



DEVELOPMENT OF MOTIVATIONAL MECHANISM UNDER CONDITIONS OF SOCIO- ECONOMIC TRANSFORMATIONS

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ABSTRACT

In the article the problems related to the motivational interests that ensure the economic growth in a transformational process have been considered. It has been proved that integrated interests of technologically related relations in terms of the result indicator play the main role. It has been substantiated that although a financial incentive is one of the most important factors in activating the labor potential, it still does not reveal the depth of the motivational essence of labor relations and worsens the performance.

Keywords: activation, economic growth, labor process, motivation, technological growth, potential, innovations, efficiency

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1. INTRODUCTION

The socio-economic transformations of recent decades have changed the production baseline and the institutional foundations of development. However, the problem related to searching for the sources of the so-called breakthrough that can bring the economy to a new technical and economic level remains unsolved. Moreover, the Russian specificity has shown that changes should be considered not so much in the economic aspect as in the social, cultural, and moral context that determines the consistency of business entities' interests. It becomes more and more obvious that liberal approaches do not solve all problems of the economy – the market does not create anything, but only redistributes and sidelines production. In such system of relations, the economic laws do not keep the priority of sustainable growth and, as a result, decrease the efficiency of the resource potential used. Therefore, the so-called socio-economic breakthrough should be based on the model that reveals the nature of the person's motivational interests and his creative potential that when ignored causes crisis consequences. The focus on the distribution and redistribution of the national wealth causes the inefficiency in managing the socio-economic process, enriches the nonproductive area, and deforms the foundations of the industrial development.

2. MATERIALS AND METHODS

This study aims at developing the mechanism for activating labor processes that determines the efficiency of using the resource potential and economic growth.

In order to achieve this goal, the following tasks were set:

- To reveal new approaches to stimulating the economic growth based on progressive mechanisms for managing the technical and technological potential,
- To develop the motivational mechanism for achieving high results of the production and economic activity in a structurally related technological process.

During the work, general scientific and specific methods of the object system analysis, as well as the method of analogy and comparison, the method of expert assessments in the aspects of determining priorities of the economic growth were used.

3. RESULTS

The attempts to implement the strategic priorities of the economic growth and development have clearly shown that the core of such policy should include the mobilization of the human capabilities inherent in the person's potential nature. The modern studies of the economic growth are focused on the technical and technological areas and underestimate social issues (a person and their valuable substance in the social structure).

Engineering and technology are undoubtedly significant factors of the economic growth. However, this approach has some contradictions. As such, the total costs of technological innovations are steadily growing – as on 2018, they amounted to almost RUB 1.5 bn (Fig. 1).

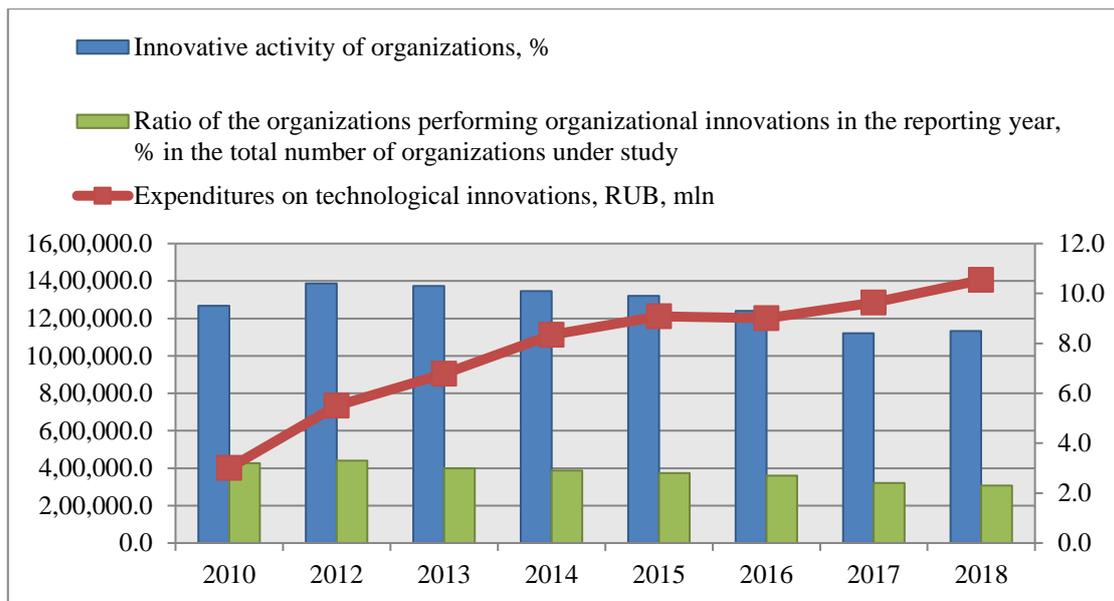


Figure 1 Dynamics of Innovative Activity, % (Federal State Statistics Service of the Russian Federation, n.d.)

At the same time, in recent years the innovative activity of organizations has acquired a downward trend. The weight of innovative organizations in the overall structure has almost not changed and remained at approximately the same level during the period under study (Maslow, 1943; Scherbakova, 2019; Simonin et al., 2017).

The dynamics of the innovative activity and the ratio of organizations had been almost the same from 2010 to 2018, while the expenditures for technological innovations had increased. The lack of a sufficient balance of technical and technological sectoral proportions between the economic sector and the so-called innovative development centers (economic zones, joint corporations, scientific and technical centers, and innovation clusters), which are designed to activate the resource potential, does not create conditions for activating innovations at the level of enterprises and associations, and their number is only decreasing. The low level of technological transformations is associated with negative processes in the current type of industrial and economic relations and changes in the organizational and economic management of structurally related relations at the lower economic level.

The revealed regularity is confirmed by the contradiction in the growth of the cost of the technical potential and its updating (Fig. 2). Thus, for the analyzed period (1998 – 2018) the absolute cost of the technical potential had steadily grown, and the degree of updating had decreased (Strielkowski, Höschle, 2018; Tolkachev, 2018). Such trends characterize the negative dynamics of the industrial growth.

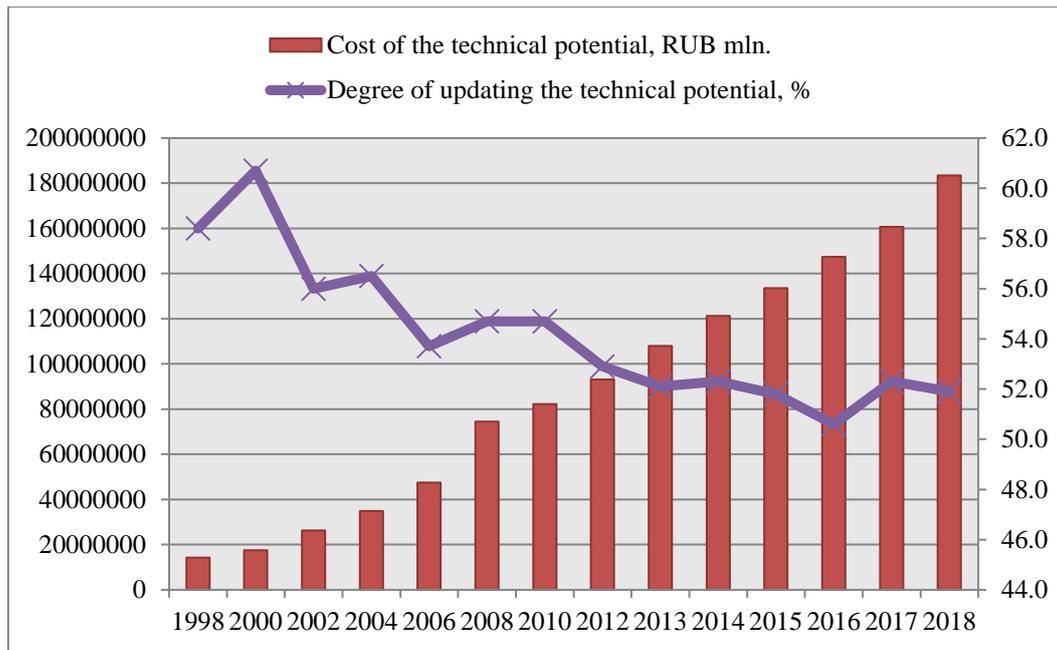


Figure 2 Contradictions in Improving the Efficiency of Technical and Technological Potential (Federal State Statistics Service of the Russian Federation, n.d.)

There are some fundamental reasons that determine the trends of the ongoing processes. One of them is substantiated by the demand for the products of the mining and manufacturing industries, while the other – by a lower level of investments in industries that manufacture products with high added value (Murali et al., 2018; Sorokin, 2015).

According to Figure 3, investments in manufacturing decreased by 1.5 % as to the early 2000s. In mining, they decreased by 0.5 %, and in the wholesale and retail trade there was a slight increase by 1.4 %.

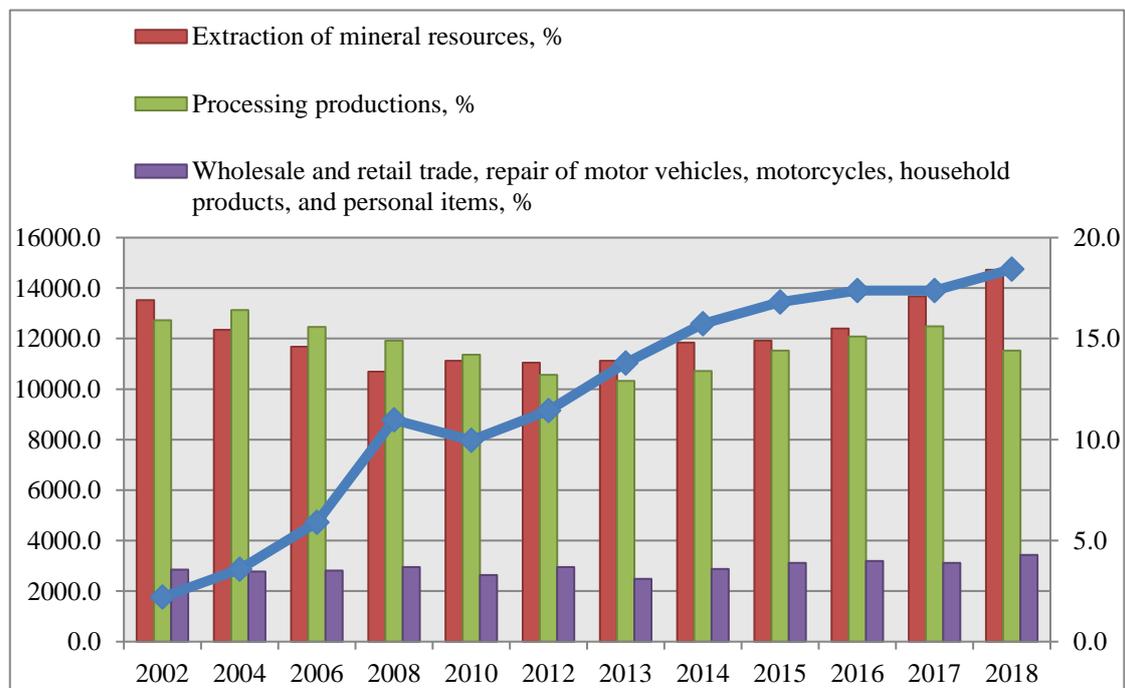


Figure 3 Quantitative Indicators of Investments in Fixed Assets in the Russian Federation by Type of Economic Activity, % (Federal State Statistics Service of the Russian Federation, n.d.)

Preserving such proportions of investments in the fixed assets will not only fail to provide a technological breakthrough but will also generate further decrease in the economic growth. The revealed trends indicate the need to adjust the economic policy in the area of the technological breakthrough, shift of emphasis from improving the total support to all structures of the national innovation system to the radical focus of efforts to integrate interests in key areas of the economic growth.

In order to overcome the investment decrease in system-forming sectors and to achieve the planned economic growth rate of 5 – 6 %, it is necessary to increase investments and bring them to the level of RUB 2 – 3 bn. At the same time, in spite of the obvious deterioration of the situation at the world level, the planned industrial growth does not have the corresponding support (Scherbakov, Dubrovsky, 2018). In the context of the contradictions under consideration, it is easy to notice that the current models of activating the economic potential, e.g., the regulation of the key rate, preferential loans, the use of tax regimes and state guarantees are only instruments to support technological transformations. They will not cause the economic development without the appropriate structural and investment policy on financing the industry potential and organizational and economic mechanisms for revealing the human potential.

Considering the transformation processes in Russia, it is possible to identify the fact that the decisive problem is the inconsistency of interests of business entities. A prerequisite for the efficient transformational process is a system of interconnected priorities for revealing the resource potential specified by the objective function of the growth parameters.

The search for progressive models of the technological breakthrough is substantiated not only by the sharp decrease in the efficiency of the industrial potential (Fig. 4).

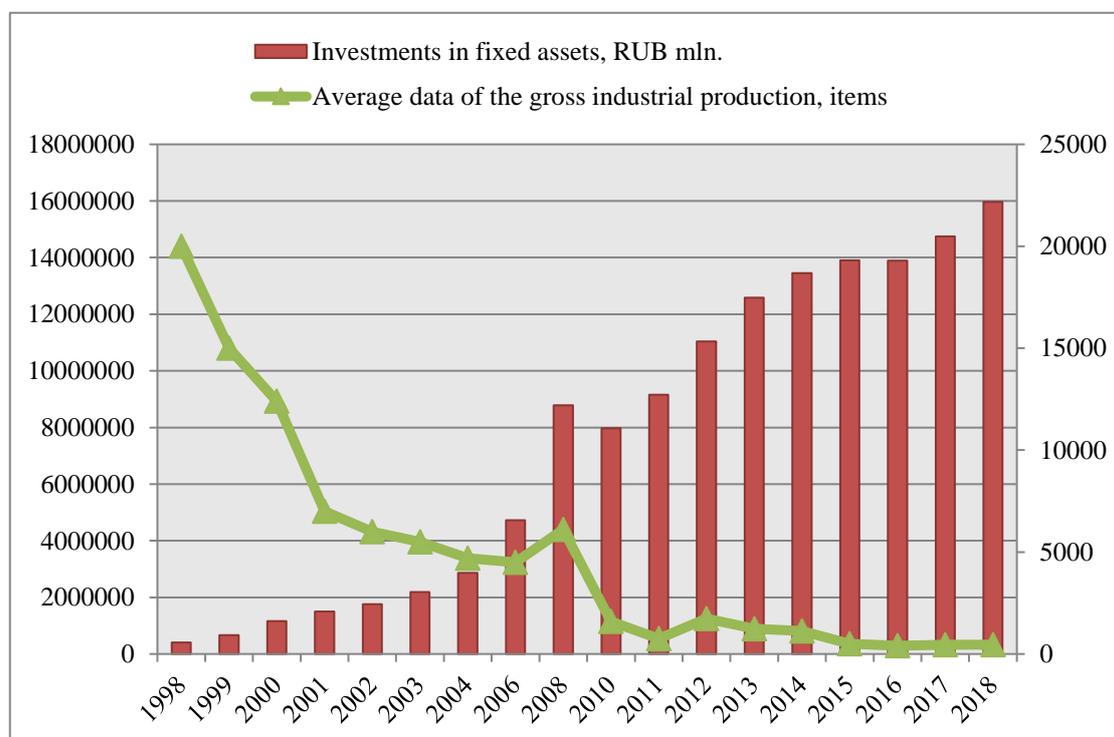


Figure 4 Contradictions in Improving the Efficiency of the Financial and Investment Potential (Federal State Statistics Service of the Russian Federation, n.d.)

According to the studies, the economic development is possible primarily when it reflects the corresponding focus of the subjects’ interest and the target motivational function (Bogoviz,

Ragulina, Kutukova, 2016; Owings, Kaplan, 2019; Kuryshova et al., 2019). The relationship of technological transformations and the motivational interests of the labor process can ensure the reproduction. Such focus will make it possible to realize the potential of the technological structure in the shortest possible time and ensure the efficient use of resources.

Figure 5 shows the current instruments for revealing the human labor potential. These models reflect the actual state of management and regulation of the economic process.

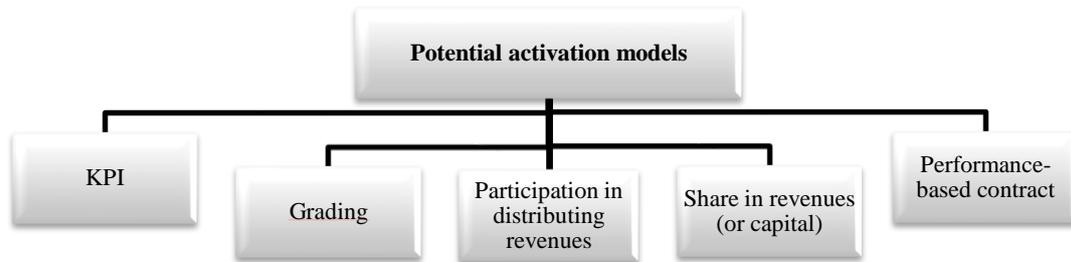


Figure 5 Progressive models for Activating the Organizational and Economic Potential

It is obvious that the above models for improving the efficiency of using the resource potential raise questions about their adequacy to the economic growth strategy [9]. The main disadvantage is that they are associated with the cost result of the economic activity rather than with the actual result that reflects the achievement of strategic guidelines of the economic development. The practical use of models on activating the potential intensifies labor and ignores the structure of value, and utility that are the true drivers of structural and technological transformations of the economy. In general, the problem of reducing the efficiency of using a resource lies in the disintegration of the economic interests of the production participants. It is manifested in the fact that motivational mechanisms are not related to the resource potential, the motivational system is focused on the process instead of the result, there are difficulties in accounting and monitoring the results of activities of structural subdivisions of the enterprise, and there is no balance of interests between the vertical and horizontal levels of production (Fig. 6).

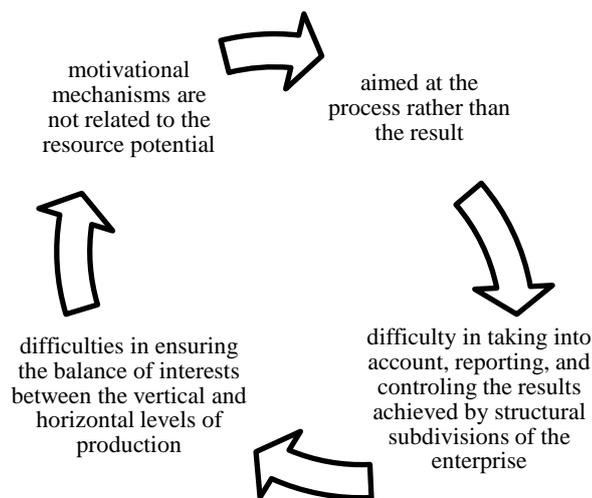


Figure 6 Causes and Consequences of Reducing the Efficiency of the Potential Activation Models

The above is confirmed by the problem related to the efficiency of using the organizational and economic potential, where the labor productivity index has a downward trend with a

pronounced ineffective wage growth (Fig. 7). All this confirms the problem of the lack of correlation between the revenues of an economic entity and the efficient use of the resource potential (Scherbakov, Dubrovsky, Makarova, 2018).

This is the reason why economic motivations need a common concept of improvement that distinguishes between main and subordinate attitudes, primary and derivative interests in forming progressive models of the organizational, economic, and managerial nature.

The main problem of the efficient use of the resource potential lies in the low level of economic interests among the participants in technologically related relations in terms of the result indicator.



Figure 7 Contradictions in Improving the Organizational and Economic Potential (Federal State Statistics Service of the Russian Federation, n.d.)

4. DISCUSSION

The motivational component seems to play a major role in revealing the capabilities of a business entity, i.e., in improving the efficiency of the technological, financial investment, and technical potential. The motivational interests of production participants associated with not only fulfilling certain performance criteria, but also with the resource potential of a structural subdivision and quality indicators should be put at the forefront. Moreover, although the material basis of stimulation is one of the most important ones, it does not reveal the moral interests of a person, which ultimately decreases the economic effect of the production efficiency. Therefore, it is incorrect to form mechanisms for managing the economic growth based only on material incentives, ignoring the value forms of the socio-economic growth and development.

The value approach to development is based on the endogenous level of motives of the human behavior, which was formulated, as noted in many studies, long time ago. It was reflected in the physiocrats' studies, where the economic science was turned into a formed system of interdependent forms of relations. The "endogenous" approach is based on the goal of the person's conscious activity set during the labor. The goal is based on the self-purpose consciousness that determines the manifestation of behavior in all socio-economic relations. Thus, the motivation of human actions is determined by polysyllabic factor reasons and circumstances that are not always associated with the labor remuneration. A key condition for activating the technical, technological, financial, and investment potentials is to find areas for

revealing the human internal reserves determined genetically (de Rambures, 2015; Chauffour, 2017).

In addition, the increase in the production efficiency depends largely on the development of integrated relations and links in the technological chain. Each subdivision of the technological process is known to act both as a consumer and as a manufacturer of a new product. Therefore, the success of the production goal depends on the assessment of each stage, and the key role in stimulating the economic growth should be assigned to the development of a motivational interest in the formation of integrated structural and functional relationships. The scientific nature of this approach is that it is designed to combine the interests of participants in relationships and to reveal the endogenous level of their motivational goals.

The management mechanism should be based on economic interests by the final assessment criterion, where the main role is given to the “actual productivity” – to improve the efficiency of the labor potential due to the quantity, quality, and time criteria that determine the value and usefulness of the consumed product in subsequent production cycles. Figure 8 shows the basic components of implementing the suggested potential management mechanisms.

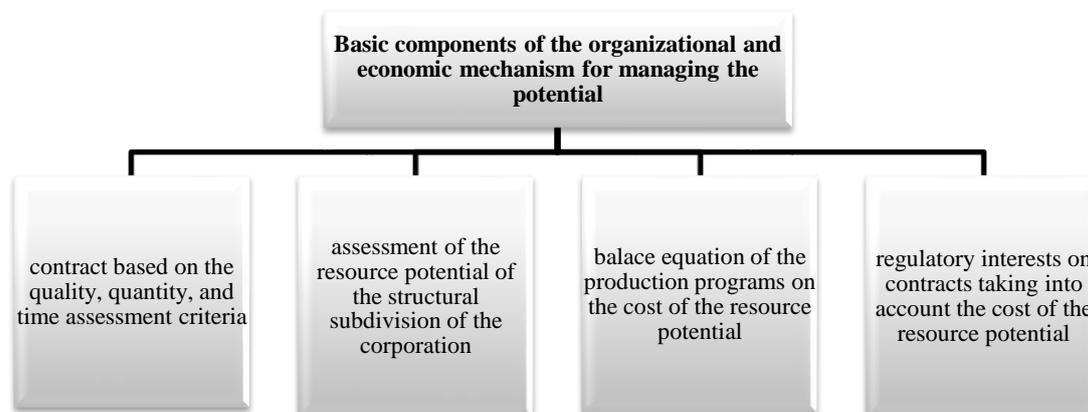


Figure 8 Suggested Performance Management Mechanism

This mechanism fundamentally differs from its other forms by the establishment of interaction between the structural units (SU_i) among themselves (basic and auxiliary, auxiliary and servicing, as well as management subdivision services) according to the result indicator – the standard of the total produced utility and value.

Due to this, the interests of each participant change because the assessment criteria characterize the degree of their actual efficiency:

- a. Distribution of performance by cost of the resource potential,
- b. Distribution of revenues according to the assessment of the contract implementation (taking into account quality, quantity, and time).

The production efficiency is achieved on the basis of revealing the internal reserve sources of the labor productivity growth in subsequent cycles (Scherbakov, Dubrovsky, 2013; 2017).

The mechanism of activating the economic process is implemented on the principles of the balance of interests among all participants in structurally related relations. The main essence of activation is the economic assessment of the potential of a structural unit and the determination of the share of revenues in relation to the result indicators of quantity, value, and time in the production technological cycle based on the rental mechanism for regulating the result and value of the resource potential (Fig. 9). The purpose of assessing the potential of each subdivision is to determine the regulatory rates required to calculate the total revenues of each participant and the rental payment for the resource potential.

The above steps show that the efficiency is improved by changing the criteria for assessing the potential due to growing the additional effect throughout the whole technological cycle. The activation is achieved due to the innovativeness of the labor management, which makes it possible to reveal the technical and technological potential of production in the future.

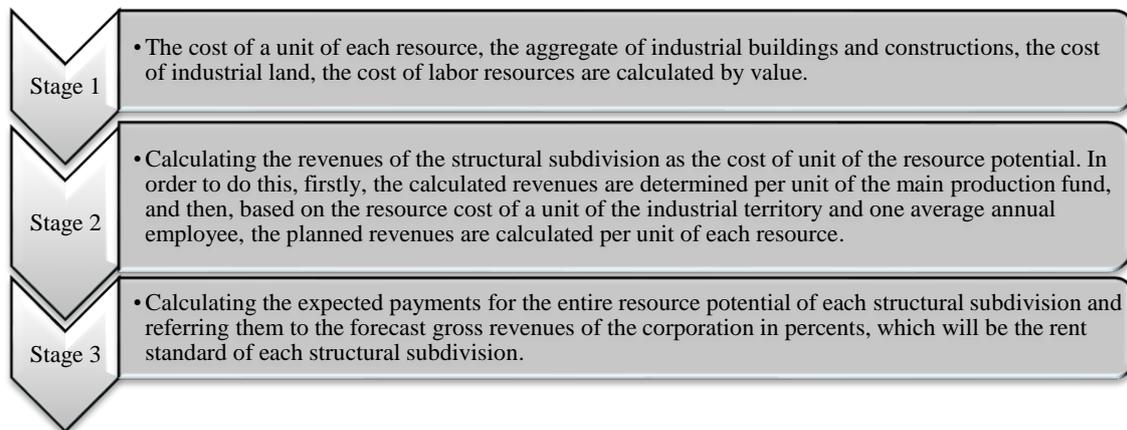


Figure 9 Regulatory Interests on Contracts, Taking into Account the Cost of the Resource Potential

5. CONCLUSION

As a result of the study, it is possible to make the following conclusions. The need for deepening and enriching the motivational mechanisms for achieving high rates of the production and economic activity is obvious. Solving the problems of the motivational mechanism is associated with the study of complex functional relationships of development factors that reveal the endogenous level of a person. The approach is scientific in its nature because it combines the production with the human nature and establishes functional interdependencies between the production efficiency and labor potential. Combining the production with the target interests of the subject of economic relations makes it possible to ensure the efficiency both at the micro- and macrolevels of the economic development.

The technical and technological update should be based on the integration of the system of interests. This necessitates the improvement of science-based approaches to developing the industrial transformation strategy and modeling an adequate mechanism for its implementation.

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