European Proceedings of Social and Behavioural Sciences EpSBS

www.europeanproceedings.com

e-ISSN: 2357-1330

DOI: 10.15405/epsbs.2022.02.60

LEASECON 2021

Conference on Land Economy and Rural Studies Essentials

IMPROVEMENT OF PERSONNEL MOTIVATION MANAGEMENT IN THE ENTERPRISE IN MODERN CONDITIONS

Inna P. Bandurina (a)*, Mikhail A. Bandurin (b)
*Corresponding author

- (a) Kuban State Agrarian University named after I.T. Trubilin, 350044, Kalinina st, 13/20-161, Krasnodar, Russia, chepuraib@gmail.com
- (b) Kuban State Agrarian University named after I.T. Trubilin, 350044, Kalinina st, 13/20-161, Krasnodar, Russia, chepura@mail.ru

Abstract

The article presents a balanced scorecard in current conditions of a systemic, strategic approach to the management of structural divisions of an organization as a tool for managing staff motivation. The main elements of the personnel motivation system are identified. The identification of these elements is necessary for the effective management of motivation in the balanced scorecard. The conditions and principles of changing the management of structural divisions of an organization in modern conditions are analyzed. The expediency of such an approach is shown in the structural unit of a specific manufacturing company, within which it is possible to formulate the key competencies of an organization. Achieving an organization's strategic goals in modern conditions of functioning is impossible without effective management of structural units. Strengthening centralization in management contributes to the rapid mobilization of the organization's potential, improving the performance indicators of its functioning. At the same time, the focus on decentralization ensures the growth of initiative and creativity of employees at the middle and lower levels of management, improving the quality and efficiency of decisions. In this regard, the organization's management faces the problem of choosing a certain ratio between centralization and decentralization. Its correct solution contributes to the effective use of the internal capabilities of the enterprise, increasing its competitiveness as a whole.

2357-1330 © 2022 Published by European Publisher.

Keywords: Balanced scorecard, manufacturing economics, motivation management, motivation system

1. Introduction

Changes in the conditions of economic development of the Russian Federation are associated with the globalization of business and the strengthening of international competition. These trends require the organization to quickly adapt to the ongoing changes in the external environment and the formation of production competencies that provide consumers with the goods and services they are interested in.

During the period of the administrative-command system, the Russian economy was characterized by an excessive level of centralization of management. New structural divisions for production appeared, as a rule, following new goals and objectives facing the organization as a whole. That is why the production management set for the structural division's such tasks that would first satisfy the consumers of the organization's main products. Well-known experts in the field of strategic management Thompson and Strickland (2002) argued that the choice of strategy is equally determined by the values and culture formed in the organization, which is indirectly manifested in the organizational structure.

2. Problem Statement

The problem of improving the management of personnel motivation at the enterprise is very acute. At present, the heads of many domestic enterprises have realized the need to improve the management of structural divisions based on the search for the most rational combination of centralization, namely, decentralization.

3. Research Questions

The object of the study is the Novocherkassk Electric Locomotive Plant Manufacturing Company (PC NEVZ LLC), which in turn is a legal entity and is part of the Transmashholding group of companies the largest Russian manufacturer of mainline and industrial traction rolling stock.

The subject of the research is the analysis of the balanced scorecard, which allows managers to translate the company's strategic goals into a clear plan of operational activities of divisions and key employees and evaluate the results of their activities in terms of strategy implementation using key performance indicators.

The scientific novelty of the research lies in the introduction of a balanced system of indicators that allows forming goals for the company and its individual divisions, to identify indicators of the effectiveness or ineffectiveness of activities, to plan activities, to rigidly determine the path of the company's movement towards the intended goals.

The construction of the personnel motivation system is carried out based on the general structure of the balanced scorecard, which is presented in the form of a group of goals and indicators, identified in four categories: finance, customers, business processes and innovation, personnel. It should be borne in mind that the balanced scorecard, like other management systems, directly connects with the motivation system, and these systems act as a tool for motivating personnel.

4. Purpose of the Study

The work aims to improve the management of personnel motivation at the enterprise. These conditions can be met by specifying the developed strategic goals to become apparent to specific performers. The specification is performed during the Balanced Scorecard cascading process. The goals developed for a specific employee based on the organization's goals as a whole are reviewed with the employee himself (goal agreement process).

In most cases, with the employee, such goals are discussed that directly affect the achievement of the enterprise's strategic goals as a whole. Thus, the employee receives information about the direction in which he should carry out his activities. A set of material and non-material incentives is established for each performance indicator. The core prerequisites for the effectiveness of the process of coordinating goals with employees are the following: the feasibility of the goals set from the point of view of the employee himself; the dependence of the expected remuneration and the required result, attractive for the employee.

Also, in our opinion, the implementation of a balanced scorecard for effective management of motivation should include such elements as:

- creation of project teams to ensure the implementation of the necessary changes;
- appointment and training of responsible persons for operational control and assessment of the balanced scorecard system;
- analytical processing of the results obtained, setting tasks and recommendations for project teams.

5. Research Methods

It seems that this approach should be based on such a principle of planning and management of structural units as participatory. The principle of participation (participation, collaborative planning) is based on two related ideas of Ackoff (as cited in Wisniewski & Stewart, 2001). The first is that the planning process itself is more important than the resulting plan. Through involvement in the planning process, members of the organization come to understand the goals of the organization and their roles in the process of achieving them (Holloway et al., 1999).

It naturally follows from this that it is advisable not to plan for others because this deprives planning of the main benefit. The second idea is that everyone who will be affected by the plan's implementation should take part in planning.

Thus, the principle of participation requires that, ideally, all stakeholders (stakeholders) participate in the planning process at different stages.

The implementation of the principle of participation is impossible without the principle of holism (integrity), i.e., one should plan simultaneously and as many parts and levels of the organization and the relationships between them ("systems") as possible. This principle can be divided into the "principle of coordination" (a), which states that units of the same level should plan jointly and simultaneously since it is the interactions between them, and not their individual actions, that give rise to most of the difficulties;

and the "principle of integration" (b), which insists on the simultaneous and joint planning of units at different levels, since decisions made at one level usually have an impact on other levels.

In our opinion, the management of structural divisions should be based on a systemic, strategic approach, which first assumes the formulation of the organization's mission. An organization's mission statement includes defining the organization's overarching goal, the organization's responsibilities to stakeholders and the environment, and a strategic vision. An organization's mission statement should describe what the organization should be like in the future. This business philosophy of this organization makes it possible to form a hierarchy of the planning and management system of the organization and structural units.

Thus, the strategy of the structural unit should be an integral part of the organization's overall strategy since this is another aspect that allows solving the tasks set for the organization and at the same time positioning itself favorably relative to the competitor.

The Warranty and Service Directorate is a separate service of the Novocherkassk Electric Locomotive Plant Production Company Limited Liability Company (PC NEVZ LLC). This company is a legal entity and is part of a joint-stock company group of companies Transmashholding is the largest Russian manufacturer of mainline and industrial traction rolling stock.

The mission of PC NEVZ LLC is to promote economic development and the well-being of communities by producing traction rolling stock and spare parts to meet the needs and expectations of our customers in quality and reliability. Thus, this mission is aimed at ensuring fair and appropriate returns to the company's shareholders and fair treatment of the company's employees (Amaratunga et al., 2002).

6. Findings

The strategic vision of LLC PK NEVZ is to retain its role as a key supplier of JSC Russian Railways, enter the markets of railways of the near and far abroad, as well as improve the quality and reliability of produced electric locomotives using new technologies and developments in the manufacture.

To implement the formulated mission, the organization's management sets before the Directorate as corporate key performance indicators (sales proceeds, net profit, working capital turnover). Their share is 45%, and individual, typical for this service, whose share is 55%. The indicators are the following: fulfillment of the target level of the hourly rate, no disruption of the terms of warranty service established by supply agreements, compliance with the standard for spare parts stocks in warranty warehouses, performance of warranty and service maintenance in a timely manner, a comprehensive indicator of the reliability of products (Schraeder, 2000).

To achieve the goals set, we will formulate the mission of the Directorate, which, in our opinion, is as follows.

The mission of the Directorate of Warranty and Service Maintenance of Locomotives is to meet the needs of members of the community, the state, and industrial enterprises by rail transportation in full. This idea is realized by uncompromisingly ensuring the safe and uninterrupted operation of the serviced traction rolling stock using modern methods of repair, maintenance, diagnostics, and control that guarantee the quality of services following Russian and international standards, in compliance with state and industry norms of repair and maintenance (Davis & Martin, 2002).

To date, only one series of electric locomotives produced by LLC PK NEVZ has been covered by a full cycle of service, and this is the EP20 electric locomotive series.

The strategic vision of the service is the organization of service maintenance throughout the entire life cycle of traction rolling stock produced by the company and operated on the railways of the Russian Federation. This strategy is increasing the competitiveness and technical reliability of products by organizing service maintenance, including scheduled heavy repairs in a plant in the amount of average and capital.

Thus, the Directorate aims to create and develop a commercially efficient service maintenance system and repair of electric locomotives manufactured by LLC PK NEVZ and operated on the railways of the Russian Federation.

To achieve the set goals, we will conduct a strategic analysis of the organizational environment of the Directorate using the SWOT analysis method.

Thus, the following measures will help to strengthen weak positions and prevent the main threats to the external environment (Stoney, 2001):

- investing in the introduction of modern, advanced technologies for the repair of traction rolling stock and their components and the development of import substitution;
 - optimization of service costs (Kakabadse & Kakabadse, 2002);
- introduction of modern technologies and high-performance equipment into the production process (Bovaird & Loffler, 2002);
- development of effective measures for the implementation of rationalization proposals, measures to stimulate the work of inventors and innovators, patent research;
- further development of the system of professional training of enterprise specialists and traction rolling stock consumers based on the Training Center of LLC PK NEVZ;
- development and implementation of organizational and technological measures to improve the quality of service;
 - completion of the design documentation according to the comments of the service organization;
- introduction of modern information technologies in the work of design and technological departments, personnel training.

7. Conclusion

The implementation of the proposed measures will contribute to the formation of such key competencies of OOO PK NEVZ:

- the ability to develop new products of value to consumers;
- the ability to service manufactured products throughout their entire life cycle;
- the ability to develop and implement production and service methods for products that ensure high customer loyalty.

It seems that these key competencies will help form sustainable competitive advantages and ensure profit growth both for OOO PK NEVZ and in organizations that consume OOO PK NEVZ. It is the attitude of employees to achieve formulated key indicators balanced with the capabilities, needs, and remuneration of the employee that increase his interest in achieving personal performance results.

At the same time, the use of a set of material and non-material incentives, balanced in the system of motivation for strategic goals, allows directing the motivational impact on personnel in the direction necessary for the organization. The system of motivation, built on balanced indicators, presupposes material remuneration linked to the results of work and consists of norms, requirements, and goals that stimulate personnel.

References

- Amaratunga, D., Haigh, R., Sarshar, M., & Baldry, D. (2002). Application of the Balanced Scorecard concept to develop a conceptual framework to measure facilities management performance within the NHS facilities. *International Journal of Health Care Quality Assurance*, 15(4), 141-151.
- Bovaird, T., & Loffler, E. (2002). Moving from excellence models of local service delivery to benchmarking good local governance. *International Review of Administrative Sciences*, 68(1), 9-24
- Davis, H., & Martin, S. (2002). Evaluating the Best Value Pilot Programme: Measuring Success and Improvement. *Local Government Studies*, 28(2), 55-68.
- Holloway, J., Francis, G., & Hinton, M. (1999). A Vehicle for Change? A Case Study of Performance Improvement in the "New" Public Sector. *The International Journal of Public Sector Management*, 12(4), 351-365.
- Kakabadse, A., & Kakabadse, N. (2002). Making Modernising Government Initiatives Work: Culture Change Through Collaborative Inquiry. *Public Administration and Development*, 22(4), 337-352.
- Schraeder, M. (2000). A Simplified Approach to Strategic Planning, Practical Considerations and an Illustrated Example. *Business Process Management Journal*, 8(1), 8-18.
- Stoney, C. (2001). Strategic Management or Strategic Taylorism? A Case Study Into Change Within a UK Local Authority. *The International Journal of Public Sector Management*, 14(1), 27-42.
- Thompson, A., & Strickland, A. (2002). Strategic Management: Concepts and Cases. Thompson Press.
- Wisniewski, M., & Stewart, D. (2001). Using the statutory audit to support continuous improvement in Scottish local authorities. *International Journal of Public Sector Management*, 14(7), 540-555.