

UDC 331.101.3

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**CONCEPTUAL MODEL OF PERSONNEL MOTIVATION  
MANAGEMENT IN CONSTRUCTION ENTERPRISES  
КОНЦЕПТУАЛЬНА МОДЕЛЬ УПРАВЛІННЯ МОТИВАЦІЄЮ  
ПЕРСОНАЛУ БУДІВЕЛЬНИХ ПІДПРИЄМСТВ**

***Summary.** Introduction. The innovative activities of construction enterprises are becoming increasingly important. All innovations primarily depend on the people who develop, implement, and disseminate these ideas. In this regard, there is a need to carefully consider the provision of proper working conditions and the use of effective principles for motivating personnel, as these are crucial for the successful implementation of innovations.*

*The results of personnel performance directly impact the success of the enterprise, especially during the implementation of innovations. Human resource management departments must take into account the best personal and professional qualities of employees, their knowledge, qualifications, skills, intuition, and creative approach to ensure effective motivation. It is important*

*for each employee to understand the value of their contribution to the collective work, feeling significant not only for achieving their personal goals but also for the strategic objectives of the entire organization.*

*This awareness fosters responsibility, engagement, and enhances productivity, particularly during the implementation of innovative solutions. It creates a sense of belonging to the company's shared mission among employees and ensures a sustainable drive towards achieving high results.*

*Objective. The aim of the research is to develop a conceptual model for managing employee motivation in the context of innovative activities within construction enterprises.*

*Materials and Methods. The materials for this research include the works of domestic and foreign authors engaged in scientific and practical studies in the field of human resource management, particularly concerning innovative methods of employee motivation.*

*In conducting the research, the following scientific methods were applied: theoretical generalization and grouping to identify the characteristics of human resource management in innovative enterprises; analysis and synthesis to determine the specifics of human resource management; theoretical generalization for studying and systematizing theoretical approaches to the researched problem; and logical generalization of results to formulate conclusions.*

*Results. The scientific article examines key aspects that must be considered for a comprehensive evaluation of the work of employees in construction enterprises. It identifies the main tasks of human resource management for companies producing complex and specialized products. The essential steps to enhance the efficiency of construction enterprises are clarified. The characteristics of human resource management in innovative enterprises are outlined. A conceptual model for managing employee motivation in the context of innovative activity within construction enterprises is proposed, aiming*

to optimize two key aspects influencing their operations: the interests of the enterprise as an economic entity and the interests of employees as potential consumers of the products.

Information about employee compensation costs, their composition, structure, and distribution effectiveness plays a significant role for enterprise management, as it can reveal potentially harmful incentives for compensation risk strategies in employee remuneration, guide the use of funds for indirect compensation, and identify operational deviations that may subsequently impact management decision-making.

*Prospects.* The widespread implementation of the innovative approach proposed in this study could lead to an increase in demand and purchasing power among the population, as wages rise. This, in turn, would contribute to higher sales volumes, gross income, and overall profitability of enterprises. The growth in sales is based on enhanced innovative activity among employees, which ensures better product quality and reduced production costs, ultimately allowing for price reductions.

**Key words:** motivation, personnel, grading system, human resource management, innovative activities, construction enterprise.

**Анотація.** Вступ. Інноваційна діяльність будівельних підприємств стає дедалі важливішою. Всі нововведення насамперед залежать від людей, які розробляють, впроваджують та поширюють ці ідеї. У зв'язку з цим виникає необхідність ретельно розглядати питання забезпечення належних умов праці та використання ефективних принципів мотивації персоналу, оскільки саме вони сприяють успішній реалізації інновацій.

Результати діяльності персоналу безпосередньо впливають на успіх підприємства, особливо у процесі впровадження інновацій. Служби з управління персоналом повинні враховувати найкращі особисті та професійні якості співробітників, їхні знання, кваліфікацію, навички,

*інтуїцію та творчий підхід для забезпечення ефективної мотивації. Важливо, щоб кожен працівник розумів цінність свого внеску у спільну роботу, відчував себе важливим для досягнення не лише своїх особистих цілей, а й стратегічних цілей всього підприємства.*

*Така усвідомленість стимулює відповідальність, залученість і підвищує продуктивність, особливо під час впровадження інноваційних рішень. Це формує у співробітників почуття причетності до спільної місії компанії та забезпечує стійке прагнення до досягнення високих результатів.*

*Мета. Метою дослідження є розробка концептуальної моделі управління мотивацією персоналу в умовах інноваційної діяльності будівельного підприємства*

*Матеріали і методи. Матеріалами дослідження слугують праці вітчизняних та зарубіжних авторів, які займаються науково-практичними дослідженнями в галузі управління персоналом, зокрема стосовно інноваційних методів мотивації працівників.*

*У процесі проведення дослідження були застосовані такі наукові методи: теоретичне узагальнення та групування для визначення особливостей управління персоналом на інноваційних підприємствах; аналіз та синтез для виявлення специфіки управління персоналом; теоретичне узагальнення для вивчення та систематизації теоретичних підходів до досліджуваної проблеми, а також логічне узагальнення результатів для формулювання висновків.*

*Результати. У науковій статті розглянуто ключові аспекти, які треба враховувати для повноцінної оцінки праці працівників будівельних підприємств. Визначено ключові завдання управління персоналом для підприємств, які виробляють складну та специфічну продукцію. З'ясовано основні кроки для підвищення ефективності діяльності будівельного підприємства. Визначено особливості управління персоналом на*

*інноваційних підприємствах. Запропоновано концептуальну модель управління мотивацією персоналу в умовах інноваційної діяльності будівельного підприємства, яка повинна оптимізувати два ключові аспекти впливу на його діяльність: інтереси підприємства як господарського об'єкта та інтереси працівників як потенційних споживачів продукції.*

*Інформація про витрати на винагороду працівників, їхній склад, структуру та ефективність розподілу відіграє вагоме місце для менеджменту підприємства, оскільки може виявити потенційно небезпечні стимули для стратегій компенсаційного ризику у сфері винагороди працівників, використання коштів для непрямой компенсації, виявити операційні відхилення, які в подальшому впливатимуть на прийняття управлінських рішень.*

*Перспективи. Впровадження запропонованого у дослідженні інноваційного підходу у широкому масштабі може призвести до зростання попиту та купівельної спроможності населення, оскільки підвищується заробітна плата. Це, в свою чергу, сприятиме збільшенню обсягів продажів, валового доходу та загальної прибутковості підприємств. Зростання продажів базується на підвищенні інноваційної активності працівників, що забезпечує вищу якість продукції та зниження її собівартості, що дозволяє згодом знизити ціну.*

***Ключові слова:** мотивація, персонал, система грейдів, управління персоналом, інноваційна діяльність, будівельне підприємство.*

**Problem statement.** The innovative activities of construction enterprises are becoming increasingly important. All innovations primarily depend on the people who develop, implement, and disseminate these ideas. In this regard, there is a need to carefully consider the provision of proper working conditions

and the use of effective principles of personnel motivation, as they are crucial for the successful implementation of innovations.

The performance of personnel directly impacts the success of the enterprise, especially during the implementation of innovations. Human resources departments should consider the best personal and professional qualities of employees, including their knowledge, qualifications, skills, intuition, and creative approaches to ensure effective motivation. It is important for each employee to understand the value of their contribution to the collective effort and to feel significant not only in achieving their personal goals but also in meeting the strategic objectives of the entire enterprise.

This awareness stimulates responsibility, engagement, and enhances productivity, particularly during the implementation of innovative solutions. It fosters a sense of belonging among employees to the company's shared mission and ensures a sustained drive towards achieving high results.

**Analysis of recent research and publications.** Numerous studies have been conducted on the development of motivation theories and their practical application in construction organizations. Particular attention is given to foundational works by foreign scholars such as H. Becker, F. Herzberg, J.K. Galbraith, P. Drucker, A. Maslow, W. Ouchi, T. Peters, H. Simon, W. Thompson, R. Waterman, H. Heckhausen, G. Schrage, J. Schumpeter and others.

Research in the field of personnel management and labor motivation has also been conducted by domestic scholars, including L.V. Balabanova [1], V.M. Danyuk [5], A.M. Kolot [2], O.V. Krushelnytska [3], N.D. Lukyanchenko [4], O.V. Sardak [1], and others. Thanks to the efforts of these and other authors, many successful studies have brought motivation theories closer to the realities of market organizations.

However, the potential of motivation theories and their practical application in personnel management remains underutilized. There is a need for

economically and socially viable methods for implementing innovative motivation techniques, which necessitates further deepening and intensifying scientific developments in this area. Thus, the possibility and significance of an effective personnel management system underscore the relevance of this topic.

**The aim of the article** is to develop a conceptual model for managing personnel motivation in the context of innovative activities within construction enterprises.

**Materials and methods.** The materials for this research include the works of domestic and foreign authors engaged in scientific and practical studies in the field of human resource management, particularly concerning innovative methods of employee motivation.

In conducting the research, the following scientific methods were applied: theoretical generalization and grouping to identify the characteristics of human resource management in innovative enterprises; analysis and synthesis to determine the specifics of human resource management; theoretical generalization for studying and systematizing theoretical approaches to the researched problem; and logical generalization of results to formulate conclusions.

**Main Material.** The formation of favorable conditions for stimulating and activating innovative activities in an enterprise largely depends on the organizational approaches to its implementation. For a comprehensive assessment of the work of employees in construction companies, the following key aspects must be considered:

1. Production Aspect:
  - Effectiveness and quality of task performance.
  - Productivity of labor.
  - Contribution to achieving set goals.
2. Creative Aspect:
  - Intellectual activity.

- Ability to generate new ideas and solutions that promote innovation.
  - Critical thinking and the ability to adapt to new conditions.
3. Social-Psychological Aspect:
- Level of job satisfaction.
  - Psychological comfort within the team.
  - Motivation for self-development and personal growth.
  - Emotional stability.
4. Material Aspect:
- Monetary rewards that correspond to the employee's contribution.
  - Incentivizing further effective work through financial compensation.

These aspects are interconnected and together contribute to the formation of a motivational environment that enables construction companies to successfully implement innovations.

The combination of these aspects allows for the creation of a comprehensive evaluation system for work that fosters the development of innovative activity and employee motivation.

In many construction companies, a creative approach and job satisfaction are often lacking, which poses a significant barrier to stimulating innovation. For companies producing complex and specialized products, it is essential to create conditions that encourage the activation of these aspects. Managers need to understand that each employee's work is unique and requires recognition, respect, and appropriate material rewards.

Key tasks should include:

- Activating Creative Potential: providing employees with opportunities to demonstrate innovative and creative abilities, even in production roles, by creating incentives for development and the generation of new ideas.
- Fostering a Positive Attitude towards Work: cultivating a sense of responsibility, belonging to the overall successes of the company, and ensuring



comfortable working conditions. This helps employees view their work not just as a duty, but as an important part of their personal development.

– Creating a Corporate Culture: building an environment where the team operates on principles of mutual respect, teamwork, and shared responsibility for results. A supportive work atmosphere enables employees to feel part of a common goal and work together to achieve high outcomes.

These principles, supported by the experiences of foreign companies, will contribute to the development of innovative activities and enhance the efficiency of the organization's operations.

To ensure the effectiveness of the organization's operations, it is important to identify key positions that have the greatest impact on achieving strategic goals. These positions include managerial, technical, and administrative roles that directly influence production, financial, investment, and innovation metrics.

The main steps to enhance effectiveness through these positions include:

– Identification of Key Positions: determine the roles that have the greatest impact on the organization's overall results. These may include department heads, project managers, innovation specialists, or leading engineers.

– Staff Selection: recruitment for key positions should be based on a thorough analysis of competencies, experience, and potential. Ideal candidates are those who can drive improvements in efficiency across all areas of the organization.

– Skill Development: to ensure ongoing development and alignment with market challenges, it is crucial to provide continuous training and development opportunities for employees in key positions.

– Motivation and Rewards: to retain highly qualified staff, it's important to design an incentive system that considers both financial and non-monetary factors, such as career advancement, recognition of achievements, and the creation of a comfortable work environment.

The selection and development of suitable personnel in key positions can significantly enhance the effectiveness of all aspects of the organization's operations.

It is essential to identify the factors that directly influence the consciousness and productivity of employees in an innovative enterprise. This should include various social and socio-psychological aspects, as well as objective conditions and factors related to scientific and technical, economic, and organizational elements.

Developing effective methods for employee motivation is one of the key tasks for modern construction companies. The diversity of theoretical approaches complicates the task for human resource management leaders. The success of the incentive system, employee satisfaction levels, and ultimately the financial and economic indicators of the enterprise depend on the correct selection of evaluation methods.

Among the practically useful methods for evaluating personnel, it is essential to highlight those based on ranking positions according to the importance of performed functions, qualifications, and the ability for self-improvement. These methods have been successfully utilized in many countries for quite some time. However, as practice shows, mindlessly copying foreign experiences without considering the training of personnel, specific conditions, and existing traditions can lead to negative consequences.

For a long time, the salaries of employees in various sectors of our country were determined based on centralized tariff scales or industry-specific pay schemes. The salary range for managers and staff typically did not exceed the average level for a specific position. This formalized and standardized approach led to disparities in the wage system, primarily due to the lack of internal logic in regulatory documents and the untimely revision of regulated indicators. The lag of our economy behind the level of developed (and often

even developing) countries is also attributed to the absence of effective incentive mechanisms, which affects both individual specialists and enterprises or sectors.

Today, many enterprises in the non-state sector are facing heightened challenges in developing a fair and effective compensation system due to the introduction of new positions that are not specified in regulatory documents or classified as "specialists." For instance, in a planned economy, employees involved in purchasing raw materials and components, as well as selling finished products, did not need to make decisions about selecting suppliers or stimulating sales — these issues were handled by planning authorities. The sales departments were tasked only with processing requests, obtaining scarce products, and shipping finished goods to designated addresses. In a market economy, the role of the construction sector has significantly increased; it is now responsible for ensuring the production of resources of the necessary quality at acceptable prices and increasing sales volumes. At the same time, questions arise about which group of specialists within the tariff grid should include positions such as a human resources manager or an analyst in this department.

Competition has forced enterprises to actively engage in marketing. Today, experienced marketers, merchandisers, and supervisors are valued just as highly as qualified technologists or designers, as their activities directly impact the success and competitiveness of the company. However, even this category of specialists often cannot occupy leading positions in the salary hierarchy. At the same time, the role of the finance department has significantly increased; it now not only handles accounting but also actively manages the company's assets.

These examples illustrate the complexity of creating an effective compensation model that satisfies the interests of both the company and its employees. Indeed, it is crucial to determine what salary ratio among the mentioned specialists is fair. Who is more valuable to the company? Is it possible to unify the system to establish at least a baseline salary component?

Answers to these questions require detailed analysis, taking into account the specifics of each role and their contributions to the overall success of the enterprise.

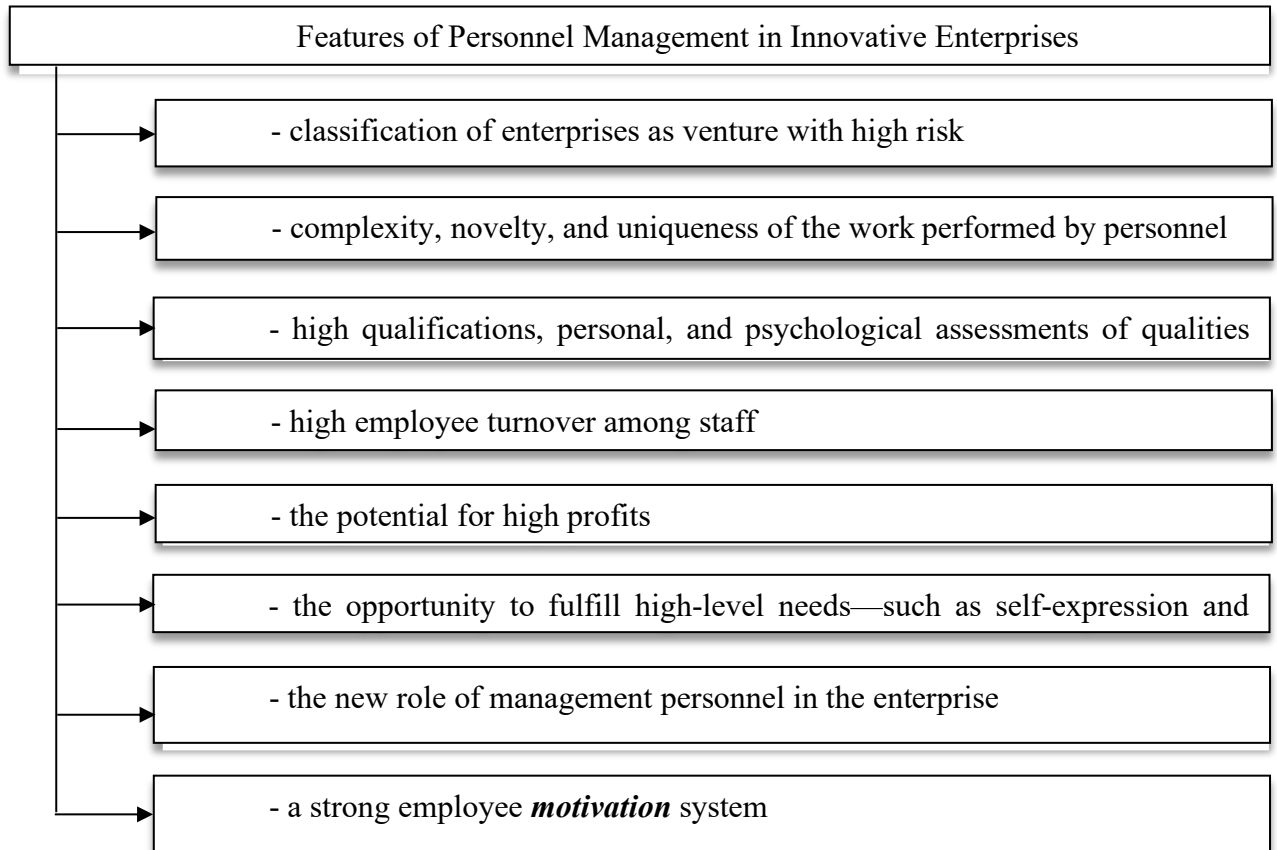
Each enterprise seeks to answer these questions independently, considering its strategic goals, industry specifics, and regional labor market characteristics. Often, the decisive factor is the subjective opinion of the management. Moreover, with the reorganization of businesses and the creation of corporations and holdings, the task of forming a unified corporate policy in the field of labor motivation is becoming increasingly relevant.

In construction companies in Ukraine, all the aforementioned problems arise. The diversity of areas of activity can serve as a stabilizing factor in the context of changing market conditions, but at the same time creates difficulties related to the remuneration of employees working in different structural divisions.

When it comes to companies engaged in innovative activities, it is essential to identify the specifics of personnel management in such organizations. (Fig. 1).

Considering all of the above, the conceptual model of employee motivation management in the context of innovative activities of a construction enterprise should optimize two key aspects of its operations: the interests of the enterprise as an economic entity and the interests of employees as potential consumers of the product (Fig. 2)

This approach is aimed at achieving the key goal of increasing the efficiency of the enterprise's operations. It is expected that the implementation of modern (innovative) methods of employee motivation will encourage more active use of their knowledge, skills, abilities, and talents in the production process, which, in turn, will contribute to a higher level of innovation implementation within the enterprise

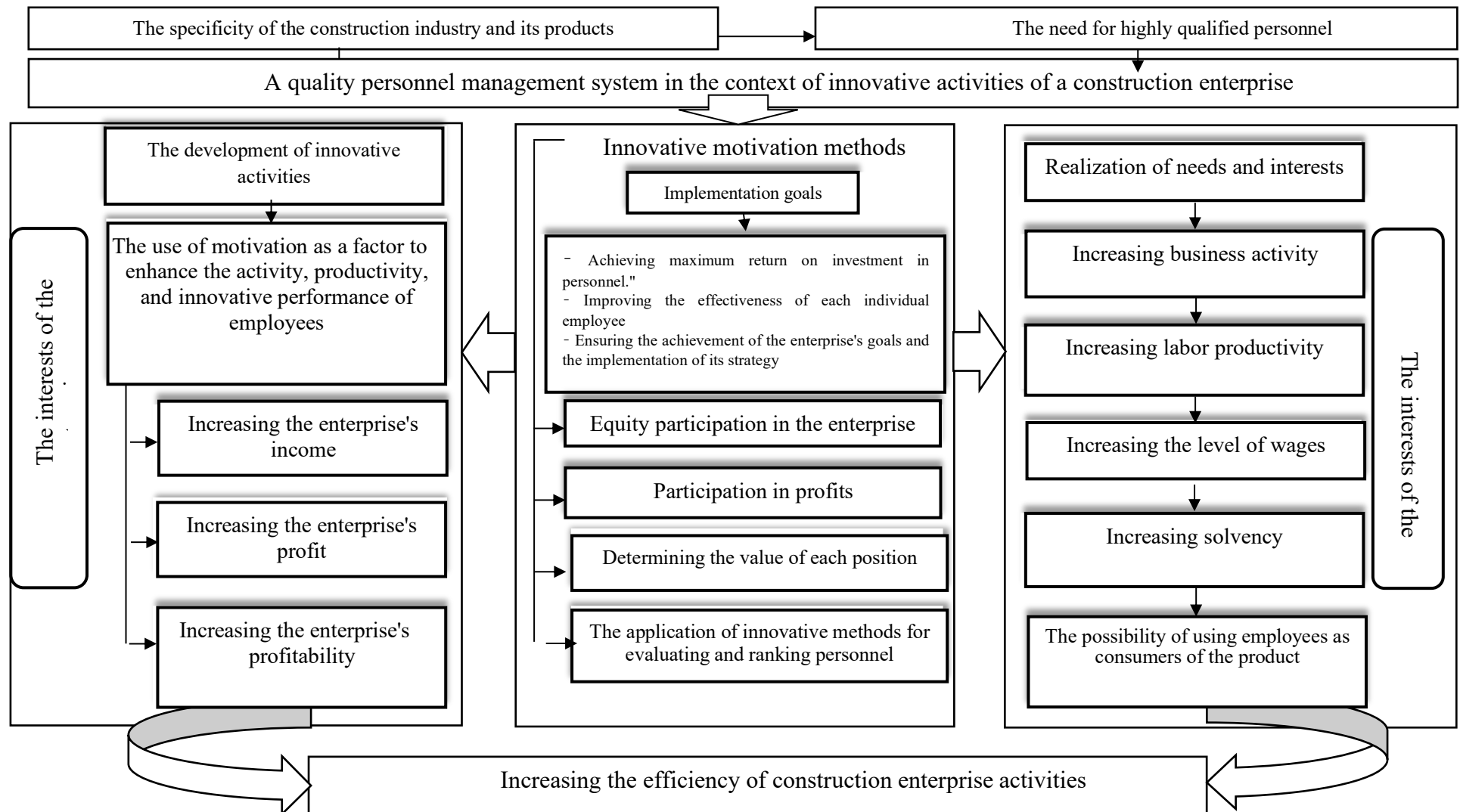


**Fig. 1. Features of personnel management in innovative enterprises**

*Source:* compiled by the author

It is worth emphasizing that the proposed model for managing employee motivation in the context of innovative activities at a construction enterprise encompasses two levels of innovation implementation:

- first, the application of innovative methods for motivating the staff of the construction company;
- second, achieving higher results from the implementation of innovations in the enterprise's operations.



**Fig. 2. Conceptual model of employee motivation management in the context of innovative activities of a construction enterprise**

Source: compiled by the author

One possible way to enhance innovative activity is to stimulate product quality through material rewards, focusing on the positive traits of employees. The essence of this approach is that an advance salary increase leads to a more responsible attitude toward work quality, increased enthusiasm, and consequently, improved product quality. This method can be articulated as: "Higher salary leads to better product quality and increased labor activity." It differs from the widely used principle: "High efficiency equals high salary".

The widespread implementation of this innovative approach can lead to an increase in demand and the purchasing power of the population, as salaries rise. This, in turn, will contribute to higher sales volumes, gross income, and overall profitability of enterprises. The growth in sales is based on the enhanced innovative activity of employees, which ensures higher product quality and reduced production costs, ultimately allowing for lower prices.

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