
Theoretical and Practical Aspects of Managing the Motivational Potential in an Enterprise

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Abstract

In this article the author considers the reasons for lay-offs of the employees and trainees, analyses theoretical aspects of the motivational potential of enterprise employees, identifies the relationship between labour and motivational potential, and presents the principles for managing the motivational potential.

Keywords: Motivational potential, retail, personnel turnover, incentives, work activity

1. Introduction

Retail trade occupies one of the leading positions in the share of employed population and helps people to solve one of the most important tasks: improving the standard of living through meeting the people's needs for quality goods at affordable prices. In the past three years, there has been a marked decline in economic performance among companies working with imported products; besides, the negative impact of external economic conditions is exacerbated by a trend towards lower labour productivity. One of the reasons for this situation is the low return from the workforce in companies due to high level of staff turnover in retail enterprises and shortage of qualified personnel trained in sales techniques.

Modern retail network is open for changes system that interacts with the business environment as efficiently as possible. The rate of system's responsiveness directly affects the competitiveness of the organization and the pace of further development. Effect of retail network's reaction depends on the employees' competence level, their ability to make competent and balanced managerial decisions, that is, on "labour potential". In current continuously changing business environment, the labour potential can be defined as a set of certain physical, psychic and spiritual qualities of an employee that determines the opportunities for the employee to participate in the work activity, achieve high results and improve his/her personal qualities in the work process. Let's consider the differences between the motivational potential and the labour potential of the organization (Nagibina, 2016).

2. Theoretical aspects of the research

The author suggests the following concept of the organization's motivational potential (Fig. 1).

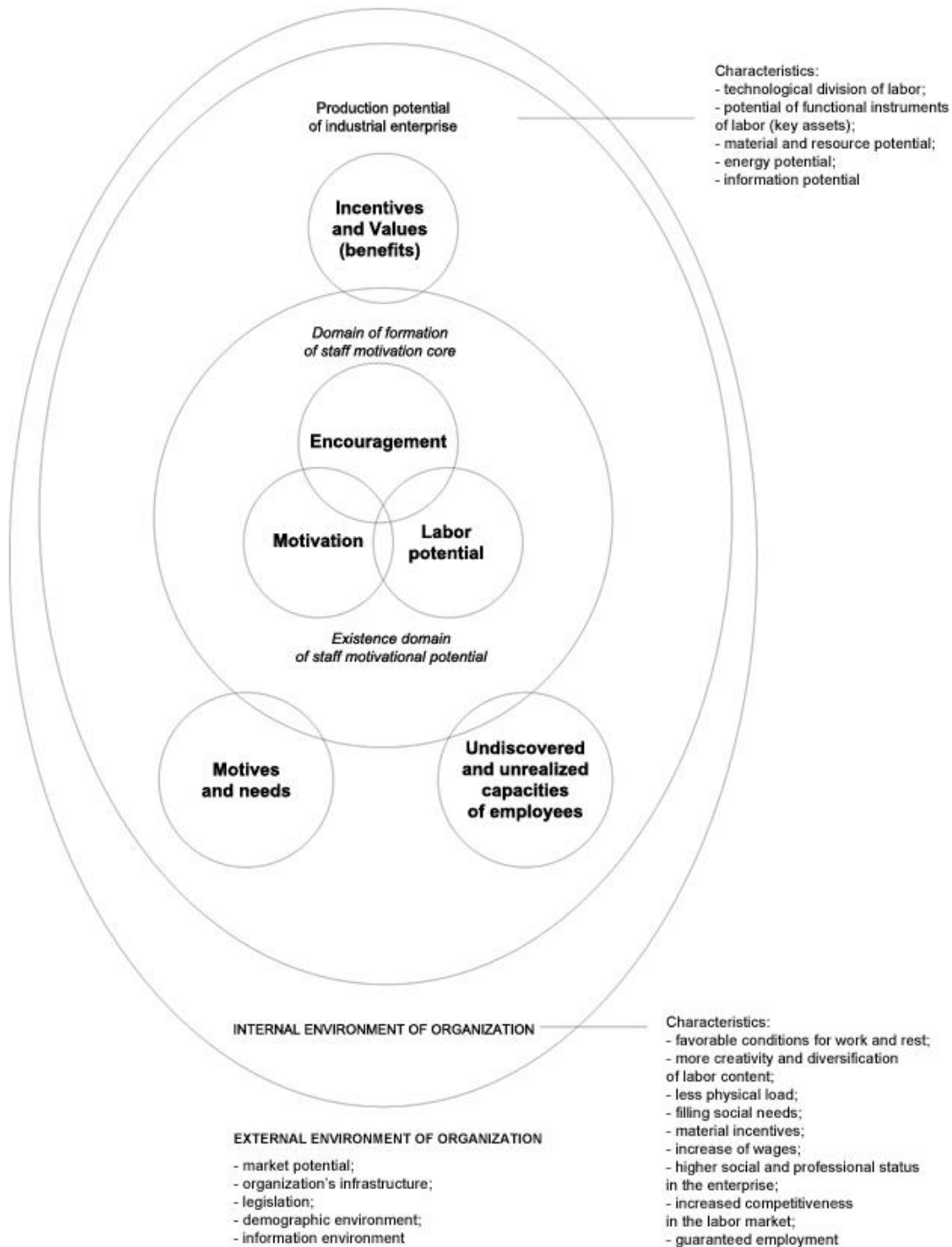


Fig. 1. Motivational potential of organization [source: the author]

Main task of HR-service at the enterprise is to analyse the level of motivational and labour potential of personnel to identify and unleash the abilities of each employee in full and timely.

Personnel assessment system in the company will help any modern organization, not only retail chain, build a system that motivates the increase of labour potential. Personnel assessment and motivation system was tested in Roskoshnoye Zreniye (Luxurious Vision) eye care chain operating

in “premium” niche. The results of regular assessment of the labour and motivational potential of the employees made it possible to identify “weak” spots in the motivation system in the company as a whole and increase operating performance (Kibanov *et al.*, 2014).

3. Analysis of problem status in the enterprise

Before entering in more detailed analysis of the labour and motivational potential, we focus on the personnel structure of a retail chain. This structure has following characteristics:

- 82% of total number of employees are under the age of 32 years;
- Significant proportion of sales personnel are employees with no completed higher professional education – 29%;
- Long duration of initial training (up to 3 months) in specifics related to medical optics for new employees;
- More than 31% of sales personnel with experience of 3 years and up;
- High personnel turnover, comparable to that of cellular retail – 59%. It is worth noting that in 2016 the percentage was overestimated deliberately to select the most promising in terms of sales staff (high average receipt, high percentage of personal target sales quota). 91% layoffs are voluntary terminations. To further analyse the motivation of employees, we will consider the main reasons for the dismissal of employees and trainees in 2016: (all diagrams reflect the results of survey among the enterprise employees).

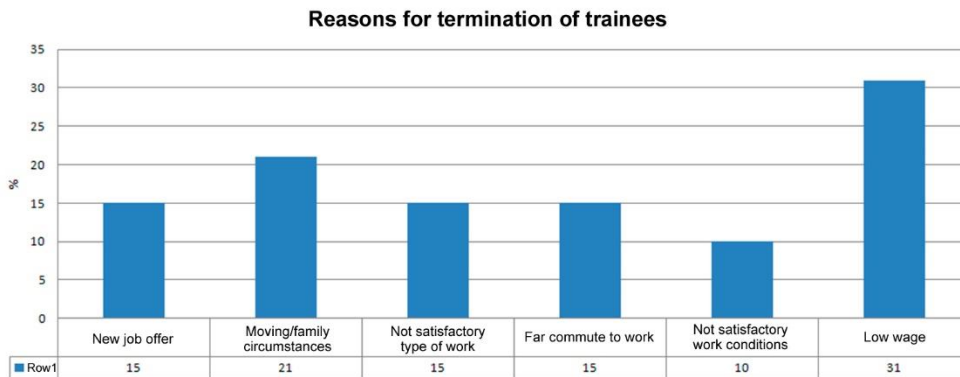


Fig. 2. Reasons for termination of trainees in retail chain, 2016 [source: the author]

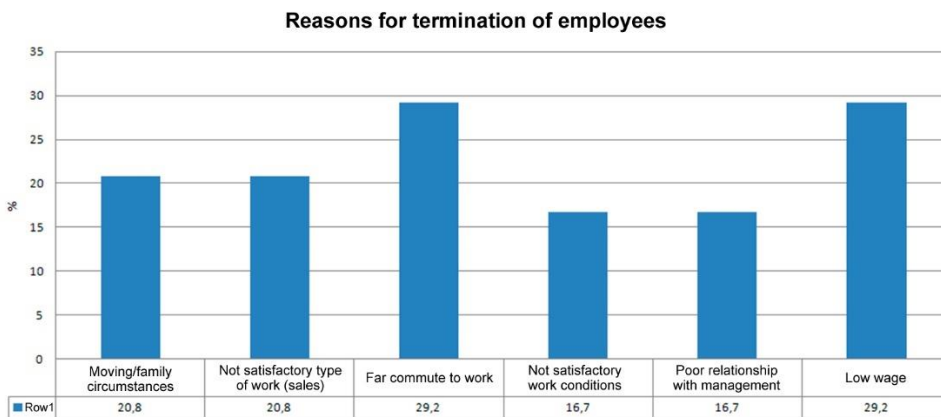


Fig. 3. Reasons for termination of employees in retail chain, 2016 [source: the author]

Analysis of the reasons for terminations of trainees (employees with work experience of up to 3 months, who are yet in trial period), the main problems are related to low wage. For the period of training with a salary-bonus system of remuneration (bonus depends on personal sales volume), the trainee’s salary of the trainee is quite low. After successful completion of training, the trainee can independently make complex orders, write medical prescriptions, and his/her salary becomes 2-3 times higher. Also, quite important for experienced employees is location of the future workplace.

Despite of the current situation in the labour market of the Samara region shows decline in workforce turnover, the retail labour market is always dynamic. This is due to possible quick employment without any professional requirements to employee's skills and large number of vacancies.

Such a high personnel turnover in retail sector is directly related to the need for continuous replacement of employees terminated for whatever reasons, and expenses for additional efforts to retain and train the staff.

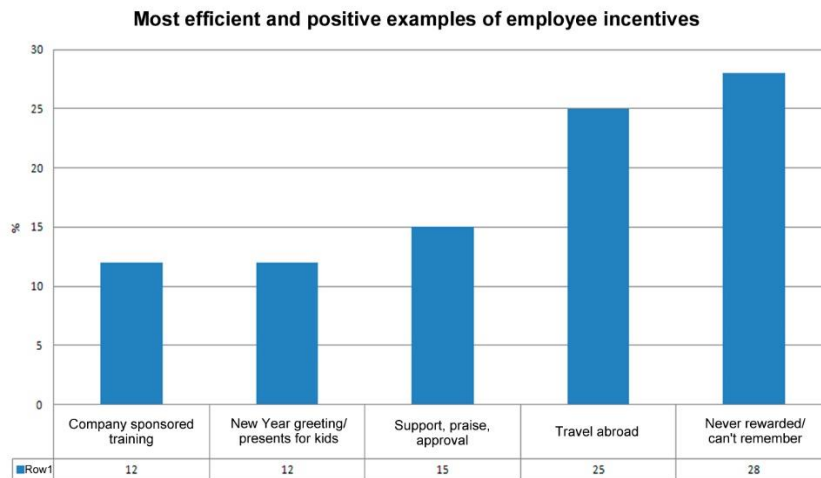


Fig. 4. Efficient and positive examples of employee incentives [source: the author]

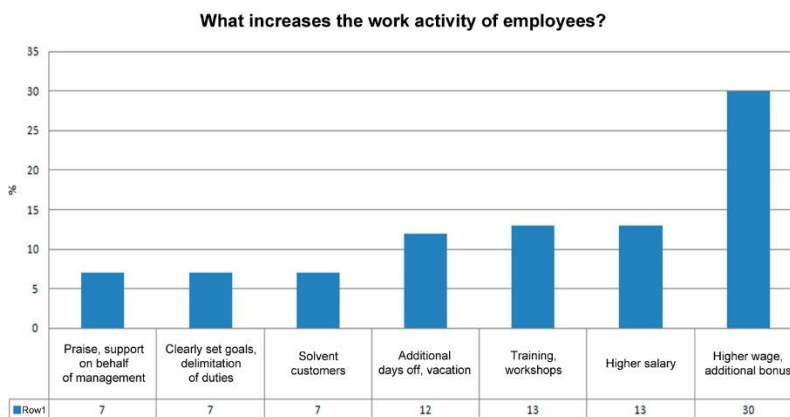


Fig. 5. Work activity of employees [source: the author]

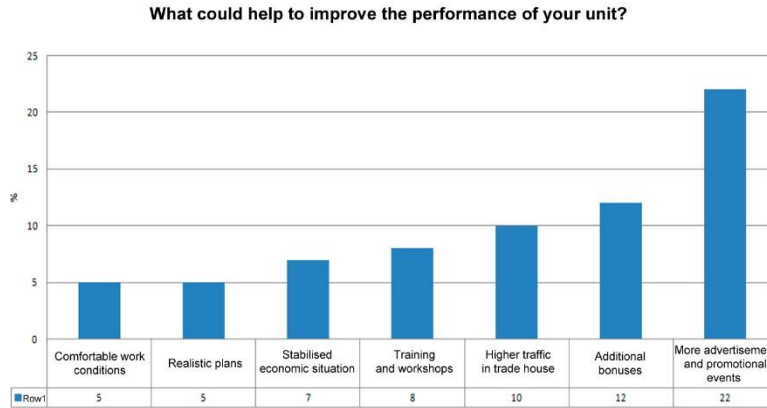


Fig. 6. Better performance of the unit [source: the author]

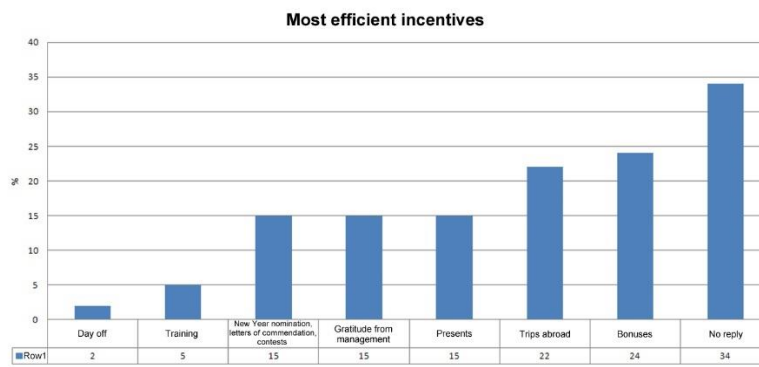


Fig. 7. Efficient incentives [source: the author]

In order to increase the work activity of employees, we propose the following scheme (Fig. 8). Main task of HR-service at the enterprise is to analyse the level of motivational and labour potential of the personnel to identify and unleash the abilities of each employee in full and timely.

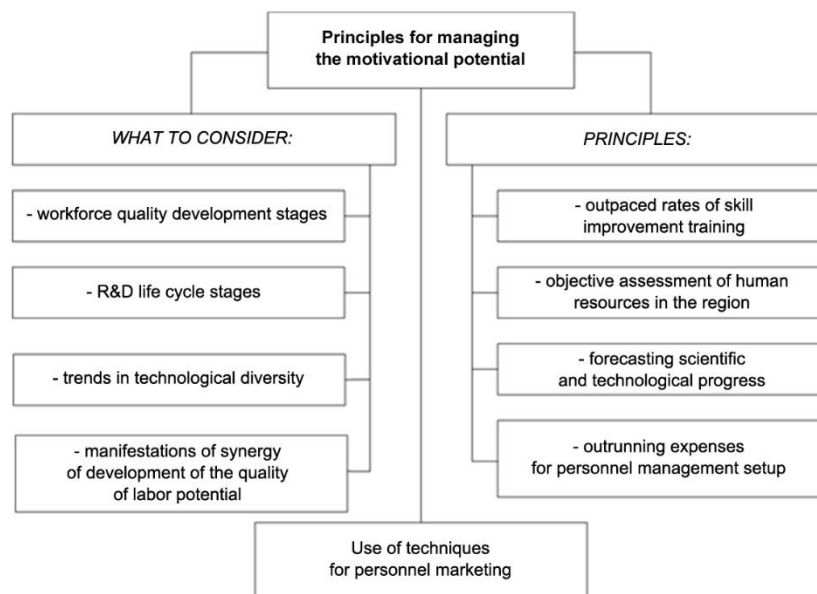


Fig. 8. Principles for managing the motivational potential [source: the author; Gagarinskaia *et al.*, (2014, 2016)]

4. Conclusions

We propose a concept: the motivational potential of the retail chain organization consists of the motivational potentials of individuals (employees) and identification of their needs by using key performance indicators to achieve high performance of the organization.

Thus, the tools for managing labour motivation developed in the article make it possible to implement in the retail enterprises a scientifically grounded practical approach that ensures an increase in its competitiveness in the retail sales market. Possibilities of further development of the topic of the article may include studying the trends in the field of employment in retail sector; creation of the concepts of labour motivation management in retail sales, the issues related to developing the staff policies, strategies and technologies of personnel management aimed at improving the work performance, as well as the study of factors.

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