



Case Study #3 (LIT2018): What are the best ways to motivate your employees? (Lithuania 2018)

Abstract

Currently employers are paying more attention to their employees, their expectations and job satisfaction. This is crucial for maintaining your company's productivity, maintaining good specialists, and building a positive climate for the organization.

When we talk about motivation to work and work well, we are talking about a number of factors that encourage work. It includes wages, self-reliance, and respect, self-perception as a particular organization or team, career, creative atmosphere, bonus and leadership confidence. Motivation factors have different impact on different employees. What is absolutely important to the boss is not necessarily the same for his employees.

Companies, in order to compete with companies from developed world countries, must find ways to increase employee motivation and maximize the employability of employees. Most employers perceive their motivation as motivation expression of money. However only monetary motivation doesn't work as it is expected and employers must find other ways of motivation.

Introduction to the Organisation

UAB "Muita" was established in 2010. UAB "Muita" – is a specialized company providing customs services: it provides customs intermediary services in all customs posts in Lithuania, it carries out audit of customs procedures, organizes trainings and consults on the issues of the law of customs, making intrastat accounts. It publishes a monthly e-journal "Customs Law for Practitioners".

The company has 19 insured employees.

Offices of UAB "Muita" customs intermediary are founded in Klaipėda and Vilnius. Using electronic declaration the company declares goods in all customs posts in Lithuania, Germany, the Netherlands and Belgium.

HR Challenges

The company "Muita" faces the lack of skilled specialists. The trouble is that only a small number of highly skilled customs specialists is prepared in Lithuania. According to UAB „Muita“ director, „international trade and customs brokerage companies mostly demand those employees who are not only good professionals in their field, but are flexible in sense of knowledge and abilities – have good knowledge not only of business, trade processes, but are also able to develop cooperation relationships and make trade transactions with foreign companies“. The company needs specialists of customs brokerage who know customs procedures, who are able to properly represent the company, to forecast and coordinate the country's home and international trade, who use the most advanced sales, marketing, law, logistics, management methods and the newest technologies of e-trade and communication. For the lack of employees, the present "Muita" specialists get a bigger work load. Because of these conditions the quality of work suffers. Beside big load, employees also get a big responsibility, and not everyone likes taking it. It makes the search for specialists even more complicated.

Literature Review

Intrinsic motivation

Scientists of psychology, sociology, economics and management branches state that motivation is a complex and quite difficult object for a clear definition, because different things motivate and encourage people and employees to aim at something. Two main modern motivation theories are distinguished in the world:

1. Content theories which analyze what gives an individual an impulse to behave in a certain way.
2. Process theories which analyze how a human behavior is encouraged.

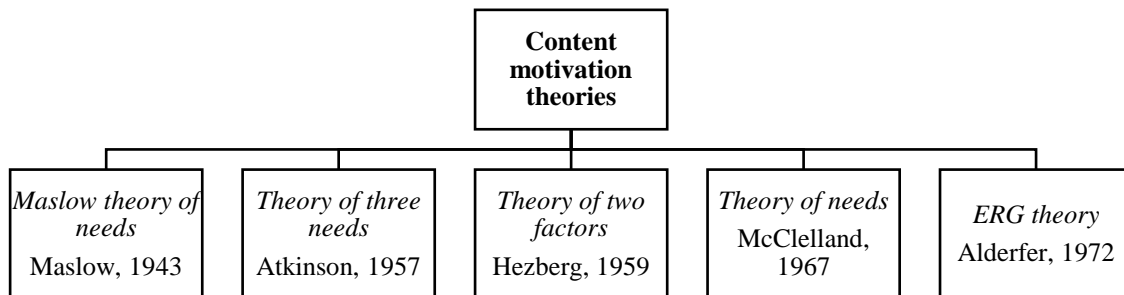


Figure 1 The main trends of content motivation theories

Source: Gražulis ir kt. (2012)

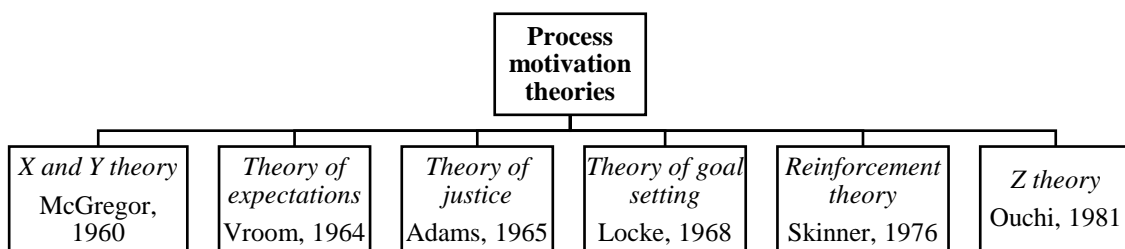


Figure 2 The main theories of process motivation theories.

Source: Marcinkevičiūtė (2006)

Marcinkevičiūtė (2006), distinguishes two main groups of employee motivation systems applied in Lithuania:

1. Systems, which take into account the dominant motives of employees;
2. Systems, which take into account management styles and opportunities for employers.

Marcinkevičiūtė (2006), Vaitkuvienė and others (2010) come to pessimistic conclusions that attitudes of the heads of Lithuanian companies how employees should be motivated, are very superficial, though introduction of motivation models should include various aspects of people and company culture. In order to create, introduce and implement efficient motivation systems, organizations should find out needs of employees, motives of working activity, factors of job satisfaction and others.

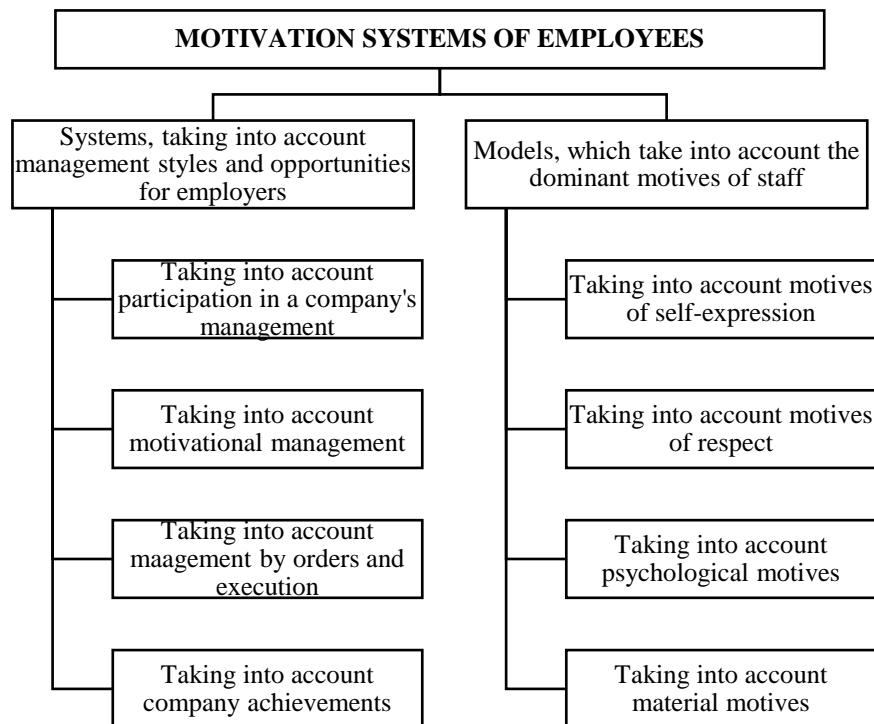


Figure 3 The dominant employee motivation systems in Lithuania.
Source: Marcinkevičiūtė (2006).

Findings and Analysis

The company employees are mostly motivated by the main salary and bonuses to the main salary. A part of employees indicated that the company applies bonuses for overtime and also an incentive fund is applied. Quite a number of motivation means are applied not to all employees, i.e. individual incentive is applied to every employee separately, taking into account his/her individual needs.

Generalizing the analysis of distribution of tangible non-monetary motivation means in the company, it can be stated that UAB „Muita“ employees have a need for quite traditional tangible non-monetary motivation means. Still an assumption can be formed that the analyzed motivation means, for their effective application, should be assigned to employees individually, taking into account the need of an individual employee.

UAB „Muita“ employees consider an opportunity to work on a flexible schedule to be significant as well as a positive job atmosphere retained in the workplace. However the need for the analyzed motivation means reveals that most employees of the company would be motivated by a possibility to work on a flexible work schedule, possibility to get additional days-off if needed and to have a possibility to work a shortened working day. Therefore it can be assumed that UAB „Muita“ employees see a motivation means of a possibility to have a free time from work as their first priority aiming at job satisfaction. It predetermines the lack of implementation and variety of these and the like alternative socio-psychological means in the company. Based on the analyzed theoretical thoughts of scientists on motivation means, the similar research results were expected in this category.

UAB „Muita“ employees aim at quite simple things, which would make them satisfied with their job, e.g., a clear distribution of works, objective control. Taking into account small fluctuations among these motivation means themselves it can be assumed that for UAB „Muita“ employees the general



spectrum of applying organizational (administrative) motivation means is important. This predetermines the need for implementing these motivation means in the company.

Practical Human Resource Management Tool

Area of improvement	Reasoning of improvement assumptions
Variety of means	Aiming at employee job satisfaction as well as strengthening and support of their motivation, it is important to apply different motivation means and to be able to combine them efficiently.
Individualization	Aiming at necessary impact, motivation means must correspond to individual needs of every employee, so that their choice and composition must be individualized.
Constant development	Motivation system is an organic business element which corresponds to the needs of the company. As time passes motivation means start to lose the necessary impact. Therefore it is important to constantly review motivation system, to improve it and aim at its efficiency.

Conclusion

UAB „Muita“ employees are most effectively motivated by motivation means which are directly related to financial benefit to an employee. Psychological microclimate is also very important to employees in the working environment. Attention is to be paid to organizational (administrative) motivation means which have the lowest priority. Having compared this trend of UAB „Muita“ employees with the equal distribution of the need for organizational (administrative) motivation means, it can be assumed that namely this group of motivation means is accepted as self-evident and therefore it doesn't get any exceptional attention.

For the company it is important to care constantly, consistently of implementation of motivation means in the company and to increase employee satisfaction with their help. These assumptions can contribute directly to the improvement of economic and financial results of the company: growth of employee job satisfaction, employee loyalty, labour efficiency, turnover and other financial indices.

Reflections on HRM in EU SMEs

UAB „Muita“ employees are most effectively motivated by motivation measures which are directly related to financial benefit to an employee. Therefore European SMEs should take into account the size of financial reward in a company and its competitiveness not only in the country of activity, but also throughout the European region. Since employees are motivated by quite different motivation measures, the EU SMEs could follow the results of the research when offering as many different motivation measures as possible, at the same time remembering the main aspect that the most important is not what motivation measures are applied, but how they suit a particular employee. In



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other words, in order to apply motivation measures successfully, it is necessary to take into account individual needs of every employee.



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