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Increase of company efficiency through the investment to the employees and its quantitative valuation

Marcela Korenková^{a*}, Marta Urbaníková^a

^a *Constantine the Philosopher University, Faculty of Natural Sciences, Tr. A. Hlinku 1, 949 74 Nitra, Slovakia*

Abstract

At present times, many managers do not realize that the qualified, helpful and friendly employee can be their main competitive advantage. To become like that, the employee has to feel the employer is interested in him. Another condition is he enjoys the work and the quality conditions for his work were created. The correctly adjusted motivation of employees is the way to this goal. Employees usually do not like being forced by manager to do something. That is why if the manager needs the employee to perform, better than the enforcement works to initiate the inner conviction they want to perform. If the manager makes suggestions, the employees tend to oppose. If he asks, they tend to answer and believe the answer they have just given.

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1. Introduction

Changing conditions of environment, increased international competition, more intensive pressure of the trade unions and other similar factors necessarily lead companies to the increasing of performance and efficiency. The task is partly connected with the ability to motivate the members of the organisation to put their qualification into the work and use it deliberately (Kasper & Mayrhofer, 2005).

It is the every manager's goal, that the subordinates deliver the highest possible performance. But the question is: what the performance depends on. The answer is well-known: employee's working performance is given by his

* Corresponding author. Tel.: +421-37-6408747

E-mail address: mkorenkova@ukf.sk

professional preparation (education, skills, experience), it means he **has to know** how to work in his field. This makes the upper level of his performance. Further, working performance is given by his attitude to the working behaviour, it means, he **has to want to execute the task**. This is the reflection of motivation and concerns the amount of energy he is willing to invest to the accomplishment of the task. There are also some circumstances influencing the working performance that cannot be influenced by the employee or can be influenced by the employee only to the certain extent. The organisation of the work, working tools, access to the information, working environment, bad arrangement of the working place and things like that belong to these circumstances, it means it is necessary to arrange the employee **to be able** to provide the working performance.

According to that the motivation is the willingness to invest considerable effort to achieve the goals of the company conditioned by satisfying the employee's needs at the same time (Robbins & Coulter, 2004). It is the task of managers to help the employees to recognize they can satisfy their own needs, use their potential and contribute to the common company goals. The condition to achieve that is to keep the good relationship with them and to be interested in them.

The employer has to be willing to invest to his own employees, because a good employer knows he loses a lot when a good employee leaves. The people can be patient, they can work for the lower salary or lower benefits if they are satisfied. If the employee feels that, he will not be open to seek another job (Brezovský, 2006).

It is necessary to realize what the motivation of the people in the company is and what working results can be expected. It is important to add, that for the employee to let motivate himself, the problem has to be attractive and there has to be hope for the successful accomplishment of the task (Višňovský, Nagyová, & Šajbidorová, 2005).

Motivation is a highly individual matter. It depends not only on the actual needs of the employee, but also on his personality, experience and scale of values. What is one employee motivated by, does not have to be motivated by another one. That is why the manager should try to find out during the everyday contact with the subordinates what is an employee motivated by mostly and to act according to that.

Employees' behaviour is usually motivated by their needs, interests, ideals, values, habits, and things like that. If the manager wants the employees to identify with the company and its strategic goals, he has to motivate them by using different motivating factors. The best motivation is achieved if the employees identify with the working tasks and are persuaded about their sense (Vetráková, 2007).

That is why it is extremely important to understand the reasons of motivation, to know the possibilities of influencing it, eventually to know the methods how to control or even change it for the efficient management of people (Míka, 2006).

If the employee has the specific need and is motivated, some tension is created in him. To release the tension, he has to make an effort, whereby applies, the higher the tension, the more effort has to be made. The effort made should lead to attaining the goal and satisfying the need and through that to releasing the tension at the same time.

From the manager's point of view, the person who is motivated, works hard, his or her effort has no fluctuation and is automatically orientated on the important goals (Barica, Rubintová, & Kališ, 2010).

Theoreticians of the work motivation see the reasons of the specific human behaviour in his need to achieve his subjective goals. It consists of three parts: **motivation tension, feeling of probability of the goal attainment and the value of the goal** that can be attained. Extent of the difference between the expected final state and perceived reality is understood a motivation tension. The feeling of the probability of the goal attainment makes provisions for the subjective feeling of a man, according to which the chance of the goal attainment is evaluated. The goal attainment is motivating. A target value expresses the position of the target in the scale of value of a man. It is also a subjective parameter.

Improbability of the goal attainment demotivates. In the opposite, the goal value and the difference between expected and real goal motivates to the certain behaviour. It is a need to achieve (or permanently attain) certain state. Accomplishing of the need motivates to the certain action (which can lead to the accomplishment of the need in the mind of a man). It means, the discovery of a man's need can be used to motivate him. For example knowing the employees' interests (sport, culture, etc.) makes it possible to use them to create the system of the employee benefits.

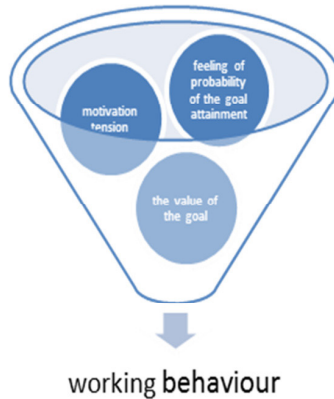


Fig. 1. Working behaviour. (Source: authors' processing)

It is necessary to stress two important aspects connected with the fulfilling the employees' needs:

1. an employee appreciates his needs from his own point of view (he has a different measure for each of them)
2. motivation intensity depends on the tension in the relation between wished state and actual state (if the need is considerably fulfilled, there is no motivation)

It is important for the manager to understand the specific needs of a man that can be used to manage him. Money seems to be the most often motivation for many people. It also serves to fulfil the needs of different character.

Based on the above said we can talk about two motivation types of people, the progressive type and the preventive one. The type we belong to determines our reaction in the different life situation. The basic characteristics of the both types are as follows (Reháková, 2013):

- **Progressive people** perceive their goals as a way to their personal profit or advance and concentrate on the profit the achieving of the goal provides. They are internally motivated, eager to reach their goals, they play to win, are not afraid to risk, they work quickly, approach the things creatively and dream daring dreams. Unfortunately, all that dynamics, quick work, quick proceeding and risking brings also high error rate, not thinking the thinks to the end and not creating alternative plans B for the case plan A fails. They are willing to pay this price, because the wasted chance, not achieved reward and no possibility to proceed is the worst for them. To keep or increase their motivation we need them to think positively about their task, about what they achieve if they are successful, how to do it in the best way etc.
- **Preventive people** perceive their goals through responsibility. They concentrate to stay at the safe side of course of events. They speculate what could go wrong if they do not try hard enough or are not careful enough. They are careful and play safe, not to win but to not lose. They hold what they already have and try to keep the current status quo. They often have antipathy against risk but on the other hand they work more exactly, precisely, perfectly and they consider all in advance properly. To be successful, they pay detailed attention to every step. They are usually not very creative but they have great analytic skills and can solve problems fine. If the progressive people have an idea, they usually need a preventive one to say if the idea is good or bad. If we need to keep or increase their motivation, it is necessary they think about the negatives of the task, it means about the potential problems, obstacles that have to be avoided and things like that.

There can be found both types of person in each of us, but one of them is usually dominant.

If the manager knows the motivation types of his subordinates, he can combine them with the suitable work tasks, roles, time-frameworks, type of feedback or bonuses. Correct harmonization keeps and supports motivation and eagerness to reach the goals with progressive people and precaution and thorough preparation with the preventive employees, so that both types experience bigger satisfaction of work they do and they are more efficient (Reháková, 2013). In the opposite, if they have to do the job they are not properly adjusted to, their efficiency can decline.

The same way the people differ, their motives differ as well. Something, what is strongly motivating for the one, may have no influence on somebody else. A good manager has to motivate according to situation and the quality of people he manages.

All the motivation factors work in three different levels (Barica, Rubintová, & Kališ, 2010):

- **Influence the effort preservation** – motivation factor influences mainly preservation of the steadiness of the performance from the point of view of the amount and quality,
- **Influence the increase of the effort** – motivation factor influences the increase of effort either in the long term or short term horizon,
- **Influence the relation of the man to the company** – motivation factor influences emotional relation of the man to the employer.

Generally, the motivation factors can be divided to **external** and **internal**.

- **External motivation factors** are the factors of the environment. For example the financial forms of motivation, benefits, team, corporate culture, employer's attitude, education, bonuses, style of management, social benefits, career progress, work content, work conditions, etc.
- We can consider **internal motivation factors** for example the need to participate on the company's success, to improve constantly, the need to do the meaningful, important and interesting work etc. The internal motivation factors view the man from the view of his own internal motivation, self-motivation.

A good manager realizes the importance of the external and internal impulses, tries to know employees internal motivation factors and to create the conditions for their use in praxis.

Motivation is connected in the greater extent with the evaluation of the employees. The most often mistakes of evaluation of employees and possible reasons of the malfunction of the company's system of efficiency management can be considered (Hubocká, 2013):

- Administratively and time consuming system of evaluation,
- Weak communication without the contribution explanation,
- Adjusted system without further change,
- One-time use,
- Small scale of differentiation,
- Shortage of time for the discussion,
- Insufficiently adjusted processes and work conditions,
- Insufficient space for the financial motivation in the bonus system,
- Absence of the use of suitable style of management supporting the efficiency by the manager,
- Absence of the employee's efficiency evaluation by the manager for the set time period,
- Absence of the correct feedback for the evaluated period etc.

Based on the above mentioned it is possible to say the motivation is a pillar of success of every company. The mission of motivation is to influence positively the motivation structure of the highly qualified experts with the intention to achieve the higher level of their attitude to work including e.g. working initiative, creativity, innovativeness, self-sacrifice, activity, cooperativeness, readiness to participate, responsibility, sense for the teamwork, sense for the constant improvement, development of one's potential, identifying with the philosophy and goals of the organization etc. But, based on the experience that the motivation very often does not achieve the requested effect, it is necessary to pay more attention to it (Blašková, 2006).

2. Goal and Methodology

The goal of the article is to present the results of the own research orientated on the identification of the main motivation factors of the 4046 employees of the companies in the Slovak republic. 124 companies participated in our research. The companies were divided in two groups, companies with the number of employees below 50 (78,63%) and with the number of employees above 50 (46,37%). We call them the small and the big companies in

the article. The part of the article is also to show the problem areas, it means to show the barriers of the employees' efficiency increase. Data were acquired from two sources, the management of the companies (124 managers) and the employees of the companies (4946 employees). This way it was possible to get more complex view on the problem and to identify differences in the point of view of the management of the companies and employees on the motivation and its influence on the employees' efficiency.

We wanted to acquire the answers on the following problems in the field of motivation by the research:

- To which extent is the evaluation of employees realized in the companies.
- What are the main motivation factors of the respondents.
- If there are significant differences in the answers of managers and employees.
- What are the main barriers of the motivation (demotivation factors).
- What would motivate the employees to the increase the efficiency.

Although this problem is a highly individual matter, we could acquire some generalizing conclusions.

To get base data we used two forms:

- Questionnaire used to get the information from the employees,
- Structured interview used to get the information from the management.

As follows, the dependability between attributes was detected by the χ^2 test of the square contingency.

3. Attained Results

As mentioned above, the motivation in the greater extent depends on the evaluation of the employees. That is why we tried to find out, if it is realized in the companies and if yes, which form is used. Our results confirm, the evaluation of the employees is realized in the companies. Only 28 (23 %) of the companies realize the evaluation of the employees sporadically, as needed. These managers do not consider the evaluation of the employees important. They see mainly negatives. But it is positive, that 96 (77%) of the companies realize the evaluation of the employees in the regular intervals (quarterly, half yearly). Managers consider evaluation of the employees very important. According to them it influences the efficiency of the employees and subsequently the efficiency of all the company.

Positive results of the evaluation are mainly reflected as verbal compliment from managers (65%). Employees expect bonuses or salary increase, but this is realised minimally. Only 14% of the employees stated they got bonus. The salary was increased only to 12% of the employees. Many employees expect career progress, but this was achieved only by 3% of employees. 6% of the employees stated, the positive results of the evaluation had no effect.

On the other hand, the negative results of the evaluation reflect most often in verbal warning (68%) or do not reflect at all (20%). 8% of the respondents stated, the managers threaten them by the sack or salary decline (4%).

Managers confirmed above stated.

Our research shows, that 59% of the employees feel they try to use their knowledge, skills and capabilities at work. With the opinion, they do not use them mostly agrees 23% of the employees, 18% confirmed they have no interest in using all their knowledge, skills and capabilities fully in the company.

Companies use different forms of the employees' motivation. The most often used and less demanding is compliment.

Many researches show that one of the biggest motivation factor is the wish of the employees to have the job they enjoy. Further most often motivation factor is they want to be respected and want to realize their own goals. These answers placed at the first places of the scale in front of money, career progress or prestige. Employees want to enjoy their work and respect, to which the managers can contribute in the great extent. (Mühleisen & Oberhuber, 2008).

Our research confirms the above mentioned only partially. Above mentioned facts placed in our research at the last places. The biggest motivation factors of the asked employees can be considered the factors presented in the following graph. Employees had the chance to give their opinion on several motivation factors.

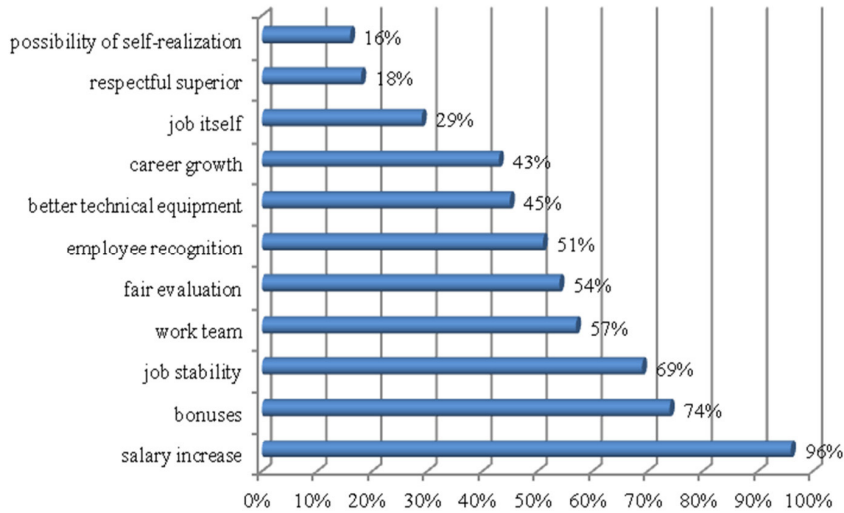


Fig. 2. Motivation Factors. (Source: authors' processing)

Further motivation factors as flexible working hours, additional holiday, different benefits (mobile phone, company car, refund of some cultural and sport events, ...)possibility of education and similar were represented by very small percentage.

From the above mentioned follows, the biggest (most important) motivation factor is money, in the form of the increased salary or bonus, which satisfy great amount of needs. But, managers claim, it reflects minimally in the increased efficiency, in the opposite to improving the work conditions and better technical equipment.

As above mentioned, we investigated the differences in the answers of the employees of the small and big companies. We expected certain differences. But the results show, the motivation of the employees and efficiency connected with it are not connected with the dimension of the company. It is caused by the fact it is a highly individual matter, which the results confirm.

The employees had also chance to say what prevents them from reaching the asked performance (what factors demotivate them). Although the managers are not aware of the essential facts that could prevent employees from increased efficiency, the employees have different opinion on that. Based on the answers of the employees we can summarize several barriers preventing employees from delivering asked performance. We divided them to external and internal.

Employees consider the most basic external barriers: negatively influencing company environment (stressful, conflict environment), technical equipment of the work place, manager's leading style, incompetence of solving problems by the management, too high demands from the side of the manager, unsuitably adjusted system of the evaluation and bonuses, not satisfying working hours, insufficient access to information, inconvenient corporate culture etc.

Employees consider basic internal barriers: the feeling of the unjust evaluation, personal needs, interests and goals not harmonized with the company ones, impossibility of the self-realization, not being prepared for the fulfilling of tasks, inadequate perceiving or ungovernableness of the personal problems (economical, relations, an employee is not accepted in the team, health) etc.

Only 36% of the managers are aware of the facts preventing increase of the employees' efficiency. The most often managers state the following facts:

- Insufficient or unsuitable technical equipment of the work place,
- Stressful environment,
- Bad interpersonal relations.

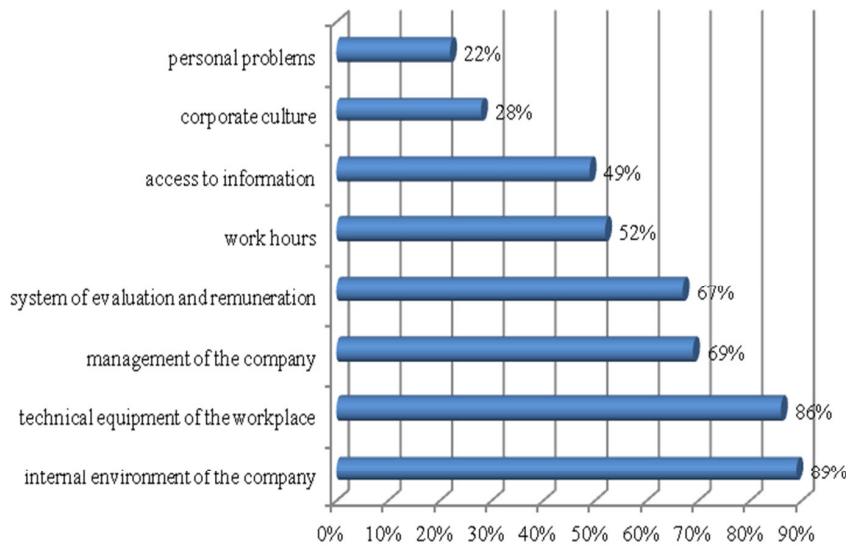


Fig. 3. Barriers of Efficiency Increase. (Source: authors' processing)

Managers are not aware of other barriers mentioned by the employees.

The differences between the answers of employees of small and big companies were investigated and expected. But the results show, there are no significant differences in this area either.

In the table below, there is stated the most often mentioned behaviour of the managers preventing increase of the efficiency of employees. There are also stated the possible losses of such behaviour.

Table 1. Negative motivation influence of manager

Manager's influence	Possible losses
Manager's arrogance	<ol style="list-style-type: none"> 1. Subordinate gets the messages about his low personal value, which tears the human link between manager and employee. 2. Subordinate connects his aversion to manager with the work he directs. 3. Arrogant style enroots as the prevailing way of communication among other co-workers.
Authoritative management	<ol style="list-style-type: none"> 1. Subordinate has no information, that is why only fulfilment of directions can be expected, not his own thinking. 2. Assigned task does not become the internal matter of the subordinate, because he does not feel any relation to it (he feels it as the task assigned by the management)
Distance from the subordinates	<ol style="list-style-type: none"> 1. Barrier to subordinate disables the penetration of the important information. 2. The effort „to show out” results (not to achieve) and to justify failure (not to learn from it) is a consequence. 3. Too small link to manager and too big „helpfulness“ in a team (concealing of lapses)
Sanctions for the failure	<ol style="list-style-type: none"> 1. Subordinate loses initiative, because activity is risky (it can result in sanction, seldom in compliment) and passivity results in smaller sanctions. 2. Subordinate loses the feeling of his own value, because the balance of the compliments and sanctions is negative for him. 3. Principle of sanctions spread among employees as the only way of evaluation of performance of other employees.
Injustice remuneration	<ol style="list-style-type: none"> 1. Everybody understands to give the quality at work is not rewarded. 2. Everybody understands to give no quality at work is not sanctioned. 3. Subordinates acquire the feeling to be slightly under average is the most advantageous.

Source: authors' processing

On the other hand, we state the requirements of the employees on the behaviour of managers in the table below. The possible wins of such behaviour of manager are also stated in the table below.

Table 2. Positive motivation influence of the manager

Manager's influence	Possible wins
Providing relevant information	<ol style="list-style-type: none"> 1. Subordinate can understand manager's decision. 2. Subordinate can head to goals not directly said by the manager but resulting from the nature of the task. 3. Subordinate feels to be more important, because he is worth to be informed.
Participation of the subordinate on the decision making Note.: subordinate has to have at least minimum qualification to decide about the specific mater	<ol style="list-style-type: none"> 1. Subordinate can contribute by the information important for the manager (ideas, suggestions, indication of the risks, good experience). 2. Subordinate looks for the solutions not obstacles. 3. Subordinate feels to be more important because he is worth to be asked for advice.
Manager's acknowledgement	<ol style="list-style-type: none"> 1. Subordinate feels to be appreciated not only at the factual but also at the human level (the feeling of the internal self-value). 2. If the acknowledgement is expressed in front of the other employees, the subordinate feels increase of prestige at the scale of other co-workers (the feeling of value among the others). 3. Besides the working relation, the human relation is created between the subordinate and manager.
Upheaval of the employee in the business hierarchy	<ol style="list-style-type: none"> 1. Subordinate feels to be appreciated by placing at the higher place in the hierarchy (if the subordinate understands it as an honour). 2. Other co-workers can understand which desired behaviour is rewarded. 3. Other co-workers want to be similar to him, it comes to transfer of his features on the other employees.
Enable the self-realization of the employees	<ol style="list-style-type: none"> 1. Subordinate can experience the feeling of self-realization (if he is able of self-realization at work). 2. Manager can expect a good or quick fulfilment of such tasks. 3. Other employees are influenced by the atmosphere, when people enjoy work.
Enable to experience success	<ol style="list-style-type: none"> 1. Subordinate may have the feeling his work and effort have the meaning. 2. Subordinate is motivated to arrange working matters so, that he can experience the success next time. 3. Other employees receive information, that it is possible to reach success in their conditions.

Source: authors' processing

4. Conclusion

The art to motivate has to be learned, because it is the work with people and it is never simple. If the managers want the subordinates to give maximum, they have to know how and why they are motivated and to fit all the motivation activities to satisfy their needs and wishes.

Praxis shows, that what differentiates successful companies from the unsuccessful ones is not only used technology but first of all the ability to use the creative potential of the people (Fuchsová & Kravčáková, 2004).

The meaning of motivation (motivation to work) is set by the fact, that final working performance is determined by the motivation of an employee and his skills (Barica, Rubintová, & Kališ, 2010).

Most of managers motivate their employees differently. It depends on the character, structure and overall focus of the company. As follows we state the most basic **principles of the good motivation**:

- **To know the differences between individuals** – employees are not same, they have different needs, attitudes, personal characteristics and other important factors.
- **Connect people with the work** – to connect the individuals with the work correctly is a strong motivator. E.g. persons who want to reach something very much should have the work which enables to set moderately difficult goals and provides independence, variability and responsibility.
- **Use goals** – employees should have demanding, specific goals and feedback how they fulfil the goals.
- **Make sure, the goals are perceived as achievable** – if the employees perceive the goal as not achievable (regardless if it is achievable or not), it will negatively influence their effort.
- **Individualize bonuses** – because the employees have different needs, what works for one does not have to work for the other.
- **Connect bonuses with the performance** – if the bonuses will be provided based on other factors then the efficiency, those factors will be strengthened. Important remunerations like salary increase or bonuses have to be always connected with the fulfilment of tasks. Managers should publicise the remunerations to increase their motivation impact.
- **Do not ignore money** – correctly ordered salary system related to the performance and other financial benefits represent important motivation of the employees.

Every manager should follow the principle in the management of the Google company: „Employees should have close everything they need for life to achieve by that they deliver the biggest performance possible at work“.

The reality of the 21st century brings the necessity of seeking the new ways of motivation of employees. Managers who want to motivate their subordinates effectively should react on these trends. They should use the strength of their visions of future development and mainly the strength of their personality to motivate the people. It means they should be able to deal with the employees directly and openly, to reward them fairly, acknowledge (compliment) them for the good work, create favourable working environment and things like that.

To motivate, it is more suitable to use positive motivation tools to negative ones. This way it is possible to achieve a higher efficiency of the employees from long-term point of view.

From the above mentioned follows that the managers have to play the active role in motivation of their employees (Sedlák, 2012).

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