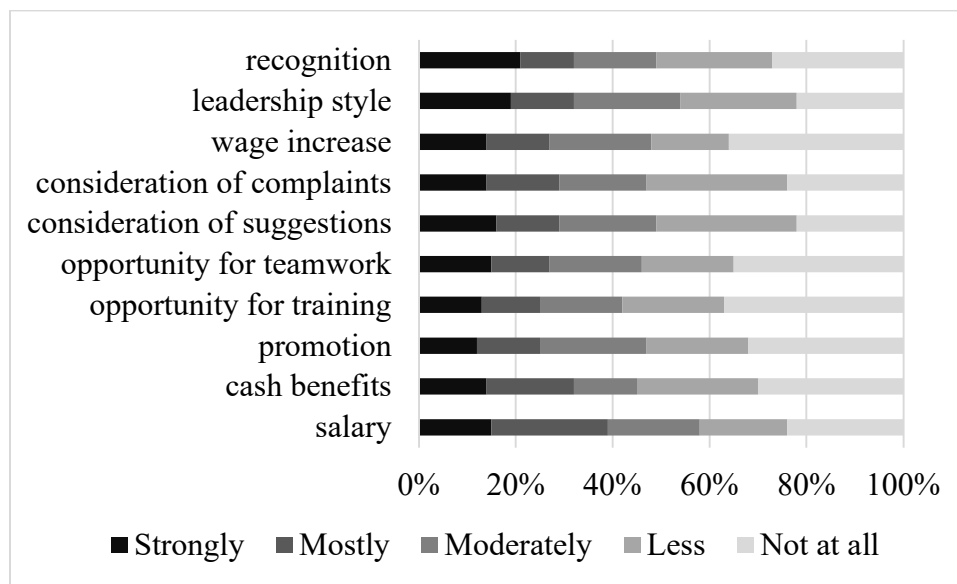
Source: Own editing based on the research

Our next question was about whether the management style used in the workplace affects the performance of employees. 42% of employees claimed that they were fully influenced by the leadership style. A higher proportion showed that 47% of respondents were partly effected and only 11% were unaffected. In terms of performance, leadership style is has great impact on it.

The paper also surveyed the extent to which employees were satisfied with the below mentioned factors in their current workplace. 39% of respondents were satisfied with their salary, and 32% were also satisfied with cash benefits and leadership style. The chart illustrates well that 56% were dissatisfied with the training opportunities. Considering complaints, a higher proportion (53%) of respondents answered that they were less satisfied. We found that for successful motivation, it is not enough to deal withsalaries only, as the factors mentioned at above are also an essential part of comfortable working conditions.



**Fig. 5: Satisfaction with factors**



Source: Own editing based on the research

## Conclusion

The article outlined employee satisfaction and the motivational tools used by management. The topic of research was mainly inspired by the topicality of the tools used by the given companies to retain employees in their current workplace, regardless of the labor market conditions. Managers need to pay close attention to HR management when managing companies. This is another essential aspect to ensure motivation and performance to be consistent. Currently, leaders face a greater challenge than their predecessors. In addition to the ever-changing market situation, they face both globalization and technological developments, as well as generational differences. It is important for the company's management to be committed to its goals and show the way to its employees by its credibility. In terms of efficiency, managers need to recognize their own abilities and shortcomings, and they must be willing to make up for and improve them. There are many motivational methods that are essential in the life of a successful business. Thanks to market competition, it is extremely important for companies to make every effort to employ the right number of well-trained workers. It is up to the leaders to build a well-functioning motivation system. They need to know the generations and their characteristics and the motives that motivate employees. They need to ensure that the work is full of challenges because lack of it can make everyday life bleak, which can mean a loss of motivation.

The study identified two assumptions. During the research, a number of data were collected, then evaluated and results were summarized.

The first suggestion was that employees prove to be a more productive workforce with higher cash benefits. 39% of respondents were satisfied with their salary and a further 32%

were satisfied with the cash benefits. The results of the research showed, that companies used other motivating tools too. Based on the responses of the employees, this was successfully substantiated. Examining job choice perspectives, we found that 40% of respondents fully considered cash benefits while choosing a job, but a higher proportion of respondents answered to a number of other factors that were motivating for them. This was the case, for example, with the good working conditions, and the curiosity of the job, which much more attracted employees. As a result of our research, that employees work more efficiently in exchange for higher cash benefits can be rejected. According to the theories, a number of factors influenced the productivity of individuals. These included providing a common goal to meet the needs of both employees and companies. It was found that most of the respondents were motivated by monetary benefits, but not only by those. However, the results were influenced by the current economic situation in the country. For employees whose strength has been shown in successfully completing tasks, it is important to provide an opportunity to evolve and allow them to develop their talents by learning new tasks in order to keep them motivated. The management has to instill the idea in employees, that their diligence pays off and that they can receive higher cash benefits for learning new tasks and delivering greater performance.

The second assumption of the article suggested that if the subordinate is satisfied with the management style used by the management, he / she considers his workplace more comfortable, through which he / she performs his / her duties more efficiently. In our research, we looked at the management style of managers and the extent to which these influenced employees in terms of their performance. 42% of respondents were fully influenced by leadership style and 47% felt he / she was partly influenced. We also asked how satisfied they were with their current job. The results show 93% felt mostly comfortable and only 7% of respondents were dissatisfied with their current job. The openness of managers to suggestions and problems contributed to the comfort feeling. 39% of the respondents felt completely comfortable and 51% of them more or less. Skinner's reinforcement theory was also examined for positive reinforcement. We have succeeded in proving that the desired behavior can be maintained with non-permanent rewards. These results contributed greatly to the fact that those who had felt comfortable and were also satisfied with the leadership style were able to work more efficiently with higher performance.

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