

секційне засідання:

*Економіка та управління підприємствами*

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**MOTIVATING THROUGH HUMAN CAPITAL**

Motivating employees to complete a task is the easy part, but motivating those employees to work to the best of their abilities and guiding their efforts to the vision and values of the organization are the real challenges that companies face in today's demanding global markets. For an organization to achieve its objectives in productivity they must hire the employees that best “fit” into their organizations beliefs and vision. Retaining human capital through job satisfaction and motivation are one of the most critical goals for any organization trying to expand its business model.

This paper gives an understanding of the relationship between human capital and the importance of job satisfaction and motivation when selecting employees. The terms are interrelated and used every day of our lives however, not everyone knows exactly what it takes to effectively motivate employees. The ideology behind retaining human capital is simple; companies spend time and money developing employees that they feel display competencies that will greatly benefit the company in the future. Alongside the developmental stages, companies offer incentives, benefits and perks to encourage, motivate and ultimately keep their employees satisfied in an effort to keep them engaged in their work and happy with their current role(s). It is within the company's interests to keep their employees happy both within their career and by helping create an effective work/life balance.

The concept of human capital has its origins in the economic literature. Becker (1964) defined human capital as ‘. . . the knowledge, information, ideas, skills, and health of individuals’ [1]. Comparing human capital to financial or physical capital,

he notes that all forms of capital in the sense that they are assets that yield income and other useful outputs over long periods of time. On the other hand, the uniqueness of human capital stems from the fact that people cannot be separated from their knowledge, skills, health or values in the way they can be separated from their financial and physical assets [1]. While the economic view defines human capital in terms of knowledge, skills, etc., the major focus within this literature is on how individuals make choices regarding investments in their human capital, such as the choice to receive training, gain a college education, or begin a physical workout regimen.

Most organizations, actively are pursuing initiatives to cater to their employees' well-being. By engaging with their staff and creating programs to help in a work/life balance, they have opened up an effective communication for change. This helps motivate employees by creating a work place environment where their voice can be heard whilst having the employers ensure all staff maintain a healthy and happy life. By shifting to a proactive approach of involvement with staff, an organization can raise awareness to unseen issues and find effective methods to help motivate employees and increase overall job satisfaction and productivity.

There has been an indirect relationship found between job satisfaction and absence. While a dissatisfied worker may choose to miss work, an increase in company morale would effectively contribute to the bottom line; low absenteeism. When employees effectively engage in a work life balance they are happier. Compared to a dissatisfied worker, a satisfied employee is more likely to attend work if they have a minor illness, such as a cold or headache. When factors such as excused versus unexcused absences and organizational sanctions for absenteeism are taken into account, a small, but consistent negative relationship is found between the two constructs [3]. As such, it is vital for companies to engage with staff in a positive manner to keep every high in morale.

Employees who are not satisfied with their current position or status cannot perform their tasks optimally and thus they have to be motivated to perform their tasks. Yet, even with these motivation factors, an unhappy employee carries those

feelings into their personal life, and eventually the cycle will repeat until the levels of motivation become ineffective or simply too costly for an employer. Sources of motivation vary amongst industries. The most effective methods of motivation include recognition programs, staff involvement initiatives, and monetary incentives.

Although money motivates employees to achieve a goal, it does not create a “happy” employee. The motivation for workers to act in a desired manner has always plagued the thoughts of management. This has caused managers to develop frameworks for recognizing employee differences and highlighting areas for development, feedback and engagement. In many ways companies focus on a social responsibility to their employees by establishing incentive programs, such as salary bonuses, variable pay incentives, corporate pep talks, team building exercises/retreats, wellness programs and other types of policies. However, as the workers adjust their behaviours in response to some of the aforementioned stimuli, can job satisfaction effectively be achieved? By instilling the feeling of positive job satisfaction within workers, management can build confidence, loyalty and ultimately improve the output performance of the employed. Satisfaction, though, is not the simple result of an incentive program [3]. Employees will most likely not take any more pride in their work even if they win an incentive for highest performance, highest sales or best customer service. However, as we discussed, motivation is an integral and independent part that is required to achieve an overall positive job satisfaction mentality.

Given the subjective nature of job satisfaction, evaluative, cognitive, and behavioral components must be considered in order to determine overall global job satisfaction. By examining specific areas relevant to a job, job satisfaction can be determined. There are two of methods that can assist in grading the level of satisfaction within a role. By utilizing the Single goal rating system and analyzing the summation of job facts employers can begin to assess the criteria needed to help improve employee satisfaction. When combined with effective incentives to stimulate employees (both internally and externally) a blend of increased motivation, productivity and job satisfaction/enjoyment can be realized. When companies take an

active approach to communicate with their team and to resolve issues before they arise; the organization as a whole will benefit from the increase in positive working environments, productivity and employee performance.

Performance is determined by ability, motivation, and opportunity, however, small changes in performance, instead of a drastic change, could also be attributed to the motivation employees receive from their coworkers, managers and workplace [4]. Employee involvement in setting and attaining personal goals can provide intrinsic motivation by increasing their growth and development. This motivation and reward is conclusive with creating opportunity and positive outlooks for an employee's future.

In conclusion, as organizations try to facilitate initiatives to hire the best of the best in such a demanding global market, we must keep in mind that once we find the employees with "the right stuff" we will need to constantly engaged, motivate and challenge them. The hiring process is a two way street. When a company finds what they feel is the right candidate they extend an offer hoping that the candidate feels that their organization is a place they see themselves growing and developing with. It is vital to carry an open communication across all channels. By allowing staff and management to be involved in employee development, organizations can effectively increase the retention of employees (human capital) whilst simultaneously increasing the feelings of job satisfaction and creating a positive work environment.

#### References

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