

Motivation techniques in Russian and Polish companies

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Abstract:

Aim: In this study motivational techniques implemented in Polish and Russian enterprises are compared in terms of current situation in companies operating in post-command economies. The analysis is conducted from the perspective of students – interns of companies both in Russia and Poland.

Design / Research methods: In this paper a selection of the most representative motivational techniques implemented by enterprises in Poland and Russia are surveyed in order to identify similarities and differences of motivational systems in both countries. The qualitative study can be considered as a pilot survey for an extended comparative analysis of motivational systems in Poland and Russia. The survey was based on interviews with employees and observations conducted by Polish and Russian students in several companies in both countries during study visits and individual internships. Obtained information was analyzed from the perspective of the Millennials and their future employment, so the stress was put on the utilization of positive motivators, financial and non-financial motivational methods.

Conclusions / findings: When comparing motivational systems in those two countries, it is observed that in both, negative and positive motivation techniques are used, although in Polish companies negative motivation is utilized less and less frequently, while in Russian companies it is still present. In some enterprises in Russia and Poland financial motivators and negative motivation environment are still considered to be the most effective ones. In both countries such practices become more frequent when economical situation worsen.

Originality / value of the article: The comparative analysis of motivational systems in Russia and Poland focuses on objectives and directions adopted and used by companies in both countries for motivational purposes. The paper shows that corporate culture in Polish enterprises is nowadays mature enough, that also non-financial motivators are

implemented and bring positive results. It is observed, that all the non-financial motivators are based on the need of participation and appreciation as well as on the need for personal development, which are placed in the middle of Maslow's pyramid of needs. The study also shows that Russian companies are still at the very beginning of the implementation of such tools in their motivational systems. After reporting research conducted in Russian companies within past 25 years, an analysis of such situation is provided.

Keywords: Motivation, incentives, performance improvement, Poland, Russia, organizational culture.

JEL: L20, M12, D24, 23, P23

1. Introduction

Work motivation can be defined as a set of driving forces that originate within and beyond an individual's being and push people to undertake certain actions in professional and private lives. Internal and external factors stimulates people's desires and energy for being committed to work, being involved in a specific role, or to make an effort in order to achieve goals. Motivating people is a complex process combining knowledge of different disciplines – management, psychology, sociology, political studies etc. Approaches to motivating as well as motivational techniques used in developed countries are different from the ones utilized in countries in transition. Success in motivating people is based on specific character of current workforce and on utilized motivational techniques. Fast social changes demand human resource managers to operate not only on the current status quo but also to plan motivational techniques basing on predictions upon the employees who will work for them in the near future (Latham, Ernst 2006). Such situation is observed in post-command economies.

Although motivation is perceived as personal willingness to achieve great performance and a motivated person is shown as the role model for other people, it must be emphasized – especially in our study devoted to Polish and Russian organizational culture – that motivation is not always boosted in the beneficial and genuine way. Motivation can origin from positive factors as well as from negative ones. Positive motivation leads to the increase of people's ambition. It is based on the pursue of success, social sanction and respect. People are stimulated by willingness to be influential and their internal constitution reflects their actions. Satisfactory results make employees feel good physically and emotionally, and leaders job is to empower this feeling, so that a company can benefit from this positive loop. On the other hand, negative motivation is based on fears: the fear of being fired, the fear of not receiving salary etc. It can result from mobbing, aggression, being bullied etc. This kind of motivation comes from the person in the

position of power, who takes advantage of the employee's miserable condition. Negative motivation leads to the serious decrease of employee morale (Bruce 2005, Stevenson 2002, Tracy 2014). Both types of motivations are present in the personal attitude of Polish and Russian workers, but they are different for different generations of employees.

Building employees' motivation is one of the crucial roles belonging to leadership. Commitment to the team members' development is considered as one of the main characteristics of the best leaders. Choosing and applying the best motivation techniques start with precise understanding of the aims and the character of the given person (Bruce, Pepitone 2001, Forsyth 2004, Stevenson 2002).

In 20th and 21st centuries world events, such as financial crisis, downturn, recession, unemployment, poverty, social, political transformations, migrations, demographic crisis influenced directly and indirectly the paradigm shift of management and thus they refer to human resources management (Janowska, 2015). Therefore, motivational techniques vary depending on a company type, particular organizational culture, human capital and available resources to be invested in order to increase employees' commitment (Hryniewicz 2014, Morawski 2013).

Mechta et al. (2003) surveyed linkages among leadership styles, motivation, and performance in companies in the USA, Finland, and Poland. Results show how strongly organizational culture is influenced by history and national heritage. In 1999, a decade after political and economical changes in Central and Eastern Europe, Huddleston and Good (1999) conducted research on job motivators for Russian and Polish retail sales staff. They found that the most important motivators for Russian and Polish sales employees were salary and friendliness of co-workers. In most cases, managers' perceptions of job motivators were similar to their employees, what was different from results achieved in West European countries and the USA (Huddleston, Good 1999, Linz 2004). However, research conducted twenty years later in Russia showed discrepancies in answers given by ordinary employees and managers (Fey et al. 2011).

This study is focused on motivational techniques implemented in Polish and Russian enterprises. The qualitative study can be considered as a pilot survey for an extended comparative analysis of motivational systems in Poland and Russia. The survey was based on interviews with employees and observations conducted by Polish and Russian students in several companies in both countries during study visits and individual internships. Obtained information was analyzed from the perspective of the Millennials and their future employment, so the stress was put on the

utilization of positive motivators, financial and non-financial motivational methods. Selected motivational tools, usually the most representative for each country, are described in order to identify similarities and differences of motivational systems in Polish and Russian enterprises. In the section devoted to motivational techniques in Poland we provide a short description of non-financial motivators as they became typical part of organizational culture in big and medium companies. In contrary, Russian companies are still at the very beginning of the implementation of such tools in their motivational systems.

After reporting research conducted in Russian companies within past 25 years, an analysis of such situation is provided – the remarks were made from the perspective of a person, who was an intern in several companies in Russia.

2. Motivating employees in Polish enterprises

Before describing motivational techniques implemented in Polish enterprises, it is favorable to present general structure of Polish economy. According to the Central Statistical Office of Poland [Główny Urząd Statystyczny] Polish economy is dominated by micro (0–9 employees), small (10–49 employees), and medium (50–249 employees) enterprises which altogether cover around 99.80% of all enterprises, whereas big (>250 employees) companies are represented only by 0.02%. Foreign capital in the Polish companies is estimated to be invested in Polish companies; in 1.33% of micro, small, and medium companies and in 38.60% of big companies (Główny Urząd Statystyczny 2016).

It should be also emphasized that four generations co-exist in the contemporary labor market. Given the fact that representatives of the Mature Generation currently account for a mere 5.00% of the total number of employees, more attention should be devoted to describing other generations, with particular focus on Generation Y, Generation Z and the Millennials, for whom non-financial motivators are more important than it was for the Mature Generation or Generation X (Piwowa-Sulej 2014).

Motivation techniques implemented in Polish companies are mostly influenced by the origins of the company, its type and available resources. It is to be observed that small companies try to apply motivational tools used by the bigger companies what brings ambivalent result. Detailed

description of motivational techniques utilized in Polish enterprises was presented by Borowski and Udaya (2014). Among non-financial motivational methods in Polish companies can be listed:

- Promotions – the opportunity of getting promotion and growing together with the company, employees can develop personally and professionally in the same company;
- Surveys – short questionnaires which are designed to provide feedback about the situation, motivation, atmosphere. Companies then use the results to discover problems. It is done in most cases anonymously, so that it allows employees to present their opinions honestly and contribute to finding solutions for their everyday job shortages or problems;
- One to One – a way to understand employees through a simple but effective communication. This technique requires preparing regular talks and spending little time with each employee discussing the results of his/her work, all successes and plans for the future in the terms of his/her personal development and professional aims as well;
- Recognition Programs – employee recognition programs can lead to higher engagement. These programs are designed to motivate employees through such awards as: the employee-of-the-month or the star performer awards. Accomplishments can be recognized not only in the individual effort but also in the great teamwork;
- Benefits – it is very common for the employers to offer their employees additional benefits. It includes wide variety of bonuses such as: additional days off, tickets to the shows, cinemas, bonus points which later on can be exchanged for trips or useful stuff;
- Courses, workshops – taking part in different development programs encourages employees to continuous learning which later on can be applied in the daily duties and will have a positive impact on the work. It is valuable for the worker, who feels that the employer create opportunities to help his employees develop from a professional standpoint;
- Team building – being involved in team events and projects; this kind of technique can positively affect the atmosphere in the team. Also making effort together for the sake of doing something good can bind the members. For example, in many Polish companies every year teams of 4 people can participate in the competition called “Business Run” where relays fight to run 3.80 km in order to gain the money for disabled children. Not only they do something good for the society but also they play in one team;
- Dividing the responsibility – for some employees it is very important to have real impact on the performance of the company, because they want to be involved in the critical decisions

and project held at the time. It motivates them to do the best job when they feel the pressure and the need for their service coming from the leadership.

Certainly, the most popular motivators are salary rise as well as one time increase in the salary or money bonus. Nevertheless, corporate culture in Polish enterprises is nowadays mature enough, that also non-financial motivators are implemented and bring positive results. It is observed, that all the non-financial motivators are based on the need of participation and appreciation as well as on the need for personal development, which are placed in the middle of Maslow's pyramid of needs. It means that financial instruments make employees' situation stable enough, so they are willing to fulfill their high-order needs.

3. Motivating employees in Russian enterprises

Since 1997, Russia began significant economic growth (GDP almost doubled in 10 years), which was not caused primarily by transition to advanced technologies or a significant increase in productivity, but was triggered by loading of existing and construction of new facilities. After the crisis in 2008 the question of the continuation of progressive development was raised. According to research made by consulting agency McKinsey, the problems are caused by the presence of bottlenecks, where is lack of qualified specialists, lack of competent managers who are able to manage major projects, and use modern methods of work organization (Klintsov et al. 2009).

Findings of research conducted by Fey et al. (2001) indentified task-oriented, relations-oriented, authoritarian, and democratic leadership as the most commonly used characteristics to describe Russian leaders. Middle managers' responses revealed that the statesman style (task-oriented democrat) and the clergyman style (relations-oriented democrat) were considered to be the most effective in Russian enterprises (Fey et al. 2001). In 2005 Fey conducted comparative analysis of motivation of Russian and Swedish managers. Russian managers, arguably at a lower level of the needs hierarchy, are best motivated by salary level and thus degree bonuses are appropriate. In contrast, Swedish managers, who have their basic needs met and are therefore further up in the needs hierarchy, are better motivated by having an enjoyable working environment. These results provide strong support for needs hierarchy theory. Swedish managers are also highly motivated with perceived equity of their peers. This equity appears to be less

important for Russians who have been faced with much inequity in the past and thus have developed mechanisms to cope with inequity (Fey 2005).

Similar findings was brought by research conducted by Linz et al. (2006): workers expectation of receiving a desired reward contributes to high morale, with expected monetary rewards having a higher influence that expected non-monetary rewards, but praise for a job well done and a feeling of accomplishment also contribute positively to employee morale. There is a significant correlation between positive attitudes toward work and morale, and a positive correlation between performance assessment and morale. Demographic characteristics (age and gender) have no discernable influence on morale when controls are included for work experience. These findings confirmed observations made several years earlier by Huddleston et al. in 2002 and Upchurch et al. in 2000.

Productivity and motivation can be related not only to the surface factors of scientific and technical progress, but to deeper historical and cultural factors and national mentality. The fundamental difference between motivational techniques in the Western countries and in Russia can be derived from Russian history and mentality. In developed countries, the motivational technique of “achieving success” (“I am the cause of all my failures”) dominates the technique of “avoiding failure” (“My failures are caused by external reasons – work, family, friends”). Russians have tendency to idleness – which an American would consider pointless waste of time. In America and some countries in the West since the late Middle Ages both religion and state ideology cultivated the image of the “new” person – entrepreneur, “a self-made man”. In Russia there always were strong egalitarian, socialist beliefs, and there never was any strong principle of private property, which was demonstrated by the past revolution and the subsequent communist system. However, the so-called “psychology” should not be considered as an insuperable barrier, because many traditional societies (China, Japan and other Asian countries) were able to overcome their national prejudices and to adopt advanced European culture. This is why motivational techniques used in Russia often differ from the ones used in other countries.

Russian companies commonly use negative motivation, which is based on a punishment and threats, more often than it happens in foreign companies. Companies often prefer negative motivation to the positive one, and they would rather decrease the salary as a punishment than increase it as a reward. There are series of reasons to choose negative motivation over positive. Firstly, ways of negative motivation are easier and cheaper then positive. Secondly, the

management of Russian companies usually considers fear as more primary feeling than responsibility and need of participation. Finally, Russian companies do not value their workers so much believing that all of them can be replaced. However, situation of constant threat not only irritates a worker but also demotivates the employee to work effectively.

Moreover, Russian companies use material incentives more often than non-material ones. Russian employees are hardly motivated with high corporate culture or corporate values and more usually – with the salary increase or financial bonuses. Russian workers tend to be very materialistic because constant changes in economical situation make them care about salary level more than about any other perks and bonuses. For majority of Russian employees their job is not a place of self-development or using their talents, but a way to make ends meet – that is why they prefer material incentives to non-material. After crisis in 2008 companies in Russia were more likely to use non-material stimuli. However, the mechanisms were copied from the Western companies and applied without any correlation to Russian mentality, culture and social situation.

In Russia managers usually tend to deviate from the instructions and estimate the abilities of their subordinates on the basis of their own opinion. It strongly affects the choice of motivation techniques. Such an informal approach can have both positive and negative impact on efficiency of work depending on whether the manager's evaluation is right. One specific features of work efficiency in Russia is high frequency of exceeding the deadline because of poor organization of labor. But when the situation is extraordinary the motivation system works very well and efficiency of work growth dramatically. So we can conclude that being bad in long-term perspective, Russian motivation system usually succeed in short-term urgent situations.

Another important difference, which also should be mentioned is that in Russia companies use some working conditions, ordinary in foreign countries as a reward for fine job of the best employees. For example, many Western countries allow to work from home a couple of days in a month – and in Russia some companies allow this only to those employees who perform really, really well in their job. Another example is giving additional medical care for employees, which also is everyday thing in big foreign corporations and a reward for the best people of the company in Russia. This difference can be explained by the fact that market economy and corporate culture are still not developed well in Russia, so those ways of motivation are applied now and have potential to evolve. At the moment, Russian economy is in stagnation and the exit must be sought in the development of small and medium businesses, which can be achieved by

implementation of methods mentioned above. Radical improvement of human relations between workers, where every employee is comfortable at work, and all of them are determined to achieve the success of their firm, may lead to the economic breakthrough.

4. Comparison of motivation systems in Poland and Russia

The study to which this paper refers should be considered as a pilot research on motivational techniques utilized in Polish and Russian companies. Information was obtained during interviews with employees of several Polish and Russian enterprises during study visits and individual internships in academic year 2015/2016. Some conclusions were formulated basing on the experience gathered by interns themselves. The study is a qualitative one and is intentionally influenced by the young researchers' perspective. 16 interns – 8 from Poland and 8 from Russia – were invited to describe and their experiences with motivational techniques, which were used in companies where they had conducted their internships or had participated in study visits. Each student had participated in internship in at least two companies in his/her country. Moreover, during the students exchange they together visited three companies in Poland and two companies in Russia, so they had general knowledge on the motivational techniques used in another country. Basing on interviews with the students a set of motivators was gathered – it is to be found in Table 1 (in alphabetical order). The students were asked to provide their opinion on how important would have these motivators have been, if they had been potential employees of the enterprises where they had their internships. Each student provided information on his/her country – the results are presented in Table 1 as the mean importance of each motivator (scale 1–5; where 1 means “not important” and 5 means “very important”). Due to the fact that the pool of respondents was small, the results should be projected neither on the population nor on the Millennials in any of these two countries.

Table 1. Motivators – the point of view of Polish and Russian students of technical universities

Motivator	Russia – importance mean	Poland – importance mean
Pay	4.9	4.6
Self-satisfaction	4.1	4.3
Skill development	4.1	4.4
Job security	4.9	4.7
Education	4.3	4.5
Promotion	4.2	4.5
Accomplishment	4.1	4.3

Freedom	3.8	4.4
Respect	4.6	4.7
Praise	4.5	4.5
Friendliness	4.1	4.7

Source: own elaboration.

The interns belong to the Millennials and they were encourage to choose and to focus on those motivators and motivational techniques that seems to be the most important for them when applying for a job. In result, we figured out that young generation pays attention to positive motivators – they emphasized the problems and shortages in using these kind of motivators in Russia. Moreover, young employees are interested in non-financial motivational techniques and they pointed out that such motivators are popular in Polish enterprises, while they are barely used in Russian companies.

Comparing motivation systems and practice of Polish and Russian large companies, it seems that motivating in Polish companies in based on both material and non-financial stimuli. Fundamental difference is the active use of positive motivation in Polish companies, what barely happens in Russian ones nowadays. However, due to demographical changes in Russian labor market, where the number of Millennials and Generation Z people is growing, it seems to be indispensable to increase utilization of non-financial motivators.

Shift towards non-material motivators is profitable for a company in a long-term perspective. However, they cannot be a replacement for a stable and fair salary system. Non-financial motivators refer to high-order needs rather than to deficiency needs, but for majority of people fulfilling basic needs is fundamental. Basic techniques of positive motivation were developed by large companies, whose market situation is stable and secure, so they can use non-financial motivators to increase employees' commitment.

Non-material motivators are based on studies on human nature, so it is obvious that they are suitable also for Poland and Russia. In Poland the majority of practices in this area is based on experience of foreign companies. Those motivational mechanisms are slowly being copied from big corporations and adopted in medium and small companies. In Russia the situation is a bit different, since there is big participation of the national capital in the companies, where motivational system is based on financial motivators. It means that the non-financial motivators needs to be adjusted and adapted to their organizational cultures.

When comparing motivational systems in those two countries, it is observed that in both, negative and positive motivation techniques are used, although in Polish companies negative

motivation is utilized less and less frequently, while in Russian companies it is still present. In some enterprises in Russia and Poland financial motivators and negative motivation environment are still considered to be the most effective ones. In both countries such practices become more frequent when economical situation worsen.

5. Conclusive remarks

Motivation techniques are being constantly developed and are differently enhanced depending on the cultural and business background. In developed countries, it is important to focus not only on the work itself but also on the different aspect of the worker in his job environment. Survey and experiences presented in this paper show that motivational systems in Poland are more mature and stable than in Russia. Such situation is resulted from national economy, organizational culture, influence of Western big corporations and their presence in the local market.

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