

SALARY MOTIVATORS FROM THE PERSPECTIVE OF UNDERGROUND MINE WORKERS EMPLOYED IN BLUE-COLLAR AND MANAGERIAL POSITIONS IN A SELECTED MINING ENTERPRISE

Aneta MICHALAK^{1*}, Michał ZOCHOREK²

¹ Silesian University of Technology, Faculty of Organization and Management; aneta.michalak@polsl.pl,
ORCID: 0000-0002-0935-6674

² Jastrzębska Spółka Węglowa SA, miczoc1991@gmail.com, ORCID: 0000-0001-7103-314X

* Correspondence author

Purpose: The aim of the article is to analyse the salary motivators used in the mining industry enterprise and to assess their reception by underground workers employed in blue-collar and managerial positions.

Design/methodology/approach: The article is cognitive in its nature. The basic research methods include the subject literature analysis and survey research. Literature studies include the analysis of domestic and foreign literature. The survey research was conducted on a sample of 4,000 employees by obtaining the survey return of 8.75%.

Findings: The conducted research provides an important conclusion for the management. Namely, money is seen by workers (both regular workers and managers) as the most important motivator. Meanwhile, the salary motivators used in the surveyed company were poorly assessed by employees.

Research limitations/implications: The survey research presented in the article may contribute to further empirical research.

Practical implications: The practical implications of the conducted research make it possible to use them to rebuild motivation systems in enterprises.

Originality/value: The research results indicate the need for a comprehensive reconstruction of the motivation system in enterprises.

Keywords: salaries/wages, motivation, motivation tools, salary motivators, salary incentives.

Category of the paper: General review, Research paper.

1. Introduction

For years researchers and practitioners have been wondering over the cause and determination of human activity, as well as the ways and tools of stimulating and controlling it. The current state of knowledge does not allow us to predict all human behaviour, the richness and diversity of which make motivation suitable for a wide range and interpretation (Kozioł, 2002, p. 26).

There are many definitions of motivation available in literature. In general, "motivation consists in influencing employees by using various forms and means to make their behaviour consistent with the will of the manager and to channel them to carry out the tasks set before them" (Jasiński, 2007, p. 20). Another definition has been created by L.R. Bittel, who believes that "motivation is the inner state of mind and body, dreams, wishes, needs and what a person is guided by, which prompts a person to take actions" (Bittel, 1998, p. 164). Motivation can also be a management process involving affecting the behaviour of employees, taking into account the knowledge of what causes such and not other human behaviour (Kozłowski, 2009, p. 12). It is worth noting that motivating is an individual process for each person, because each person is different and shows different criteria for achieving their needs that would motivate them. In spite of this, some general theories about motivation have been developed throughout history. They have been changing due to changes in human needs. It can be noticed that even the first of them addressed the problem of remuneration as the basic factor motivating the employee. The development of organisation management sciences is inextricably linked with the development of social sciences. Their origins date back to the eighteenth and nineteenth centuries, mainly in the United States, England, France and Germany. Along with the industry development, it became necessary to improve the organisation of work process, increase efficiency and finally the skills of managing people: their motivation and effectiveness. Looking at the organisations that are operating today, it is impossible not to point out the path the researchers dealing with this field have travelled from the 17th century to the present day (Niekarcz, 2011, p. 11). In the 18th century, Adam Smith, in his book "The Wealth of Nations", presented a model according to which the pay should reflect the differences in qualifications and talents of employees, while the market should be the main regulator of its amount. For the next two centuries it was trendy to believe that workers' wages should be as low as possible, but high enough to support and raise an offspring, a potential worker candidate.

As time went by, there was a shift to greater interest in the dignity of human work and non-material motivators, but remuneration has always held one of the most important positions among all of them. The warfare in the 20th century, as well as the rivalry between the two economic systems at that time, meant that decent pays and working conditions, and thus raising the standard of living, were treated as an important factor indicating the superiority of liberal democracy over communism (Penc, 2000). J.S. Adams in the theory of justice assumes that

a person should be fairly rewarded for the work performed. Fair remuneration here refers to the ratio of remuneration to employee costs. The ratio of these two values should be the same for other employees (Sekuła, 2008). Along with the development of the scientific management school, which was the first to address the subject of motivation in a special way, there has been a significant qualitative change in the motivation systems. The main goal of the school was to significantly increase labour productivity. In the school of scientific management, the area related to work organisation and ergonomics was one of the most important subjects of interest. Nevertheless, the main discipline was wage formation. Once, the concept of "economic incentives" was very popular, as they were supposed to eliminate the disadvantages of a centralised and prescriptive system, boost their efficiency and effectiveness, manage the economy, and influence people's attitudes. They were also designed to increase the efficiency and effectiveness of employees. They were supposed to stimulate the initiative and inventiveness of progress (Kabaj, 1984, p. 5).

Over time, work became less physically and psychologically demanding, and many of the phenomena in the field of motivation of that time are also used today, and first of all:

- work dimensioning and evaluation,
- making remuneration dependent on the results of work,
- task-based remuneration system,
- bonus form of work,
- simultaneously applied negative and positive impact,
- assistance provided by instructors,
- competitive remuneration in relation to market pays,
- diagnosing factors of low work efficiency, using reliable methods, techniques and tools,
- eliminating redundant and repetitive work,
- -scheduling work and initiating scientific time management.

2. Pay motivation tools

The remuneration system is the basic tool for influencing employees and as such a tool should fulfil an income, cost (from the organisational point of view), motivational and social functions (Niekarcz, 2011, p. 75). The sense of using the motivational function is to match the interests of employees and those who motivate, i.e., usually the enterprise management. Remuneration is the main tool for motivating employees to work, although their role is not the same for all socio-professional groups. A skilful payroll management can significantly contribute to the increase in efficiency and dynamic company development Borkowska, 2006, p. 19). In the labour law related literature remuneration is defined as a cash benefit being

an equivalent paid for the type, quantity and quality of work performed by an employee. Legal regulations as well as the judicature related to the remuneration regulation provide a number of legal measures and principles whose task is to create mechanisms to protect this declaration (Juchowicz, Rostkowski, Werner, Wasilewski, Kinowska, Kimla-Walenda, Zając-Pałdyna, Kostrzewa, 2020).

When motivating employees, many different factors should be taken into account. However, managers often do not have a complete freedom in decision-making. Their motivation systems depend on external and internal determinants. Examples of motivation system determinants include:

- employee skills and the quality of cooperation provided,
- competences and the division of roles for human resource management entities,
- expectations of owners, managers, employees and trade unions,
- organisation position and its financial capacity,
- organisation identity and culture,
- the presence or absence of trade unions,
- quality and results of collective bargaining,
- labour law, taxes,
- other external influences such as technological progress, science, competition, economic situation or the grey economy.

In general, motivators can be divided into material and non-material (Wachowiak, 2002). The division is clear, but not precise, because the non-material motivators are linked with the costs incurred by the employer. An example of such a motivator is, for example, your own office, which gives the employee prestige, while having no material dimension, but for the employer it can turn out to be very expensive.

Moving on, material motivators can be divided into cash, monetary value related, benefits in kind and other company-financed or co-financed benefits. Most commonly, the basis of the motivation system are material motivators. Motivators are frequently both material and non-material. An example could be a job promotion. It provides satisfaction to the promoted person, increases their prestige, and is also often associated with a higher pay. The motivators shown are the components of incentive measures as opposed to coercive measures. They have a large motivational load, based mainly on awards. The rules for granting them should be simple and understandable for all employees. Incentive can be most easily tailored to the individual needs and expectations of workers in small businesses. In medium and large enterprises, solutions often dominate, which cause dissatisfaction of employees with high ambitions and potentials (Kozłowski, 2009, p. 31).

The shape of motivation systems is frequently determined by such factors as: legal status, financial capacity of the organisation, preferences and beliefs of managers, employee expectations, location of the organisation and local traditions, as well as the age profile of employees and many others.

The most commonly used salary/wage motivators include:

- adequately high base salary and the possibility of increasing it – the strength of the motivational impact is very large,
- the possibility of a wage increase without changing the job nature and position – the strength of the motivational impact is very high, when it is related to the assessment of results, and smaller with automatic increases,
- an increase in salary related to a job promotion – the strength of the motivational impact is very high,
- bonuses, awards, allowances – the strength of the motivational impact is very high or high depending on the attractiveness versus effects. It also depends on the motivation system, whether it is effectively implemented and consistently applied,
- profit sharing and participation – it can have a very strong motivational effect depending on the amounts and solutions. Quite widely used in the enterprise sector.

In addition, frequently used pay motivators featuring a high motivational power are bonuses for overtime work, including bonuses for work on Sundays and public holidays. Many organisations also use motivators with a very low motivational impact, including:

- seniority bonuses – they encourage employees to be loyal and work for a specific organization,
- jubilee awards – they are important only in the pre-retirement period,
- night allowances – they are ineffective because the rates of these allowances are usually too low to compensate for the particular inconvenience of working at night,
- allowances for working in harmful and particularly arduous and dangerous conditions – these allowances are quite controversial, because instead of counteracting harmful and dangerous working conditions by providing appropriate technical and organisational measures, employers try to resort to illusory problem solving by paying such allowances. They are not a full equivalent for damage to health, shorter life and deteriorating its quality. However, in some industries, such as mining, workers often decide to work in harmful and dangerous working conditions. The main motivator here, however, is not the allowance for working in harmful conditions, but other strong motivating factors.

Pay plays an important role as a psychological factor. Good remuneration creates conditions for improving the quality of employee life and their families, which is an important driving factor stimulating human activities in the process of meeting needs and aspirations. Living at the level of higher needs means greater fitness, better health, richer inner life and stronger motivation for success (Kozłowski, 2009, p. 101).

3. Survey research - assumptions

The survey research was aimed at verifying the way of receiving basic pay incentives that affect underground mine workers. These include, first of all, remuneration as the basic driving force of human actions, which is an important instrument for stimulating affirmative attitudes and production behaviour of employees in any organisation. In addition to the basic pay in the mining industry, there are a number of other wage incentives. In order to investigate the motivational function of remuneration and other wage incentives from the perspective of workers employed in blue-collar and non-blue-collar (managerial) positions, the survey research was conducted. The research was carried out in a mining industry enterprise. Selecting the mining industry is due to the fact that it is a strategic industry for the economy, largely influenced by the state and characterised by an extensive system of money motivators. Most of the motivation system pay components used in the mining enterprises result from the provisions established by the Collective Labour Agreements.

The enterprise under survey is a company employing over 20,000 people. Employees, of which underground workers (that is working underground) amount to over 17,000 people. The company runs four mines. All mines within the company's structures pursue a uniform motivation policy. The study of the basic motivation effectiveness, which is remuneration, was carried out in one of the mines that make up the company's structure. The research tool was an anonymous survey addressed to workers employed underground in a selected mine in blue-collar and non-worker (managerial) positions. The content of the survey varied depending on which of the above two groups of employees it was addressed to. The mine employs over 4000 people underground and the survey was addressed to all the employees, 350 surveys were received in response.

The surveys addressed to blue-collar employees differed from the surveys addressed to employees in non-manual worker (managerial) positions. This allowed us to look at the same problems from two different perspectives and compare the way a specific problem was perceived by the worker and the manager.

Both survey versions contained phrases that had to be answered by marking one of the answers:

- 1 – I strongly disagree.
- 2 – I rather disagree.
- 3 – I rather agree.
- 4 – I definitely agree.

Survey questions addressed to workers in blue-collar positions are included in Table 1, while questions for employees in non-manual (managerial) positions are presented in Table 2.

Table 1.

Research questions of the survey addressed to mine workers employed in blue-collar positions

Answer by putting X in the appropriate box	1	2	3	4
I feel satisfied with the amount of my earnings.				
I am remunerated adequately to the effects of my work.				
I am underpaid in relation to the rest of the staff.				
I understand well the principles of remuneration within the organization.				
The principles of remuneration within our organisation are well defined and understandable.				
The remuneration system effectively motivates me to work.				
The bonus is well worth the effort.				
In my opinion the bonuses are distributed fairly.				
My salary ensures a decent living.				
The remuneration system effectively increases people's involvement.				
I understand very well how my bonus is linked to the results of my work.				

Source: own work.

Table 2.

Research questions of the survey addressed to mine non-manual workers (employed in managerial positions)

Answer by putting X in the appropriate box	1	2	3	4
I believe that my subordinates are well paid for the work they do.				
An employee in the early period of professional activity should be motivated by a financial promotion related reward.				
I can motivate others to work well.				
Employees are remunerated in accordance with their contribution.				
I understand well the principles of remuneration within the organisation.				
The principles of remuneration within our organisation are well defined and understandable.				
The bonus programme has a positive effect on teamwork and cooperation.				
Employees try harder knowing that they will receive a bonus for a well done job.				
In my opinion the bonuses are distributed fairly.				
The remuneration system effectively increases people's involvement.				

In the second part of the survey, a direct open question was asked. The following question was addressed to workers in blue-collar positions: *Arrange the motivating factors according to the most effective ones* (development opportunity, money, distinction, promotion opportunity, other material goods).

The following question was addressed to workers in managerial positions: *What do you think motivates employees most? Arrange the motivating factors from the most effective ones* (development opportunity, money, distinction, promotion opportunity, other what?).

4. Research results

The survey research was aimed at verifying the way of receiving basic pay incentives that affect underground mine workers. The reception of pay motivators by underground workers, broken down into blue-collar and non-manual positions, is shown in Figure 1.

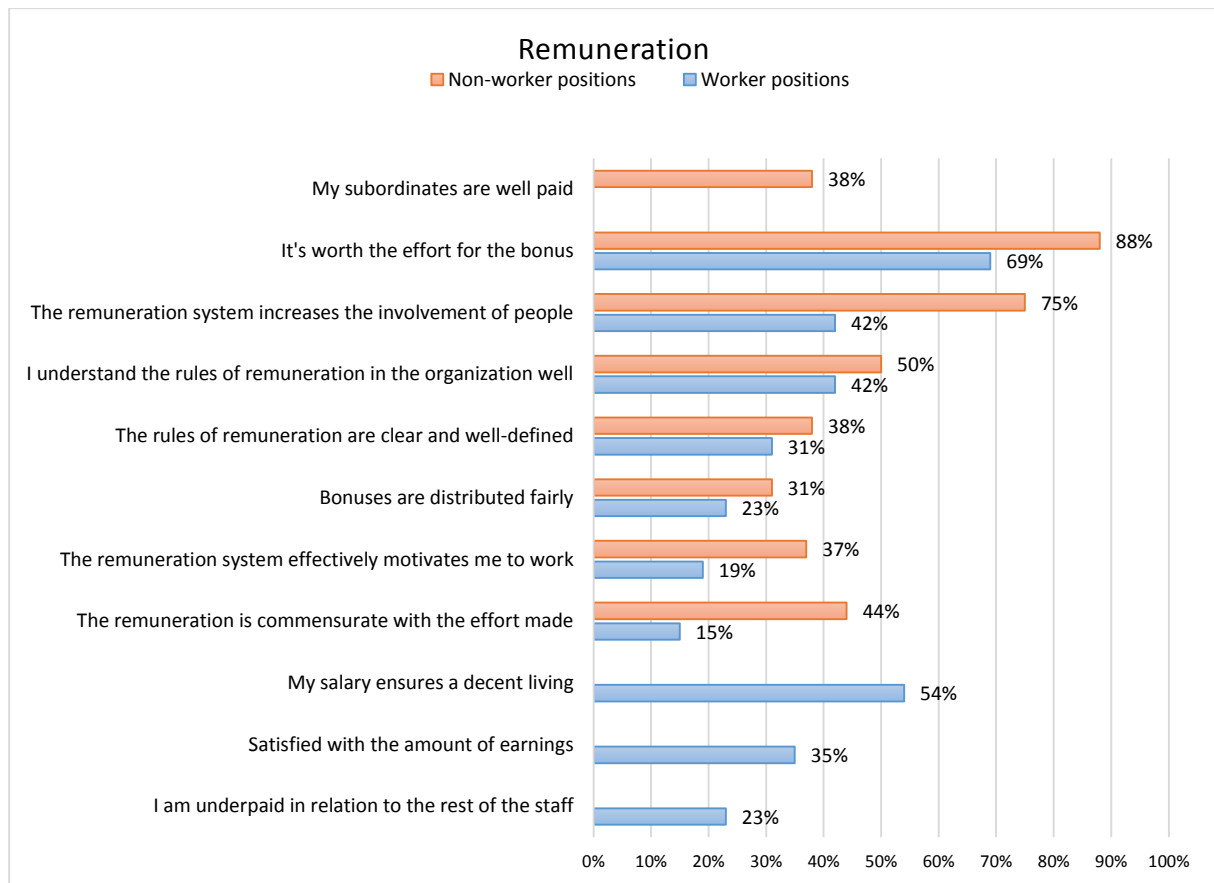


Figure 1. Reception of pay motivators by employees.

Source: own work.

Figure 1 shows the percentage of employees who agree with the specific statement. Slightly more than half of the surveyed blue-collar workers believe that the money they receive for the work they do ensures decent living. Only 35% of respondents working in blue-collar positions feel satisfied with their salary. Their superiors have a similar opinion, only 38% of them say that subordinates are well paid.

The biggest differences in opinion between the two groups of employees can be noticed for the question whether the remuneration is adequate to the effort made. Here, only 15% of workers from the group of blue-collar workers agree with this statement, while almost half of their superiors claim that workers are remunerated adequately to the effort they put in.

Big differences in the answers are also visible for the statement that the remuneration system motivates the employee to work. 19% of blue-collar workers and 37% of non-manual workers agree with this statement. The differentiation of answers in particular groups of employees to the question of whether the remuneration system increases employee engagement looks similar.

Remuneration, as a motivator, was not generally positively assessed by employees. Most employees do not feel motivated by the remuneration they receive, and they do not understand the principles of establishing remuneration. In the opinion of employees, only the bonus-based system makes it possible to increase their involvement.

Such an unfavourable perception of wage/salary motivators in the enterprise under survey should be superimposed onto the answers obtained in the second part of the survey. In the open question, both blue-collar workers and managers were asked to arrange the motivating factors according to their importance. In the first place among the surveyed workers, money was most often chosen as the best motivating factor. This group of employees indicated the possibility of development in second place, and the award and the possibility of promotion in third place. When asked about the same, management staff clearly indicated money as the most effective motivator, and some of them indicated that it was the only motivating factor for employees. The possibility of promotion was most frequently indicated in second place, while the third place was taken by the employee distinction.

5. Summary

The conducted research provides an important conclusion for the management. Namely, money is seen by workers (both regular workers and managers) as the most important motivator. Meanwhile, the salary motivators used in the surveyed company were poorly assessed by employees.

Remuneration provides employees with decent living, thus fulfilling the economic wage function. Unfortunately, it does not fully fulfil the motivational function. This situation is partly due to the economic crisis which, in particular, has affected the coal sector. The payments of bonuses granted in accordance with the corporate collective labour agreement, i.e. the St. Barbara's Day award, the fourteenth salary and the coal allowance, are temporarily suspended. Pays for working on public holidays and overtime bonuses have also been reduced. These actions have significantly lowered the morale of employees, and the existing role of the pay as the main motivator is disturbed. This is by no means the only reason for low motivation level. The increase in wages and salaries does not compensate for the high inflation rate with which most countries, including the Polish economy, are struggling. Little or no increase in remuneration under these conditions not only has no stimulating effect on motivation, but also reduces it effectively. Satisfaction with the amount of earnings was declared by 35% of the respondents, such a small number of satisfied employees means that the wage/salary is below the expected value, therefore it has a motivation reducing effect. The employee needs to be aware of the relationship between the amount and work quality (contribution) and the pay received, so if the remuneration system is complex, incomprehensible by employees and does

not allow to provide fair compensation, it is psychologically useless, which means that it motivates employees ineffectively. The conducted research shows that the wage/salary system in the mining enterprise under survey is illegible. The company should consider changing or updating the current remuneration system. Managerial staff, despite the fact that they know how to effectively motivate their subordinates, do not have many tools to do it effectively. Some of them believe that the current remuneration system does not work at all as a motivating factor. The pay structure should be restructured in such a way to differentiate the level of the awards granted and adjust them to employees' specific expectations, desires and aspirations, as well as to the goals and expectations shown by the organisation. The tools and forms of motivating should not be uniform, but rather diversified, at least for the profile of employment groups and decision-making levels. Motivating should be positive in nature, i.e. only the better than average or even the best results should be rewarded. Such motivation favours the release of initiatives and entrepreneurship, encourages the improvement of work results, and also facilitates maintaining various amounts and the frequency of bonuses, which increases their motivational power, as well as facilitates the economical and effective use of limited funds allocated for work remuneration. The impact of the employee on the rewarded work effect should be visible, because, as employees themselves say, "bonuses are well worth the try". Please note that in all environments, especially in the working-class environments, pay is the basic and even the most important means of motivation, because it create conditions for improving the quality of life and enriching its content in leisure time, at the same time increasing the financial status of the employee and his family. This statement is confirmed by the results of surveys for both employee groups.

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