

Section 1. Economics

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A RESEARCH REVIEW OF HUMAN RESOURCE EFFICIENCY AND EMPLOYEE MOTIVATION

Abstract. The main objective of organizations in both manufacturing and service sectors is to produce goods and services that society needs. Nowadays, the high level of quality of goods and services and the success of an organisation, along with the latest technology and equipment, are based on the right decisions, and the right and appropriate decisions depend on employees with professional knowledge and skills.

Currently, one of the most common problems in both the private sector and public institutions is the lack of qualified staff, lack of accurate staff evaluation indicators, and lack of motivation. In this regard, research is being conducted in the service sector to improve efficiency, effectiveness, quality and productivity.

The main purpose of the study is to highlight the importance of employee performance appraisal in public bodies and the application of motivational mechanisms, to assess the main motivating factors, to make suggestions based on the information obtained by analysing the characteristics necessary for an effective performance appraisal system in public bodies, salary, participation in decision-making, work evaluation in parallel with career opportunities, etc. to show that such indicators as, have a significant impact on the motivation of employees in public bodies, and to demonstrate that such indicators have a significant impact on the motivation of employees.

The research method is the analysis of written sources on labour evaluation and motivation mechanisms applied in the countries of the world, international experience. In addition, several institutions studied the mechanisms of appraisal and motivation in the public sector in Azerbaijan, and analysed the expected applications for future periods.

The research highlights key motivational tools, including economic, psychosocial, and organizational/administrative factors, and advocates for inclusive, transparent appraisal systems to enhance organizational productivity and cohesion.

Keywords: *human resources, performance, motivation tools, labour productivity.*

Introduction

Publication of the first book on human resource management in 1917 and the research of Hawthorne had significant influence on development management human resources at that time, and thus began the “era of human relations” (Barutçugil, 2002).

The Y theorem, developed by D. McGregor in his 1960 book, *The Human Side of Enterprise*, is the cornerstone of modern improved human resource management and is of great value in terms of what he saw 30 to 40 years ago. Although human resource management was developed to some extent in the 1970s, the importance of individual integrity became merely an administrative approach that improved and gained value in the 1980s. The concepts of leadership and leadership were replaced by the concept of leadership and respect for human social and individual needs came to the fore. Achievement in Japan, the general concept of quality and applications that allow employees to participate in management in the 1980s and 1990s, in contrast, he developed the idea that the key element of productivity and achievement of the enterprise is even its only source (Bohlander, Snell, Sherman, 2011).

Today, human resource management has become a function of emphasising the strategic importance of human beings, thinking, imagining, commenting, evaluating as a creative and special element. Human resource management has brought to the forefront the concept of internal dynamics of the enterprise. management that integrates and moves the human factor, which is the source of internal dynamics, towards the achievement of goals.

Although the application of management in HRM is procedure dependent, it is flexible and indexed to the organisation's HRM needs. New approaches such as culture have emerged as innovations in the transition to HRM. Thus, unlike the structure of personnel management, which only takes into account the activities of personnel related to the organisation or enterprise, the organisation of any personnel problems, education, development, performance appraisal, career planning. The transition to modern human resource management, that is, HRM, where strategies are implemented, is no longer limited to the human resources department, but a structure that ensures coordination with the entire enterprise. Human resource management can be defined as the field of science that carries out policy making, planning, organising, directing and supervising activities related to the provision, recruitment and development of the necessary human resources to gain competitive advantage in an enterprise. The main objective of human resource management is to ensure the success of employees and hence the success of the enterprise. Human resource management is aimed at increasing the efficiency and strength of the enterprise, and this strength is the ability to achieve the company's goals, using all available resources. “Achieved result” means the continuation of the enterprise, its growth, profitability, competitiveness, adaptation to new conditions. To achieve these results human resource management objectives:

increase efficiency, improve the quality of working life, increase legal compliance, gain competitive advantage (Bohlander, Snell, Sherman, 2011).

The first step in establishing a performance appraisal system in an enterprise is to define the goals and objectives of the existing system and the expectations of the appraisal system. In this regard, the place and importance of measurement in Excellent Labour Appraisal System. In an effective labour appraisal / performance appraisal system (Jahangirli, 2014):

- a. High quality measurement systems should be designed and maintained.
- b. As part of performance improvement, established measurement systems must be integrated, understood and adopted with business strategies.
- c. It should be realised that measurement and evaluation are an integral and indispensable part of the management process.

Performance management and performance appraisal are sometimes used interchangeably, but they are different concepts. Performance management is a continuous, fluid and comprehensive approach that maximizes communication and dialogue between the business, the team and the individual. Performance appraisal is a more limited approach as it involves senior managers who appraise their subordinates once a year.

How is performance management carried out in an organisation? The simplest part of the process is the performance appraisal or evaluation. Performance appraisal is not the only element in performance management. There are other important categories in the performance management process: strategic planning, job analysis and design, training and development, employee motivation and compensation (Cetin, Esra, 2013).

The performance management process begins by identifying the strategic goals the business needs to achieve in order to make a profit and remain competitive. Managers then determine how employees work to achieve these goals. Managers see the “big picture,” focus all individual efforts, and implement the necessary applications to make the enterprise more efficient. Performance criteria related to continuous feedback and strategy are two hallmarks of performance management. The system cannot be called a performance management system if it does not provide feedback to improve effort and if it does not instruct to improve performance. If the performance management system does not provide input or benefits to employees to achieve the objectives of the company, it is still impossible to speak of a performance management system.

Methodology

During the research various methods of primary data collection were used: observation, questionnaire survey; methods of comparative-statistical analysis, economic analysis, planning and forecasting, analysis and generalisation of normative documents and practical materials were used.

It is clear that observation (that is, the deliberate, purposeful understanding of economic events and processes in real form) and the collection of facts that take place in reality.

The study will be conducted by several methods, the first of which is the analysis method. This is one of the most widely used research methods. The methods of analysis in the research work are designed to study in more detail the process of improving organisational and procedural aspects of financial control in enterprises.

Research model

There are three main differences between performance management and performance appraisal (Canman D., 2000):

1. Performance management is not a period of time where an employee's performance is reviewed once or twice a year. Performance management is about providing feedback for continuity of continuous, daily or weekly improvements.

2. Performance management is always done in the direction of goal achievement. Performance is constantly reviewed and the strategic goals of the company are compared with the performance of the employees and the team. The main objective here is to ensure that each employee's goals are at the same level as the company's goals.

3. Performance management is concerned with how changes can be made to enable employees and teams to perform through constant reassessment. Examples include additional training, changes in work procedures or the development of new incentive plans.

In general, labour evaluation objectives are classified into two types: administrative and development-oriented (Bohlander, Snell, Sherman, 2011).

a. Administrative purposes;

From an administrative perspective, appraisal programmes provide the inputs used for HRM activities. For example, research shows that labour evaluation is most commonly used in wage decisions. Practice "performance-based pay" has been introduced in all enterprises. Labour evaluation is also directly related to many other personnel management functions: decisions on promotion or advancement, dismissal and transfer. Information from labour evaluation can also be used in personnel planning.

b. Development Goals;

From an individual development perspective, appraisals provide feedback that is important for discussing strengths, weaknesses, and improving performance. Regardless of an employee's performance level, the appraisal process addresses any potential problems and sets new goals for high performance. New approaches to performance appraisal emphasise training programmes as well as employee development programmes. According to the developmental approach, the manager's goal should not only be to evaluate past performance, but also to develop work behaviour.

Analyses

The main purpose of motivation, known as driving people, is to make employees work willingly, efficiently and effectively. Managers use various motivational tools to increase employee motivation. However, when using motivational tools, it is also necessary to take into account individualised and organisational differences. When selecting the means of motivation, it should also be determined taking into account the employee's personal qualities, life expectations, level of education, position in the organisation, and the benefits of organisational effectiveness. Otherwise, there is no point in motivating employees with rewards that do not meet their needs.

Motivational tools used in motivational strategies in enterprises are as follows (Burak Arzova, 2001):

- a) Economic motivators.
- b) Psychosocial motivators.
- c) Organisational and administrative motivators.
- d) Economic motivators

Among the motivational factors, economic incentives are more effective than other means. Economic incentives include: wages, security, bonuses, social assistance.

Wages from economic instruments play a very big role. Wages are one of the reasons why a person comes and stays in an enterprise. F. W. Taylor said that high wages are the first factor that motivates a person. High performing establishments can give employees higher salaries, bonuses, perks apart from salary. This gives the employee confidence and increases the sense of attachment and belonging (Akçakaya, 2012).

– Security and social benefits

Research shows that job security and social benefits are at the forefront of employee motivation. Taking measures against various risks in companies and workplaces is an important tool for motivating employees. It is true that today these measures are legally binding, i.e. these measures are more protective of employee rights than incentives. Nevertheless, companies have the opportunity to use these measures as a means of motivation, making them even more useful. Compared to other companies, any company that provides better pension conditions, better health guarantees, paid or unpaid leave, etc., without any complaints. This makes employees more satisfied with their jobs and feel more confident. Although such measures cause financial hardship to the company, they have a direct impact on improving employee performance.

– Awards

When managers see the performance they expect from employees, they can reward them with monetary rewards. These rewards will be even more effective if they are tailored to their needs. Significant innovation, creative thinking, skills, high productivity, low volatility, and other positive factors are good reasons to reward. Using such incentives is useless unless it is fair or discriminatory, otherwise it can be

detrimental to the business and employees. Research shows that emotional factors play a greater role in employee attachment to a company or enterprise than material factors. Because of this, companies that want to increase employee motivation use various reward methods. For example, let us look at the motivation methods used by foreign companies (Semerci, A. S. 2005).

- “Google”: serves restaurant staff from 11 cuisines in different countries;
- “Admiral Group”: special comfort rooms have been created for employees to help relieve stress through computer games;
- “Virgin Mobile”: organises a birthday party for employees every month;
- “Colgate” and “Palmolive”: provides flexible working hours 3 months in advance to help retirees avoid stress.

b) Psychosocial motivators.

The means of psychosocial motivation include (Burak Arzova, 2001)

Ability to work freely, position and prestige, respect for personal life, recognition, participation in society, punishment, adaptation.

- Ability to work freely

The ability to work independently and take initiative is one of the issues that most employees value in order to satisfy their self-esteem or to ensure their personal development. If a person develops in a free environment, they consider themselves a valued member of a group, a team. They are concerned about excessive control and pressure on employees. The desire for freedom in working life is a quality inherent in human nature. Employees worry about being instructed and interfere in everything. Therefore, in companies with strict managers who adopt the concept of centralised management, employees are inefficient and seek new jobs at the earliest opportunity.

- Value and reputation

Many people try to gain respect in an organisation/enterprise, to be valuable to the enterprise, to have a voice, to be strong and ahead of the curve, in short, to gain social standing. Because a person's trust in colleagues, supervisors and subordinates is an important motivation tool for him. Having a certain position and prestige in the enterprise gives a person an advantage and respect both in the family and around him.

The prestige that an employee wants in the workplace has triggered a desire to be pointed out, praised, respected and approved of by others because of the need for value. However, the influence of such motives varies from person to person. For example, working for a well-known company gives an employee a certain status in society. When the employee is integrated into the company, he/she takes pride in the company's success, which gives him/her an incentive (Ağasaf, 2007).

Appreciation is very simple, but it is an important motivating factor. In many cases people just want to be noticed for what they do, and when they don't, they lose motivation. In this case, a simple, very proper country can make a big difference. Be-

ing grateful to a person means being able to distinguish them from that group and appreciate them. But it is not advisable to speak too much and insincerely.

One of the most common mistakes our managers make during appraisals is that low performing employees are not regulated and removed. Keep in mind that high performing employees are demotivated because they are or are not receiving the same level of pay or other benefits as the group in question, and in many cases this causes them to leave the job.

Research on the value of psychosocial factors has shown that in the social environment to which people belong, praise is sometimes more important than reward in the eyes of all.

Status in Latin means “standing” and indicates a person’s position in society. For employees, having status is a sign of respect. Employees take pride in their work with the respect they see around them and this motivates them (Canan, Esra, 2013).

- Respect for personal exercise

For an employee to be effective, problems in his or her personal life outside of work must be positive. Therefore, managers must be tolerant of employees’ problems and be willing to help them succeed. Respecting privacy, treating employees as trusted friends in solving their problems, and helping them to take advantage of opportunities increases the desire to work and perform.

- Punishment

Punishment is a negative approach to prevent unpopular behaviour. If an employee is late for work, lazy, fails to fulfil his/her duties or interferes with the work of others, the manager may warn, penalise or even dismiss the employee. However, punitive mechanisms must be designed so that their impact is not negative. When applying punishment mechanisms, leaders must know exactly what behaviour they want to change and properly regulate the degree and method of punishment. Excessive discipline, threats and punishments in business life are not an element of motivation, but rather a means of deterring motivation (Hamza, Yaşar, 2009).

- c) Organisational and administrative means

These tools include: goal setting, delegation of authority, educational opportunities, career advancement opportunities, creating a competitive environment, and improving physical working conditions.

- Target setting

In order to achieve the goals set for each department in the company, the goals of the employees in that department must first be defined. To motivate the employees, they must first specify the goals that they can achieve. Because no one can work effectively without a goal. Goal setting is the way to success, development and promotion.

High but realistic goals should be chosen and changes should be made to those goals, employee needs should be met to achieve them, failures should be penalised and success should be rewarded (Cahangirli, 2014).

- Delegation of authority

Delegation of authority is particularly important in bureaucratic organisations with a broad hierarchical structure in terms of administrative efficiency and cost reduction. When delegating authority to an authorised person, the following 4 key elements must be provided: additional information about the enterprise, authority and power to make important decisions, reward for effort, and information about the position through training. In the absence of one of these elements, the expected benefits will not be achieved. Increasing the authority and prestige of the authorised person will increase motivation in the performance of duties. Creativity is also unlocked when employees use their chosen methods in the performance of their duties (Akçakaya M, 2012).

- Participation in decision-making

Involving employees in administrative decision-making has always been an important motivating factor. In addition to motivating the employee, consulting with the employee in decision making has advantages for the company. Thus, employees know a certain job better than the manager.

In this regard, decisions should be taken in consultation with staff members, taking into account their suggestions, and staff participation in administrative matters should be ensured.

- Learning Opportunities

The success of a company depends on the development of its employees, and development is also possible through education. A company's need for new knowledge stems from the need to increase efficiency. The ability of companies to adapt to innovation and development is possible through the acquisition of new knowledge and skills by employees and to be more productive and successful in the company. Because every course and seminar increases productivity and motivates staff.

- Creating a competitive environment

One of the means of motivation is competition. Competition encourages people to work harder, produce and innovate. Competition is a tool that does not feel the drudgery of work and gives dynamism. The main reason why a person competes is the need for respect, recognition and fulfilment.

- Open communication channels

Having a communication system in place is one of the basic conditions for creating an ideal motivation system in organisations. Communication, which ensures that orders and messages, thoughts and information are disseminated within the company, influences and directs employee behaviour. Having an effective communication system means that employees can communicate closely with each other without team-

work, share information with each other and get support and help from each other in solving problems (Bohlander, Snell, Sherman, 2011).

For a communication system to be effective, two key features must be considered. Managers who want to maintain good relations with employees must remember that communication is a circular process, not a straight line. It is important to have both vertical and horizontal channels of communication. Communication channels such as messages sent through electronic databases, radio and video broadcasts within the company, meetings, negotiations, billboards, posters and other written materials are used to convey information from top to bottom. Bottom-up information is provided through applications, organisational appraisals, open door policies, personal information systems and staff meetings (Burak, 2001).

Result

The main objective of all businesses and organisations is to increase productivity and efficiency and to achieve this, businesses and organisations must effectively manage human resources to increase employee productivity and provide motivation. The need for an effective performance appraisal system that would ensure citizen satisfaction in parallel with providing quality services at a lower cost has come to the forefront. This concept is based on the application of certain rules and laws to bring the public sector system closer to the private sector in terms of increasing the productivity of the private sector over the public sector.

Thus, suggestions for improving productivity in government agencies, for improving performance appraisals in the public sector, and for agencies and employees to achieve their goals:

- The system should include everyone without discrimination and employees should be an active part of the system. Using methods such as questionnaires and meetings, it is useful to learn the views of employees and take them into account in decision-making.
- The system should be transparent and employees should be informed of the progress and results of the system.
- Fair and objective performance appraisal systems will increase staff confidence in the organisation and management and will form the basis of organisational cohesion.

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