

# DIAGNOSIS OF THE LEVEL OF MOTIVATIONAL RISK IN POLISH PHARMACEUTICAL COMPANY – CASE STUDY

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## Abstract

**Background and Objective:** The negative effects of risk materialise in various areas of an organization's functioning, and the area of human capital management is particularly important. The cognitive goal of the article was to measure the level of motivational risk in the surveyed company, while the application goal was to develop directions of risk reduction in this area.

**Study Design/ Materials and Methods:** The study was conducted in a Polish pharmaceutical company, because this sector is characterised by a high level of innovation. In our research, the below-mentioned methods were used: analysis and criticism of the literature, analysis of documentation – and the case study method, as well as the techniques: examination of documents, interview and survey.

**Results:** Most of the identified symptoms of motivational risk in the surveyed company were characterised by a high or very high level of risk, and in the area of motivation we are dealing with a high level of risk. The sources of motivational risk were also identified, which turned out to be the strategy, structure and culture of this organisation, as well as the way decisions are made and the preferred profile of the manager.

**Conclusion and practical implications:** This study adds to our understanding of the relations and intensity of the connection between the way selected dimensions of the organisation are shaped and the level of motivational risk.

**Keywords:** risk, personnel risk, motivation.

**JEL Classification:** M 500, M 540

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## 1. Introduction

For centuries, risk has been an integral part of all human activity, especially economic activity. However, the level of risk should be assessed in order to be able to deal with it effectively. The negative effects of risk materialise in various areas of an organisation's functioning, and the field of human capital management is particularly important, primarily due to the fact that people are one of the least predictable, but also the most creative assets of an organisation. Along with the growing role of human capital for the modern organisation and the popularisation of issues in the field of risk management, this issue is constantly gaining importance. The study was conducted in Polish pharmaceutical company, as the pharmaceutical industry is characterised by a high level of innovation and is one of the fastest growing sectors of the global economy. The choice of the sector was not accidental also because it is the competencies of employees of pharmaceutical companies that are often a factor determining the market position and opportunities for development of a given organisation. The cognitive goal of the article was to measure the level of motivational risk in the surveyed company, while the application goal was to develop directions of risk reduction in this area.

## 2. Motivational risk – essence and measurement

Risk is a concept found in everyday language; it is also the subject of consideration of many scientific disciplines. It is difficult to clearly indicate the source of this term, because its nature is extremely complex, multidimensional, but at the same time, poorly structured. Appreciating the multifaceted approach to the nature of risk, further considerations were preceded by an attempt to distinguish between the concepts of risk and uncertainty. For the purposes **of the article**, the authors defined the category **“uncertainty”** as: **an immeasurable phenomenon, independent of the will of the entity, but affecting the results of its activity, while “risk”** as: **quantifiable uncertainty, the future effect of which is to suffer damage or loss by a given entity as a result of consciously made decisions.**

Among the various attempts to broach the category of “risk”, at least two general approaches can be distinguished:

1. Adopting the criterion of a general approach to the essence of risk, one can distinguish the classical trend, perceiving risk as “quantifiable uncertainty” (Yang, 2019).
2. Assuming the criterion regarding the future effects of a risky activity, a defensive trend can be distinguished, assuming only the possibility of suffering damage or loss, and an offensive one, taking into account the possibility of not achieving the assumed positive effect.

The article adopts an approach consistent with the assumptions of the decision-making and defensive trend, and the definition of risk proposed by the authors refers only to situations related to conscious and voluntary decisions, the future effect of which will be damage or loss. This is primarily due to two reasons:

- the investigation deliberately confined itself to considering the risk of injury or loss as a risk;
- the results of the pilot studies proved that the “value” of lost benefits in the personnel sphere of an organisation is a construct difficult for respondents to estimate, but they are adept at determining the scale of future negative effects.

The publication focuses on the area of human capital management and the implementation of an organisation’s personnel function, i.e., personal risk, with particular emphasis on the area of motivation, and thus on motivational risk. The definition of personal risk proposed by Rutka and Czerska was adopted, defined as: **“the function of the probability of a negative event occurring as a result of personnel decisions (both subjective and forced by conditions) and the scale of the negative effects of this event on the proper functioning of the organisation”** (Czerska, 2006, p. 186). In turn, **motivational risk is a functional component of personnel risk, which refers to the area of employee motivation.**

The category “motivation” occurs simultaneously in many areas of life and various scientific disciplines, such as psychology, didactics or management science; however, due to the discussed issues, in further considerations this category will focus on the latter of the above-mentioned disciplines. Among the literature on the subject, one can find different ways of defining the term “motivation”, which results primarily from the variety of possible approaches to this issue. For the purposes of this article, the definition was adopted after Zieleniewski, who proposes a definition of **motivation** as: **creating conditions (...) aimed at ensuring that subordinates behave in accordance with the will of the manager, while maintaining a sense of independent decisions** (Czermiński, 2001, p. 296), a definition which is characteristic of the functional approach to motivating employees. In relation to management and organisation science, at least two types of a general approach to the issue of motivating employees (Czermiński *et al.*, 2001) can be distinguished:

- the resultant approach, which considers motivation to be a state of tension caused by motive,
- the functional approach, recognising motivation as a process of influencing the behaviour of other people by inducing in them the desire to act consciously.

The authors of the article prefer an action-based approach that perceives motivation through the prism of the motivating person as a deliberate action prompting the motivated person to specific conscious actions, consistent with the will of the motivator.

Among the approaches to motivating employees presented in the literature, as well as phases and stages that can be distinguished in this process, such as those proposed by Armstrong (2014) and Jasiński (2011, p. 124), the latter deserves special attention, because it is consistent with the process approach to motivation and emphasises the stage of setting goals and tasks, which is consistent with the assumptions of the concept of management by goals, and plays a key role in management by effects.

Shaping the motivation process in accordance with the assumptions of the concept proposed by Jasiński (2011), should include the objective, the establishment of criteria and methods for achieving objectives and tasks, the identification of employees' goals and needs, the design of the incentive system, and implementation.

The desired method of shaping the individual components of the above requirements has been extensively discussed in the literature on the subject, and due to the fact that the publication concerns personnel risk, further considerations focus on such formations in which one or several stages of the motivation process turned out to be inconsistent with the assumptions of the organisation's personnel strategy, the expectations of its management board, or theoretical requirements, which may cause damage or loss. A list of examples of adverse events regarding personnel that may occur in the area of employee motivation is presented in the table.

**Table 1.** Selected adverse events regarding personnel in the area of employee motivation

| Specification                       | Adverse events regarding personnel in the area of employee motivation                                                                       |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Goals                               | Lack of the development and formalisation of the objectives of the motivational process                                                     |
|                                     | Lack of connection between the layout of organisational goals and tasks and the general strategy and personnel strategy of the organisation |
|                                     | Ignorance of goals among employees                                                                                                          |
|                                     | Assessing the goal as unrealistic to achieve under given conditions                                                                         |
| Criteria and ways of implementation | Lack of the reformulation of goals for specific tasks for employees                                                                         |
|                                     | Lack of the development and formalisation of criteria and methods of performing tasks                                                       |
|                                     | Lack of employee participation in the process of establishing the criteria and methods of performing tasks                                  |
|                                     | Lack of knowledge and acceptance by employees of the criteria and methods of performing individual tasks                                    |

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|                                               |                                                                                                                      |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Diagnosis of the goals and needs of employees | Lack of adjustment of the motivation system to the expectations and needs of employees                               |
|                                               | Lack of continuous diagnosis of the needs and goals of employees                                                     |
|                                               | Failure to update the motivation system in response to a change in the structure of the needs and goals of employees |
| Designing the motivation system               | Lack of the formalisation and dissemination of motivation rules among the staff                                      |
|                                               | Lack of flexibility of the motivation system                                                                         |
|                                               | Motivation intensity level too low                                                                                   |
|                                               | Predominance of negative stimuli over positive stimuli                                                               |
|                                               | Remuneration only for individual results, not team effects                                                           |
|                                               | Predominance of material stimuli over intangible stimuli                                                             |
|                                               | Lack of adjustment of pay to the workplace                                                                           |
|                                               | Wage rate ranges that are too narrow                                                                                 |
|                                               | Uncompetitive wage conditions                                                                                        |
| Implementation                                | Lack of the observation of employee behaviour and work results                                                       |
|                                               | Application of stimuli incompatible with the assumptions of the system                                               |
|                                               | No favourable working climate                                                                                        |
|                                               | Bad relationships between co-workers                                                                                 |
|                                               | Bad relations between employee and supervisor                                                                        |
|                                               | Occurrence of barriers, worker resistance and conflicts                                                              |
|                                               | Inefficient, one-way communication                                                                                   |
|                                               | “Unhealthy” competition between employees                                                                            |

Source: own elaboration based on: (Sajkiewicz, 2002); (Jasiński, 2011); (Baruk, 2005); (Noor, 2020); (Pinto, 2018); (Rai, 2018); (Scott, 2019); (Yang, 2019); (Kroon, 2017); (Bhattacharya & Mukherjee, 2009); (Dobija et al., 2019); (UKEssays, 2018).

The analysis of the above statement leads to the conclusion that none of the stages of the motivation process are risk-free. When it comes to the first stage, the lack of development and formalisation of the objectives of the motivational process comes to the fore, which may result in its misinterpretation and the distortion of the intentions of its authors. Another important symptom is the lack of connection between the purpose of the motivation system and the general and personnel strategy of the organisation, which may result in the fact that the effects of work will not bring

the organisation closer to achieving its strategic goals. Similar negative effects and a general lack of employee involvement will occur in the case of a lack of knowledge of the objectives of work by the staff and the failure of the organisation's management to provide appropriate conditions to achieve the said goal.

The next stage of the motivation process is related to the criteria adopted in it and the methods of achieving goals and tasks. The problem is goals that are too general; an important issue is also the division of duties, powers and responsibilities that are associated with such goals. Lack of the transformation of goals into tasks may lead to conflicts, the avoidance of responsibility or the duplication of activity, which results in an increase in labour costs, a deterioration of the organisational climate, the non-optimal use of resources, etc.<sup>4</sup> Another identified symptom of risk is the lack of development of ways to perform individual tasks, without which it will be difficult to perform them effectively. The last of the specified adverse events at this stage is the employees' lack of acceptance of the adopted criteria and methods of performing tasks, which may result in weakening commitment and in resistance.

Particular attention should be paid to adverse events accompanying the stage of recognising the goals and needs of employees, which is of paramount importance for the effectiveness of the motivation system. The most important such event is the lack of consideration in the incentive system of both the goals and needs of the organisation and the employees, and the lack of continuous updating of the system, which is usually manifested by the excessive focus on the goals and needs of the organisation and almost complete omission of the needs and goals of employees (Lipka, 2002).

Important symptoms of motivational risk are related to the way the motivation system is designed. The first unfavourable event at this stage is the lack of formalisation of the system, and its dissemination among the staff, which significantly contributes to a general reduction in the effectiveness of the motivation process and usually results in misunderstandings and conflicts as well as demotivation among employees. This is conducive to a consolidation of unfavourable attitudes and behaviours of employees (Oleksyn, 2008). Another unfavourable event may be the lack of flexibility of the motivation system, which makes it much more difficult to adapt to changes taking place inside the company and its environment. The next event is a too low level of motivation intensity, which results in the inability to achieve the goals of motivation, as well as the next event, namely the predominance in the motivational system of negative stimuli over positive stimuli. A further adverse event caused by the imbalance of the system is remuneration only for individual and not team results, which may result in a loss of cooperation and the selective treatment of goals and tasks by employees, and limited only to those goals that are quickly and easily achieved and for which employees will receive the highest prize (Baruk,

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<sup>4</sup> Problems conditioned by the issue of goals and needs are extensively discussed in: (Wasiu & Adebajo, 2014); (Ngwa *et al.*, 2019); (Giacomelli *et al.*, 2019).

2005); (Korlen *et al.*, 2017). Another of the distinguished adverse motivational events at this stage is the predominance of external stimuli over internal stimuli, which results from the ease of application of the former, but it does not ensure the implementation of immanent human values, which should be considered a serious disadvantage of this approach. The last of the adverse events conditioned by imbalances in the use of stimuli is the predominance of material stimuli over intangible stimuli (e.g., recognition, participation in decision-making, which may result in a decrease in the level of job satisfaction in the long run and the possibility of the “golden cage” syndrome). The next possible adverse event related to the discussed stage of the motivation system is the lack of adjustment of pay to the workplace, which may result in a decrease in the employee’s level of involvement in the work performed, as well as the level of their satisfaction, and a loss of trust in superiors. Another of the identified symptoms of motivational risk relates to too narrow ranges of basic wage rates, the consequences of which are: the limitation of room for manoeuvre in terms of the financial motivation of the employee, and a general reduction in the flexibility of the incentive system (Płachetka, 2006); (McQuerrey, n.d.). It is also necessary to mention the problem of limiting the organisation’s management to using only traditional methods of remuneration, bypassing modern solutions in this respect such as broadbanding, gainsharing or package remuneration systems (Armstrong, 2014), which may lead to difficulties in retaining key specialists in the company. The last of the identified adverse events is uncompetitive wage conditions, which may result in a general reduction in the level of employee engagement and the loss of key employees (Kamińska, 2007).

In the last of the analysed stages of the motivation system, the motivation process is implemented, and the first identified risk symptom related to the lack of observation of the behaviour of employees and the results of their work, which may lead to making bad personnel decisions. It should also be mentioned that the stimuli used may be incompatible with the assumptions of the incentive system, which may cause employees to erroneously believe that they have been, for example, deprived of a well-deserved reward. In turn, the lack of a favourable working climate results in the disappearance of collective activities and an increase in competition. Another of the discussed events refers to bad relations between co-workers, which leads to tensions, increased anxiety and fear among the staff, and the occurrence of micropolitical behaviour and bad relations with superiors, which may contribute to the occurrence of tensions and conflicts. The next symptom of risk, namely ineffective communication, results in a general deterioration in the quality of information flow in the organisation, which weakens the effectiveness of the staff. Finally, it is worth mentioning the last of the identified potential symptoms of motivational risk, namely “unhealthy” competition between employees. Some solutions adopted in the motivation system (e.g., the so-called “Australian race”) force employees towards unhealthy competition, which distorts team roles and leads to the disappearance of

cooperation. In order to achieve the best possible result and avoid dismissal, which occurs automatically when an employee occupies the last place in the ranking, employees focus on extreme individualism, do not share knowledge, and the relationship between them becomes formal and often hostile.

### 3. Methodology

In the literature on the subject, there are several parallel ways of a general approach to measuring and assessing personnel risk, in which econometric models are used (Zemke, 2007), or interdisciplinary solutions (e.g., neural networks) (Bochniarz & Gugąła, 2005), or solutions developed by HR specialists (Bispo & Gherardi, 2019), which were used for the needs of this study. The authors decided to apply the concept of personnel risk measurement proposed by Baccarini (2002) due to the fact that – in addition to being a tool proven in many interdisciplinary studies – it is also universal and easy to apply in practice.

In Baccarini's concept (Baccarini, 2002), three stages can be distinguished:

- anticipation of adverse events regarding personnel,
- measurement of the level of personnel risk,
- assessment of the level of personnel risk.

#### **Anticipation of adverse events regarding personnel**

The anticipation of adverse events regarding personnel was undertaken on the basis of a thorough analysis of the subject. As a result, in the motivational area, 28 symptoms of motivational risk were distinguished.

#### **Measurement of the level of personnel risk**

The research tool was a questionnaire to measure the level of personnel risk (based on a table presenting aggregate results). It contained three main fields:

1. a list of potential adverse incentive events,
2. an assessment of the probability of occurrence of each adverse event regarding personnel (on a 5-point scale) (columns),
3. an assessment of the expected negative effects of each incentive event (on a 5-point scale) (rows).

#### **Assessment of the level of personnel risk in the area of employee motivation**

For a synthetic assessment of the level of personnel risk, the concept of Baccarini (2002), adapted to the needs of work, was used, which is presented in Table 2.

In order to determine the level of risk of a given adverse motivational event, it is necessary to find in a given column the probability interval in which its value determined by the respondents is contained, and in the row the interval in which the respondents' assessment of its future adverse effects is contained. The intersection of



row and column determines the quantity assessing the synthetic level of risk. The obtained results are the respondents' subjective assessment of the studied phenomena.

**Table 2.** Baccarini's personnel risk assessment matrix

| Probability                 | SCALE OF FUTURE NEGATIVE EFFECTS |                           |                     |                   |                           |
|-----------------------------|----------------------------------|---------------------------|---------------------|-------------------|---------------------------|
|                             | Very small<br>(below<br>0,001)   | Small<br><0,001-<br>0,01) | Small<br><0,01-0,1) | Big<br><0,11-0,5> | Very large<br>(above 0,5) |
| Very high<br>(above 0,8)    | Moderate                         | High                      | High                | VERY HIGH         | VERY HIGH                 |
| High<br><0,6–0,8>           | LOW                              | Moderate                  | High                | VERY HIGH         | VERY HIGH                 |
| Moderate<br><0,4–0,6)       | VERY LOW                         | LOW                       | Moderate            | High              | VERY HIGH                 |
| Low<br><0,2–0,4)            | VERY LOW                         | VERY LOW                  | LOW                 | Moderate          | High                      |
| Very low<br>(less than 0,2) | VERY LOW                         | VERY LOW                  | LOW                 | LOW               | Moderate                  |

Source: own elaboration based on: (Baccarini, 2002, p. 8).

## Research techniques and tools

The paper uses the research methods: analysis and criticism of the literature, analysis of documentation and the *case study method*, as well as the techniques: examination of documents, interview and survey.

The surveyed entity is a pharmaceutical company employing 65 people, and the study was conducted in the largest part of the company – the sales division; 34 respondents out of 42 people employed in it took part in the survey. One company official and two line managers were interviewed. Unfortunately, the board of the investigated company did not agree to disclose its name and provide full documentation of the organisation, which would certainly enrich the content of this work.

## 4. Results

Further considerations should begin with the presentation of the aggregate results of the research, which are included in Table 3.

**Table 3.** Summary of the results of the level of motivational risk estimated by respondents from the surveyed company

| Stage                                                          | No. | Characteristics of an adverse event regarding personnel                                                                      | Probability level of adverse events (value) | Probability level of adverse events (description) | Scale of future negative effects (value) | Scale of future negative effects (description) | Synthetic risk assessment |
|----------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------|------------------------------------------|------------------------------------------------|---------------------------|
| Goals                                                          | 1   | lack of the development and formalisation of work goals                                                                      | 0,55                                        | MODERATE                                          | 0,44                                     | High                                           | High                      |
|                                                                | 2   | lack of connection between the arrangement of organisational goals and tasks and the general strategy and personnel strategy | 0,58                                        | MODERATE                                          | 0,37                                     | High                                           | High                      |
|                                                                | 3   | ignorance of the purpose among employees                                                                                     | 0,42                                        | MODERATE                                          | 0,42                                     | High                                           | High                      |
|                                                                | 4   | assessment of the goal as unrealistic to achieve                                                                             | 0,51                                        | MODERATE                                          | 0,47                                     | High                                           | High                      |
| Establishment of the criteria and modalities of implementation | 5   | no reformulation of goals for specific tasks for employees                                                                   | 0,26                                        | LOW                                               | 0,36                                     | High                                           | MODERATE                  |
|                                                                | 6   | lack of the development and formalisation of the criteria and methods of performing tasks                                    | 0,27                                        | LOW                                               | 0,077                                    | MODERATE                                       | LOW                       |
|                                                                | 7   | lack of employee participation in the process of establishing the criteria and methods of performing tasks                   | 0,48                                        | MODERATE                                          | 0,29                                     | High                                           | HIGH                      |
|                                                                | 8   | lack of knowledge and acceptance by employees of the criteria and methods of performing individual tasks                     | 0,53                                        | MODERATE                                          | 0,48                                     | High                                           | HIGH                      |

continued tab. 3

|                                                        |    |                                                                                                                     |      |           |      |      |           |
|--------------------------------------------------------|----|---------------------------------------------------------------------------------------------------------------------|------|-----------|------|------|-----------|
| <b>Recognition of the goals and needs of employees</b> | 9  | lack of adjustment of the motivation system to the expectations and needs of employees                              | 0,91 | VERY HIGH | 0,39 | High | VERY HIGH |
|                                                        | 10 | lack of continuous diagnosis of the needs and goals of employees                                                    | 0,96 | VERY HIGH | 0,46 | High | VERY HIGH |
|                                                        | 11 | lack of updating the motivation system in response to a change in the structure of the needs and goals of employees | 0,65 | HIGH      | 0,43 | High | VERY HIGH |
| <b>Designing a motivation system</b>                   | 12 | lack of the formalisation and dissemination of motivation rules among the staff                                     | 0,28 | LOW       | 0,44 | High | MODERATE  |
|                                                        | 13 | lack of flexibility of the motivation system                                                                        | 0,54 | MODERATE  | 0,35 | High | HIGH      |
|                                                        | 14 | too low level of motivation intensity                                                                               | 0,93 | VERY HIGH | 0,35 | High | VERY HIGH |
|                                                        | 15 | predominance of negative stimuli over positive stimuli                                                              | 0,64 | HIGH      | 0,47 | High | VERY HIGH |
|                                                        | 16 | remuneration only for individual and not team results                                                               | 0,55 | MODERATE  | 0,43 | High | HIGH      |
|                                                        | 17 | predominance of material stimuli over non-material stimuli                                                          | 0,91 | VERY HIGH | 0,41 | High | VERY HIGH |
|                                                        | 18 | the pay is not adapted to the workplace                                                                             | 0,93 | VERY HIGH | 0,42 | High | VERY HIGH |
|                                                        | 19 | too narrow wage rate ranges                                                                                         | 0,56 | MODERATE  | 0,32 | High | HIGH      |
|                                                        | 20 | uncompetitive wage conditions                                                                                       | 0,97 | VERY HIGH | 0,36 | High | VERY HIGH |

continued tab. 3

|                |    |                                                                          |             |                 |             |             |             |
|----------------|----|--------------------------------------------------------------------------|-------------|-----------------|-------------|-------------|-------------|
| Implementation | 21 | lack of observation of the behaviour of employees and their work results | 0,53        | MODERATE        | 0,071       | LOW         | LOW         |
|                | 22 | the use of stimuli inconsistent with the assumptions of the system       | 0,74        | HIGH            | 0,41        | High        | VERY HIGH   |
|                | 23 | lack of a favourable working climate                                     | 0,54        | MODERATE        | 0,33        | High        | HIGH        |
|                | 24 | bad relationships between co-workers                                     | 0,55        | MODERATE        | 0,36        | High        | HIGH        |
|                | 25 | bad relationship between employee and supervisor                         | 0,52        | MODERATE        | 0,33        | High        | HIGH        |
|                | 26 | the occurrence of barriers, resistance and conflicts                     | 0,57        | MODERATE        | 0,36        | High        | HIGH        |
|                | 27 | inefficient, one-way communication                                       | 0,27        | LOW             | 0,44        | High        | MODERATE    |
|                | 28 | "unhealthy" competition between employees                                | 0,56        | MODERATE        | 0,27        | High        | HIGH        |
| <b>Average</b> |    |                                                                          | <b>0,60</b> | <b>MODERATE</b> | <b>0,37</b> | <b>High</b> | <b>HIGH</b> |

Source: own elaboration based on empirical research

The preliminary analysis of the results shows that the vast majority, as many as 23 out of the identified 28 adverse motivational events, were characterised by a very high or high level of risk, which is a harbinger of the possibility of serious incentive problems in this company.

The level of risk of each of the identified symptoms of motivational risk conditioned by work goals was unanimously estimated by the respondents as high. These symptoms were: lack of the development and formalisation of work goals and lack of linking the arrangement of organisational goals and tasks with the general and personnel strategy of the surveyed enterprise, ignorance of the goal among employees, and assessment of the said goal as unrealistic to achieve. The main reason for the first two symptoms is the lack of formalisation of the strategic assumptions of this organisation, which opens the possibility of their individual interpretation by line managers, which may result in difficulties in implementing the strategic assumptions of the organisation. The basic reasons for an employee's ignorance of the purpose of work and their assessment of it as unrealistic include the autocratic model of

personnel decision-making adopted in this company (lack of employee participation in the decision-making process, lack of transparency) and the preference for the manager-coordinator model (in particular, the focus on employee exploitation), and the mechanistic organisational structure (high level of power concentration). On the other hand, the employee's lack of knowledge of the purpose of work and the inability to implement it in the given conditions may result in frustration, demotivation and a thoughtless, routine approach to the work performed.

As regards the stage of establishing the criteria and methods of performing tasks, respondents estimated as a high level of risk two adverse incentive events, namely the lack of participation of employees in the process of setting the criteria and methods of performing tasks, and their lack of knowledge and acceptance of these criteria. Their sources should be sought in the unfavourable way the organisational culture is shaped (centralisation of the information processing process), the preference for an autocratic mode of decision-making, and the preference by the top management of this company for the profile of a manager-coordinator (low ability to cooperate). The materialisation of these risk symptoms manifests itself primarily in the form of errors at work, low productivity and an increase in the possibility of conflicts with superiors.

The next three adverse motivational events, whose level of risk of occurrence was assessed as very high, concerned the stage of recognising the goals and needs of employees, and these were: lack of continuous diagnosis of the needs and goals of employees, lack of adjustment of the incentive system to the changing goals and expectations of employees, and lack of updating the said system in response to the changing structure of the goals and needs of employees. The reasons for their occurrence were the lack of involvement of HR staff in the process of diagnosing the goals and expectations of employees, as well as the general lack of interest of line managers in this issue, which results largely from their preference for a functional approach to people and a low level of empathy, and the basic negative effect – a decrease in the level of effectiveness of the incentive system.

Another group of adverse events concerned the method of designing the motivation system, and were distinguished by the largest number of personal risk symptoms, the level of which was assessed by respondents as high or very high. The first two events whose risk level was estimated to be very high are: too low level of motivation and the predominance of negative stimuli over positive stimuli. Their main reasons are: the tendency of the company's management to reduce expenditures on the implementation of personnel functions in this organisation and the preference for an autocratic style of decision-making, as well as the mechanistic way the organisational structure is shaped, which may result in difficulties in achieving the assumed level of staff motivation, a decrease in the level of identification of employees with the organisation, and in their involvement in work, or a deterioration in their relations with superiors. The next personnel event, the level of risk of which respond-

ents estimated to be very large, was the predominance of intangible incentives over material ones, the causes of which should be sought primarily in the preference by the management of this company for an autocratic style of decision-making, as well as the mechanistic way the organisational structure is shaped. The materialisation of this risk may result in a decrease in the level of employee identification with the organisation, and in their involvement, and a deterioration of the atmosphere in the workplace. As for the symptoms of risk related to wages, respondents estimated as very high the level of risk of two adverse incentive events, namely: salary mismatch to the workplace and uncompetitive wage conditions. Their source was the imposition on the company of the assumptions of the motivation system developed exclusively by the company's headquarters, without taking into account the specificity of the Polish labour market and industry, and the negative effects of this occurrence may be: demotivation of the staff, a routine approach to duties, and the deterioration of the company's image on the labour market. The previous considerations should be supplemented with a discussion of those unfavourable events related to the design of the incentive system, the level of risk of which the respondents estimated as high, namely: lack of flexibility of the incentive system, rewarding only individual results, and too narrow wage rates. The main reasons for the lack of flexibility of the incentive system are the mechanistic way of shaping the organisational structure and the preference of the board of the audited enterprise for the manager-coordinator model, and the materialisation of this risk results in a decrease in the level of efficiency and in the efficiency of the staff. When it comes to a definite preference for individual motivation assumptions in the system, it is a one-dimensional approach that may imply serious difficulties in the implementation of team tasks. The last symptom of personnel risk conditioned by the discussed stage of incentive risk, which was characterised by a high level of risk, was the preference in this enterprise for too narrow pay rate ranges, conditioned by the archaic structure and lack of updating of the assumptions of the incentive system in the enterprise, which may result in difficulties in achieving the assumed level of motivation and in the loss of key specialists.

Finally, it is necessary to look at unfavourable events regarding personnel related to the implementation stage. We should start with the symptom of risk the level of which respondents estimated to be very high, namely the use of stimuli inconsistent with the assumptions of the system. The reason for its occurrence are attempts to use new negative stimuli by line managers, consisting mainly of the reduction of the efficiency bonus of employees who do not satisfactorily fulfill administrative activities (e.g., irregular reporting). This bonus is perceived by employees as a compilation of rewards and penalties – the rewards due for the achieved work effect are reduced in a disproportionately high manner to the rank of an offence for administrative misconduct, which may result in the demotivation of the employee, conflicts with superiors, and even the departure of key specialists. The remaining identified symptoms of personnel risk that could occur at the implementation stage

were characterised by a high level of risk. The first three of these concerned the lack of a favourable work climate, bad relations between co-workers, and the occurrence of barriers, resistance and conflicts. The sources of their occurrence should be sought in the unfavourable way the organisational culture is shaped (purely business relations between employees, lack of unified cultural patterns), the organisational structure (preference for routine ways of proceeding) and the mode of making personnel decisions (lack of transparency). The potential negative effects of the occurrence of the discussed events include the possibility of difficulties in the implementation of the knowledge management process, communication problems, demotivation of the staff, or even problems in the implementation of the strategic assumptions of this organisation. Another adverse motivation event whose risk level was estimated to be high was the bad relationship between employee and supervisor. The most important reasons for the occurrence of this event include the preference in this company for the silhouette model of the manager-coordinator (operational approach to people, low level of empathy) and the autocratic decision-making mode (lack of transparency of the decision-making process), and this may result in misunderstandings and conflicts. The last of the identified symptoms of personnel risk at this stage, the risk of which respondents estimated to be high, was “unhealthy” competition between employees. The reasons for this are: unfavourable shaping of the profile of the current employee-contractor (preference for individual work, material rewards, perceiving a negative result as a failure), the profile of the current manager (operational approach to people) and the organisational culture (lack of non-official relations between employees), which leads to the disappearance of cooperation, barriers in sharing knowledge, the deterioration of the organisational climate, etc.

## 5. Conclusion

In the surveyed company, the area of employee motivation is characterised by a high level of risk, which results mainly from:

- the unfavourable way in which the culture and organisational structure of the company are shaped, as well as favouring an autocratic style of decision-making, and the profile of the manager-coordinator,
- lack of a clear definition of the objectives of the motivation system and correlating it with the general and personnel strategy,
- errors in the way the motivation system is designed,
- inappropriate nature of the solutions adopted (predominance of negative motivation, too narrow wage ranges, their uncompetitiveness),
- static and low degree of flexibility of the motivation system.

In order to reduce the level of motivational risk, a number of actions should be taken. First of all, it should be postulated to select a task force consisting of representatives of the headquarters, the top management of the company, the personnel

department, as well as independent external experts, whose task would be to link the arrangement of organisational goals and tasks with the assumptions of the general and personnel strategy. The incentive system should also be made more flexible and the level of standardisation and formalisation in this company should be reduced. Particular attention should be paid to the level of wages and the balance between positive and negative motivation, and external experts should be used to address this issue, especially in the area of pay rate ranges and wage levels.

It is also necessary to increase the level of motivation intensity, which is currently far too low, which puts the implementation of strategic tasks at risk. It should also be recommended to take action to improve the organisational climate, and reduce the scale of conflicts and unhealthy competition, which can be achieved through the involvement of experienced specialists from external companies who will propose various activities to integrate the staff. At the same time, line managers should put much more emphasis on building relationships with subordinates. It is also worth taking care of increasing the level of communication competencies of line managers by organising a series of training sessions devoted to this issue. Moreover, it is necessary to strive for a general reduction in the level of competition and an increase in emphasis on the implementation of team tasks, as well as to develop motivation for cooperation, which should contribute to weakening the level of individual competition in this company.

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