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Youth satisfaction with the employment: a survey

Abstract

Socialization is unalienable from the economic growth thus precluding management of the social interactions within economic activities. The purpose of the research is to find out whether social factors prevail among other factors in contemporary development of the youth-oriented values to create the basis for effective human capital management. With this regard, a survey was conducted among 253 employees aged 18-29 at the 54 enterprises of different sectors in Chernivtsi region of Ukraine in December, 2015 aimed at analysing the ways to satisfy the youth in the employment sphere.

Factors behind de-motivation of young employees were studied: the absence of the economic and social interest in outcomes due to the inadequate pay rate that lowers the work productivity; unemployment; conflicts; unfavourable working conditions and professional development; formalism of the negotiation of the collective agreement; poor work relationships that levels the collective and individual responsibility for collective results.

The most powerful leverages that activate the working behaviour of young people towards productivity growth are: employment stability; financial rewards; comfortable working environment; favourable working conditions and professional development.

Mistakes as to the motivational stimuli were uncovered: exaggeration of the influence of such factors as discipline control, professional development on the job activity evaluation and the underestimation of such factors as job stability, pay rate increase.

Keywords: Work Productivity; Job Stimuli; Socialization; Human Resources; Values of Youth

JEL Classification: J24; J53; J81

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Діагностика рівня задоволення основних потреб молодого покоління у сфері зайнятості та працевлаштування

Анотація

У статті доведено, що проблеми економічного розвитку тісно пов'язані з процесами соціалізації, що неминуче зобов'язує управляти будь-якими процесами з огляду на соціальне становище людини. Визначено, що при соціалізації економічного розвитку державна політика має реалізовуватись у двох взаємопов'язаних напрямках: ефективне використання людського капіталу та забезпечення належної якості життя, за пріоритетності першого. Проведене соціологічне дослідження виявило, що чинниками, які послаблюють і руйнують мотивацію до праці молодого покоління, є відсутність економічної та соціальної зацікавленості молоді у результатах праці, нестабільність зайнятості, несприятливі умови для професійного розвитку, поширеність формалізму в укладанні колективних договорів, тіньові трудові відносини. Визначено, що найбільш впливовими за рейтингом важелями, що активізують трудову поведінку молодого покоління в напрямі зростання продуктивності праці, є: забезпечення тісного зв'язку оплати й результатів праці; гарантії стабільної зайнятості; наявність преміальних виплат; сприятливі міжособистісні відносини; умови праці та професійного розвитку.

Ключові слова: продуктивність праці; мотиви трудової діяльності; соціалізація праці; людський капітал; ціннісні орієнтири молоді.

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Диагностика уровня удовлетворения основных потребностей молодого поколения в сфере занятости и трудоустройства

Аннотация

В статье доказано, что проблемы экономического развития тесно связаны с процессами социализации, что предопределяет необходимость управления любыми процессами с учетом социального положения человека. Определено, что при социализации экономического развития государственная политика должна реализовываться в двух взаимосвязанных направлениях: эффективное использование человеческого капитала и обеспечение надлежащего качества жизни, при приоритетности первого. Проведенное социологическое исследование показало, что факторами, которые ослабляют и разрушают мотивацию к труду молодого поколения, являются: отсутствие экономической и социальной заинтересованности молодежи в результатах труда, нестабильность занятости, конфликты на работе, неблагоприятные условия для профессионального развития, распространённость формализма в заключении коллективных договоров, теневые трудовые отношения. Определено, что наиболее действенными рычагами обеспечения роста производительности труда молодежи являются: обеспечение тесной связи оплаты и результатов труда; гарантии стабильной занятости; наличие премиальных выплат; благоприятные межличностные отношения; условия труда и профессионального развития.

Ключевые слова: производительность труда; мотивы трудовой деятельности; социализация труда; человеческий капитал; ценностные ориентиры молодежи.

1. Introduction

To keep pace in the competition with the rest of the world and the developed countries in particular, it is necessary to push for various social and economic means to maintain economic viability of the Ukrainian enterprises and institutions. These means of influence on the human behaviour under deficit of financial and material resources would help to attain the goals of productivity management and management development. The ongoing modernization of the economy and the society in Ukraine are causing both positive and negative effects on the human capital management. The major issue nowadays is to insure compliance of the employees' needs with the needs of enterprises and institutions to attain long-term effectiveness of the economy.

The attention should be paid to the fact that due to the transformations old job evaluation approaches are no longer useful while new motivational values are yet to be accepted by the employees. The problem of the job evaluation development is crucial especially for youth as it is aimed to increase the prestige of the high productivity jobs, to build the prospects of the professional development and to demonstrate social responsibility for collective and individual achievements.

2. Brief Literature Review

Theoretical grounds of the business relationship transformation, job stimuli and work values are explored by many scholars. The important issue is to define the role of social-economic factors of the behavioural model of the labour market for youth under contemporary economic conditions. The economic socialization makes new demands to people-oriented resource management with consideration of the human capital.

The study by C. Wiley (1997) revealed that the job-related factors that motivate employees of USA changed over 40 years since the author's first survey and vary significantly across subgroups [1]. Rahimic et al. (2012) examined the issue of motivation from the point of view of managers in Bosnia and Herzegovina. As this research showed, well established motivational systems increase employee loyalty, which, in turn, boost work performance [2]. M. Hitka et al. (2015) reviewed differences in the level of motivation of the service sector employees in two neighbouring countries in the Central Europe, Slovakia and Austria [3].

H. Zameer et al. (2014) researched monetary and non-monetary motivations as independent variables. In monetary independent variable three dimensions are reviewed: salaries and wages, bonus, and special individual incentives. And non-monetary motivations are investigated within four dimensions: working conditions, job status, job security, job enrichment [4]. R. Q. Danish et al. (2010) looked at the major factors that motivate employees and the relationship between reward, recognition and motivation within organization [5].

Unfortunately, current economic situation in the country is defined by the absence of strategic human capital management and, as a result, the absence of economic growth. Only some organizations conduct the employee surveys in Ukraine, among them recruitment portal Head Hunter International and Deloitte Company.

Thus, Deloitte's 2015 Global Human Capital Trends Report is one of the largest longitudinal studies of talent, leadership, and HR challenges and readiness around the world. The research involved surveys and interviews with more than 3,300 business and HR leaders from 106 countries. The numbers of the respondents citing culture and engagement as a «very important» issue almost doubled comparing to the previous year, from 26% to 50%. A substantial part of the respondents in the survey (60%) reported that their organizations have either a poor program to measure and improve engagement or no program at all. And only 12% believed their organizations are excelling in effectively driving the desired culture. Only 7% rate themselves excellent at measuring, driving, and improving engagement and retention (Deloitte) [6].

The results of HeadHunter Ukraine survey with 1,175 the respondents from different parts of Ukraine, conducted in July 2014, were alarming. According to the survey, Ukrainians like their job but they are not satisfied with their salaries. The interesting fact is that the interest for the career growth prevails over the earning of money. Such attitude is typical for administrative professionals in big cities - career is their first priority, leading over financial success. But the respondents pointed out a lack of career growth and payment. The uninteresting tasks, lack of career growth, hard work-time etc. were also mentioned in the survey. The main reasons of the job dissatisfaction are related to financial considerations. The most unsatisfied with the salary were employees in the hotel and restaurant business (78%), transportation sphere (68%) and agribusiness (67%). Medical workers (78%) and bank employees (68%) were most dissatisfied with lack of career growth. Though, the specialists in the sphere of production and in transportation sphere also had concerns about mentioned problem [7-8].

3. Purpose

The purpose of this research is to find out whether social factors prevail among other factors in contemporary development of the youth-oriented values to create the basis for effective human capital management.

4. Results

To analyse the ways to satisfy the youth in the employment sphere, survey was conducted with 253 employees aged 18-29 at the 54 enterprises of different sectors in Chernivtsi region (December, 2015). The distribution of the respondents on

gender is as follows: 46% are male and 54% are female. When it comes to educational level, most employees have university or other degrees (85%). The questionnaires were based on the methodology developed by A. L. Zhukov (2009) and T. V. Shevchenko (2010) [9-10] to study the stimuli of improvement of the work attitude behaviour among young employees.

Only 10.5% of employees considered the present employee behavioural activation system as an effective one (Figure 1).

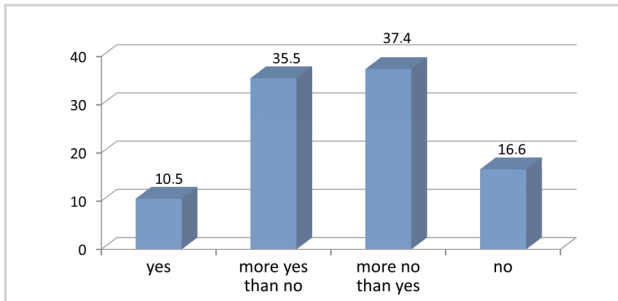


Fig. 1: The evaluation of the present employee behavioural activation system at the enterprises, %
Source: Own work

35.5% of youngsters view employee behavioural activation system rather effective than ineffective, but 37.4% of young employees consider otherwise. 16.6% of employees think that such a system is completely ineffective.

The financial incentives are important for all the respondents. Only 30.9% of employees considered financial penalties as ineffective and demotivating effect because the young employees do not understand the way they work. 67.9% of employees believe that individual financial incentives or penalties should be applied. We support this approach as we also find collective responsibility unacceptable as it is reducing appreciation of the individual contribution. 16.9% of youngsters support the idea that the whole collective should be motivated, 14% support the motivation of experienced workers only, and 1.2% of them support the motivation of new employees.

To define the importance of the financial incentives to increase the work quality, a question about satisfaction with the current payment rate and a type of reward system was asked. 37% of employees think that their pay rates depend on working performance and as a result not all the respondents understand the change in pay rates (Figure 2). The existence of effective financial reward system is mentioned by 29.1% of the respondents; the sufficient pay rate - by 18.8%; social benefits - by 6.7% of employees. Financial rewards are of great importance for 35.2% of the respondents, 57.6% of employees consider them as good stimuli, and 7.3% - consider them inefficient.

Except for financial rewards, there are non-financial incentives at the enterprises. 26% of the respondents view non-financial incentives as important stimuli, 61.2% of employees consider them as good stimuli, and 12.72% consider them as

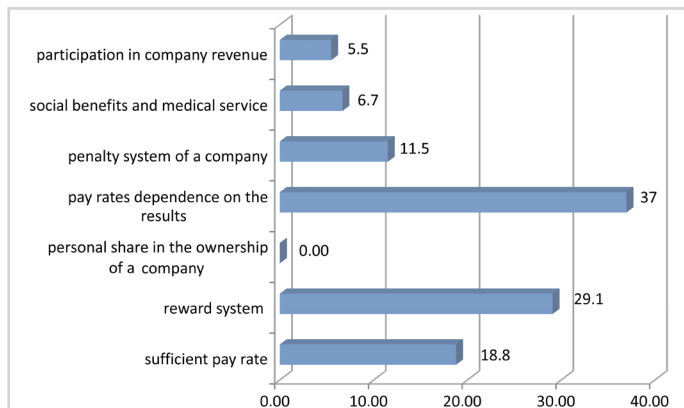


Fig. 2: Types of financial reward system overview based on evaluation of employees aged 18-29, %
Source: Own work

insignificant. Financial rewards are the key motivator in employee performance though non-financial incentives should also be taken into consideration.

The survey results showed that 74.6% of employees consider praise and commendation from their immediate manager, attention from top management as non-financial incentives (Figure 3).

61.8% of the respondents view the respect of the co-workers as the element of job stimuli. Comfortable work environment is important for 25.5% of employees which underlines the importance of improvement of the work environment at the enterprises. The other two stimuli are mentioned: career growth (by 53.9% of the respondents) and job approval rate (38.2% of the respondents).

45.5% of the respondents focus their attention on such non-financial incentive as professional development. 7.27% of the respondents point out flexible schedule, for 18.8% of the employees increase of their personal responsibilities is of great importance, 6.7% of the employees want to participate in decision-making process, and 66.1% of the employees appreciate the informal corporate celebrations and gatherings as non-financial incentive.

The analysis of the internal stimuli for the youngsters showed that 12.5% of the respondents consider that they fulfil their full potential, while 39.5% of the respondents point out that they do not fulfil their full potential, 32.7% are rather satisfied with their potential realization, and 15.3% of the employees confess that they do not fulfil their potential at all. The rate of the questioned youngsters who do not fulfil their potential or are doing so only partially is high - 48%. Thus, the main task for the managers and top management is to improve the system of employees' career development.

18.6% of the employees are rather satisfied with their pay rate, 44.5% are partly satisfied, and 36.9% are not satisfied with the pay rate. The payment system is clearly understood by 49.9% of the respondents, 33.6% of the respondents do not clearly understand this system, and 16.5% do not understand this system at all. Such results are alarming. 15.4% of the employees consider that they can work harder, 35.8% think of the possibility to work harder, 27.7% say it is unlikely that they would work harder, and 21.1% confess they definitely cannot work harder. So, 51.2% of employees aged 18-29 have potential to increase their work output which is the key asset to increase the overall productivity. That is why it is crucial to define how to motivate employees to work harder.

The employees of Chernivtsi region state that for them six main incentives to increase the work productivity are in place: financial motivation (70.1% of the respondents), employment stability (52.6% of the respondents), financial rewards (48.9%), flexible schedule (36.2%), respect of the colleagues (34.7%), and pay rate growth (33.4%).

Besides the respondents consider the following reasons of considerable importance: career growth (30.3%), comfortable working environment (27.6%), reduction of working time (17.3%). For 10% of the respondents the reasons to increase the work productivity are improvement of the employee discipline, maintenance of work equipment, improvement of working conditions and environment, particular key aspects of manufacturing development.

The factors that negatively influence work productivity of the young employees are arranged as follows (Figure 4): lack of interest from outcomes and results (55.8%), fear to increase the responsibilities without payment rise (40,6%), hard work and long hours (24,9%), low pay rate (21,8%), and excessive working (20%). Such reasons as lack of interest from job (17%) and the absence of the prospects for the professional development (13.4%) are also in the focus of investigation.

The availability of the collective agreement is pointed out only by 15.2% of the employees, its absence is mentioned by 13.9% of the respondents, and 70.9% of the employees are not aware about the availability of the collective agreement. 23.7% of the employees consider that labour union can present their argument for a particular issue (e.g. argues), 43.0% of the employees consider union's work as ineffective, and 29.7% of the respondents do not have the distinct answer. 42.8% are positive

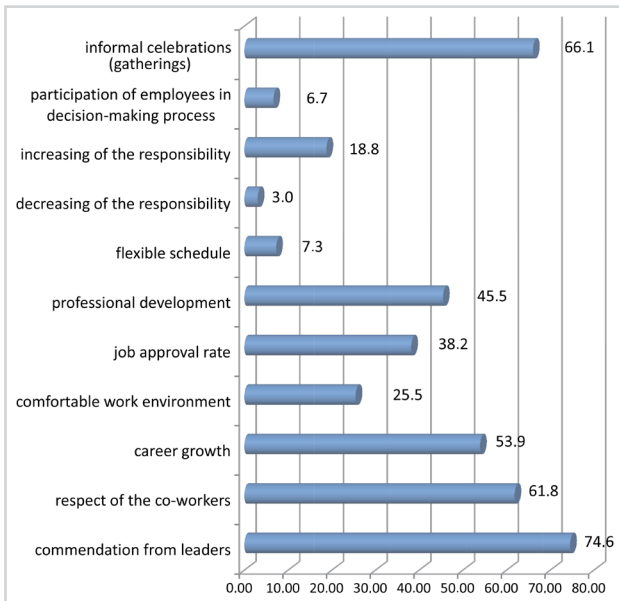


Fig. 3: Types of non-financial incentives overview based on evaluation of employees aged 18-29, %
Source: Own work

to receive shadow payments, 39% are against this practice, and 18.2% do not have specific attitude to this issue.

The obtained results coincide with the results based on surveys in other countries: according to C. Wiley (1997, p. 278) the respondents are motivated by the following factors: good wages, full appreciation for work done, job security, promotion and growth within the organization, and interesting work.

H. Zameer et al. (2014, p. 297) suggest that if beverage industry (Coke, Pepsi, Gorment, etc.) motivates their employees by using such instruments as job enrichment, job security, reasonable salary, and other additional incentives then the employee's performance is growing and industry achieve their goals easily.

R. Q. Danish et al. (2010, p. 164) have shown that increments in pay, allowances, compensations and fringe benefits on regular basis, as well as on special occasions, should be provided to the employees to keep them motivated. And HR managers should make work contents interesting, so that employees don't consider their job boring, meaningless and dull.

And finally, M. Hitka et al. (2015, p. 351) proves that the base salary is the main component of guaranteed pay, and fringe benefits are the second component of employee's compensation. Increase of motivation can also be achieved by extended benefits offered to employees. Opportunity for career and personal growth is another essential motivation factor for employees.

The comparative analysis of the above-mentioned studies suggests that despite the economic differences between countries, the level of employees' motivation is very similar. Therefore, their results are equally valuable for the development of strategies to increase the job activity of the youngsters at the enterprises regardless of specific country conditions. However, the implementation of the actions to increase the job

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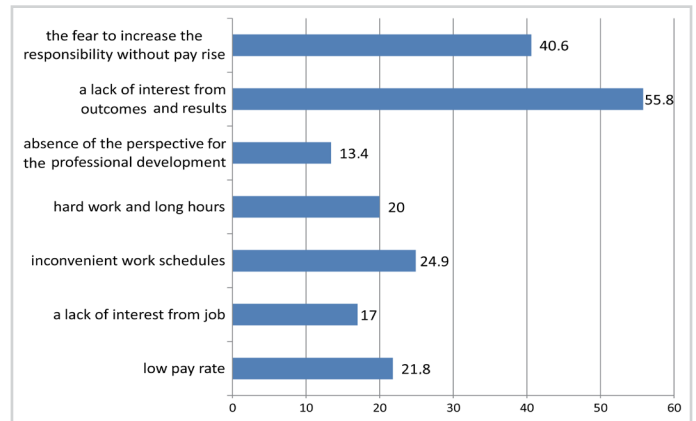


Fig. 4: Factors that negatively influence work productivity of the young employees aged 18-29, %
Source: Own work

activity should be made very carefully as they touch upon the pay rate against individual achievements as the mean to evaluate the job activity and to differentiate the revenues.

The analysis of the youth-oriented values uncovered some mistakes as to the motivational stimuli: exaggeration of the importance of discipline control and professional development, and undervalue of importance of job stability, pay rate increase, and flexible schedule.

5. Conclusions

1. The survey discovered the factors responsible for the decline of employee's motivation for job activity: absence of the economic and social interest of youngsters in outcomes due to the inadequate pay rate that lowers the work productivity; unemployment; work conflicts; unfavourable working conditions and professional development; formalism in negotiation and implementation of the collective agreement; poor work relationships that levels collective and individual responsibility for the outcomes. It is defined that the most significant social-economic factors that increase the work productivity of the youngsters are: equal pay for work; employment stability; financial rewards; comfortable work environment; favourable working conditions and professional development.
2. The survey of the social-economic factors of the job activity among the young employees in Ukraine is instrumental for development of effective measures to increase the work productivity.
3. The success of reforms in Ukraine is depending on the competitiveness in all areas and sectors and on the social development. The need to reconcile employees' needs and enterprises' interests to maintain the long-term efficiency is in the focus of the study. The level of employee's motivation is very similar in different countries. It is important that under ongoing transformations the old value system is no longer viable while the new value system is not yet accepted by the employees, especially - young ones. The work productivity increase requires the development of the job evaluation scheme capable to push young employees to higher work activity, to help them to accept the importance of the professional development and the need for the social responsibility of their work.