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MATERIAL AND NONMATERIAL MOTIVATION: RISKS AND OPPORTUNITIES

In all enterprises whether private or state owned, motivation plays a key role in driving employees towards achieving their goals, organizational goals and to a certain extent the dreams of their nations. There are many theories of motivation, and they mostly give a relation or influence the outcomes of employee job satisfaction.

Rewards as the main factor of motivation can also encourage retention within the organization, and the broader employment relationship and social exchange are significant. Motivation's whole idea is to provide employees with sureties of job security, nice working condition, loyalty and belonging to the enterprise.

Organizations must be seen to support employees in their daily work in order to bring about loyalty and improve retention by removing elements that may create dissatisfaction [1].

The term motivation refers to a process of encouraging ourselves and others to take action achieve personal goals or business objectives. The primary purpose of the motivational methods is to gain the maximum benefit from the use of the existing workforce, which improves the overall performance and profitability of a company.

Increasing employees' motivation is a complex and consistent process. When creating a motivational system, we must take these factors into consideration: technical, organizational, social and economic.

The basic forms of motivation are material and nonmaterial. Both forms have risks and opportunities.

Many managers consider the material motivational system as the best motivation. It is true to some extent because a competitive salary is a fundamental element of staff retention. However, just tapping into the material motivation of employees does not always bring expected results. It is a relatively complex instrument of influence, which should be used very carefully, efficiently and skillfully.

The material motivation of employees is based on a financial reward system. There are several types of incentives which have an impact on increasing productivity at work: Salary raises, Bonuses and additional allowance, Paid holidays, Paid sick leave, Surcharge for pension and welfare fund.

When using money (salary, bonuses, sanctions, etc.) as the only way to motivate new employees, it is possible to reach an acceptable level of compliance with standards; however, it is not feasible to achieve excellent results. Someone's wage should not be looked at as is a solitary motivator, and it is like a «carrot and stick», which define the scope of employee's activities (what he can and cannot do, what will be supported). Financial incentives have their limits, such as someone who 'rewards' employees for proper work and 'punishes' them for violations of rules and requirements. The trouble is that, just performance standards do not guarantee positive results. For example, dissatisfied workers at one European Ford automobile factory organized an unusual strike by operating in strict accordance with standards, regulations and nothing more. The performance decreased by 25 %.

A motivational system that includes work stimulation is crucial. First and foremost one must address the preservation and control of labor standards, and only then stimulate the achievement of results. A reward increase associated with performance indicators (the result, volume of performed work and responsibility) is a short-time solution. An employee can quickly get accustomed to a higher wage for the same amount of work and the higher salary's impact on one's motivation will diminish.

Thus, by using only financial incentives, maximal efficiency cannot be attained. To achieve new heights, one need to tap into the intrinsic motivation of its employees. It results from an understanding of common goals and values, having an inspiring and cooperative atmosphere, stimulating work and having respect for the manager, these are unrelated to material motivation.

Another advantages and disadvantages are given by non-material motivation.

There are many ways to motivate employees immaterially: corporate events, training, subsidized vouchers, promotion or new

status in the organization, gifts, letter of thanks, certificate of merit, social contributions, invitations to major holidays, discounts, etc. The question is only for which option and based on what to decide.

To avoid unpleasant situations when selecting the manner of appreciation, the manager should imagine how the employees would react to the chosen method. It is better to ask the employees themselves, what has the motivation power for them. They can best express which 'reward' would lead to more efficient work, what they would like to get in recognition for their merits and achievements.

An ideal choice of motivational system is the identity of an organization or department's objectives with employee's goals. It is true, that no activity can be worthwhile unless it is based on one's interest. More specifically, when performing a task, the employee reaches the result not only for the organization but also for himself.

It is important for managers to understand the interests and priorities of their employees, what are they driven by and what they want to achieve.

List of literature

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МЕНЕДЖМЕНТ ПЕРСОНАЛУ 4.0: ФУНКЦІОНАЛЬНА ТА ТЕХНОЛОГІЧНА ТРАНСФОРМАЦІЯ

Четверта промислова революція вимагає вагомих змін у діяльності з менеджменту персоналу, які стосуються як функціональної, так і технологічної трансформації. Очевидною є необхід-