

THE SOCIAL ASPECT OF EMPLOYEE MOTIVATION

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Employees work behavior affects the success of any organization. Personnel who are able to produce and promote company's business idea by using their professional, business and personal qualities are one of the key success factors of any organization.

According to A.Sardaryan, T. Komarova and V. Khozhempo, today more and more specialists and company executives are convinced that salary does not now motivate employees to success achievements as it was in the recent past. Monetary benefits are not in the first place in the list of personnel priorities both in foreign and Russian organizations and give the primacy to nonmonetary benefits. Ward Howell International company experts claim that 86 per cent of employee compensation packages in Russian leading companies do not yield in content to foreign.

The authors surveyed a major manufacturing company with more than two hundred employees and the result showed that the salary (both for top managers and white-collars) takes 9th and 4th places out of 36 factors in the list of preferences. Among the most essential motivation elements there were mentioned a benefits package components (free meals, travel expenses, convenient/flexible schedule, etc.). An interesting fact is that the nonmonetary incentives (a bonus for long-service, a bonus of profit at the end of the year) were started as less important for company employees than social benefits in the list of preferences.

The results of the above-mentioned authors showed that the most preferable components of the benefits package among employees are free meals, transportation expenses, a flexible work schedule and health insurance, least significant of all - mobile services expenses and obtaining a loan.

Executives prefer health insurance, convenient work schedule, free meals, transportation expenses and less significant for this personnel category was mentioned a private office, gym and a company car.

Benefits package can become effective if the following conditions will be observed:

- benefits forming a benefits package must be accepted by employees as necessary;
- benefits package should be the same for the employees of any job category;
- the company should be able to provide the benefits of better quality and prices than on the open market ;
- the implementation of the benefits package should not significantly increase the company costs.

Only under these and some other conditions we can expect that the benefits package will show the desired effect and increase personnel motivation, enhance their loyalty to the company to attract qualified personnel into the organization and improve its image.

According to most HR consultants and top managers of Russian companies, benefits package is necessarily today even as the part of highest remuneration. In addition, it is desirable to expand the assortment of benefits package elements and review it continuously. If the employer takes care of his subordinates and provides them with benefits, the reputation of this company is higher.

ECOPSY Consulting company experts consider that additional incentives are a great psychological incentive for employees. By offering the different benefits to employees, the head of the company demonstrates his care of his subordinates, their health condition, leisure time, problems outside of work. The benefits package can solve a number of problems and

help to control employee turnover, to increase employee motivation, to improve labor productivity, to attract the best employees, to ensure a positive working atmosphere, to develop employee loyalty to the company, to create a positive company image in the market and much more. Undoubtedly, a benefits package today is becoming corporate competitive advantage, and a set of possible social benefits in Russian companies has been growing from year to year.

Today, every company executive in Russia should provide its employees with the so-called benefits package, which includes: paid annual leave, short-term disability benefits (sickness benefits), obligatory health insurance. Company's benefits package can be divided into two parts: basic and additional. The former usually includes health insurance, pension insurance, transportation expenses, free meal, the latter – free trainings, loans for personal needs, mortgages, etc.

The attitude of Russian employers to the benefits package in the recent years can be described by the growing struggle for highly-qualified personnel, changes in employees' motivation, as well as a rapid development in external service sector. A growing number of Russian employers demonstrate creative ways in forming the benefits package for their personnel.

According to consulting company "Ancor", the most popular benefits in Russian companies in the recent years are loans for personal need and mortgages – 100 per cent, company trainings – 88 per cent, payments for mobile expenses – 76 percent and company car – 71 per cent. Least likely Russian managers provide their personnel such benefits as: life insurance – 14 per cent, gym – 18 per cent and additional holidays – 7 per cent.

For example, "Aeroflot" offers its personnel health insurance, free lunches, paid spa treatments, low-interest loans for housing purchase, discounted tickets.

In comparison to Russian companies, American companies provide the benefits package with the same structure. The foreign companies in Russian market often offer their personnel company cars (100 per cent of surveyed companies), medical insurance (80 per cent), company trainings (74 per cent), free meal (67 per cent), mobile phone services payments (58 per cent). Least common benefits are loans (20 per cent), family members life insurance (3 per cent). Johnson & Johnson company in addition to its traditional benefits (health insurance, free meal, mobile phone) offers other benefits and privileges (paid English language training, training in communication and negotiation skills, time management, personnel management, training on MBA program and professional development – to its best employees). For example, the multinational company Procter & Gamble, offers its employees a comprehensive compensation package, which in addition to salary includes a variety of benefits - from free meals to employees and their family members insurance program and a program that includes an equal participation of shareholding in Procter & Gamble experiences. The company offers a complete system that supports individual development plan for each employee, which is not considered as a compensatory element.

There is a number of differences in the management system of social benefits and guarantees between Russian and foreign organizations. In the Russian practice the benefits package management is mainly provided at the top level of large companies, and approaches to it still remain common. Foreign companies usually use the privileges and guarantees as an active system of management, which is mainly focused on the changing needs of every employee.

However, for any organization, both Russian and foreign, the effective management of social benefits and guarantees system should meet the corporate strategy and objectives, its corporate culture and personnel management policy.