



# The Changing Role of Managers of Different Levels in the Increasing Employee Loyalty in the Construction Organizations



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**Abstract** The role of managers has been considered in the motivational processes in construction organizations. It has been indicated that modern attitude to the increasing of employee loyalty requires effective communication of all level managers with employees. It makes employees feel valued and important for the organization. In this direction the role of lower-level managers should be increased, and it is necessary to provide their engagement in the decision-making process especially regarding setting motivational policies.

**Keywords** Motivation · Loyalty · Construction company · Top-level managers · First-level managers

## 1 Introduction

Obviously, it is a fact that the construction industry in Azerbaijan is one of the fastest growing industries, but there have been a few studies related to human resources management in construction sphere of the country. One of these studies examined the influence of cultural diversity on innovation in the construction industry, another study analyzed how human resource management practices of Azerbaijan companies in construction filed could improve final performance. However, comparative studies assessing the difference in the expectations and performance of employees at different levels must be conducted and completed. When top-level managers design a universal corporate motivation system, they do not take into account the difference between attitude of employees to results of company that exist at different organizational levels. This mistake leads to failure to achieve the maximum productivity.

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Understanding this gap will lead to increasing of corporate efficiency and provide high competitiveness of construction companies in Azerbaijan.

## **2 Main Part**

### ***2.1 Purpose of the Article***

The aim of this study is to identify the optimum system of motivation and encouragement in human resource management in modern building organizations by considering roles of different levels' managers in order to achieve high productivity.

The study draws on the works of world scientists devoted to the problems of forming and developing a system of human resource management of construction companies in a competitive environment, the management and reproduction of their labor potential, the principles of comprehensive solutions of management problems.

### ***2.2 Research Methodology***

The solution to the tasks set in the study was carried out using a systematic approach (when studying the motivational potential, the specifics of the activities of construction companies and their influence on the process of human resource management in these companies) and an abstract-logical approach examination (in the analysis of terminology).

### ***2.3 Results***

The paper is aimed at improving research and methodological foundations of human resource management in construction companies by means of motivation and incentives.

Attainment of the set goal presupposes the fulfillment of the following tasks:

- analyzing role of managers in motivation processes of employees.
- conducting survey for identifying levels of employee loyalty as an attitude of employees to existing motivational policy in construction organization.
- perfecting the mechanism of incentives for the personnel of construction companies by changing role of managers in this process and thus increasing loyalty of personal.

The basic of employee's loyalty is in their motivational level. Employee motivation is one of main ways to increase labor productivity, which, is a key element of

company's human resource policy. The most popular system for boosting employee motivation is a system that provide attaining by employees individual goals, to grow as a professional, and to reach new achievements. The effectiveness of this policy can be checked through the KPI, key performance indicators.

Most theorists, who explored motivation systems, claimed that only the specified motivation system is perfect, as it justifies remuneration and helps employees to earn more and increase their income by spending greater efforts. The system proves flexible solution; each employee has own reason to be motivated in the workplace, and gain a result that he/she desires.

However, some part of motivational policy in the company should be based on the common principles and rules that allow determining which factors can be considered as motivational or demotivational when applied to different teams. The understanding of this process can be based on the traditional theories of motivation (i.e., Maslow's theory, Adam's Equity theory, Herzberg's theory, Vroom's expectancy theory).

In the market economy, all enterprises particularly construction enterprises must continue to operate successfully, and for this purpose, it is necessary to provide correct personnel policy that is important for the sustainable development in this field. Construction companies invest a lot of energy and effort into increasing customer loyalty, but it is necessary to mention that one of the most important keys to a company's success is the level of employee loyalty. Different studies found that a loyal employee is an enthusiastic, interesting, ambitious person who wants continuously to work and develop with the company. In addition, the manager, being a factor that directly affects the employee's performance, is an important factor in the formation of employees' loyalty in the construction enterprises.

At the same time, according to different motivational theories, other factors of working conditions also affect loyalty. Among them, we can mention salary level, relationships with colleagues, management styles, job content, career development, managers' activities, workplace design, team, etc. It has been proved that managers at different levels influence the performance and loyalty of employees.

Our study, based on previous survey [1], identified motivational and demotivating factors that impact the level of employee loyalty in construction companies and thus the impact of it on a company's outcome.

The results are given in Table 1.

## **2.4 Scientific Novelty**

The study provides an opportunity to present its results as a theoretical generalization of managers' role in the motivation process of construction companies. It suggests the need to consider motivation and employee recognition for labor activity in the construction company as the most important factor in work performance improvement. It is important to consider the role of different levels managers, which cause the specifics of human resource management in modern building companies that are considered in the article.

**Table 1** List of factors motivating and demotivating construction workers

Motivational factors	Demotivational factors
Compensation	Underpayment
Job security	Poor supervising
Quality of site management	Unsafe work conditions
Timeliness of wage payment	Changing of workmates
Bonuses and benefits	Aggressive and autocratic management style
Good relationship with coworkers	Conflicts
Job satisfaction	Prevalence of individual interests over organizational interests
Appraisal by managers	Long working hours
Good safety program	Incompetency of coworkers
Strict job schedule	Rework
Recognition policy	Lack of recognition
Flexible work	Chaos/adhocracy
Duration of break-time	Overcrowded work areas
Engagement in decision-making process	Communication problems
Complexity of work	Poor organizational ethics
Status of work	Lack of cooperation
Career growth	Underutilization of skill
Availability of contract	Lack of participation in decision making
Job responsibilities	Poor inspection
Training opportunities	Not enough responsibility
Location of work	Not enough challenge
Cultural compatibility	

## 2.5 Practical Importance

However, the research in the field of human resource management in construction organizations in the majority of cases are descriptive in nature; some issues of motivation and encouragement are light poorly or are not considered at all. The lack of science-based approach that takes into account the specific features of building sector is one of the reasons for this kind of research.

The guidance notes for practical application of theoretical leadership developments in building companies also need improvement. The modern leadership methods do not meet the requirements of practical activity. With this aim the results

of the study can be applied in the work of construction organizations by making motivation more systematic and theoretically based.

### 3 Conclusion

Thus, it is important to have systematic basis for making competent managerial decisions:

1. Investigate the level of employee satisfaction and loyalty through a questionnaire.
2. Improve existing programs for increasing staff loyalty based on the information received as a result of the questionnaire.
3. It is important to form loyal staff at the beginning step of work when employees are newcomers, because there is high possibility of conflict of interests at the initial stage, so it is necessary to determine the expectations of the employees. However, the managers of construction companies must keep in mind that satisfying all employees is unrealistic, always due to natural causes, such as movement, illness, childcare, etc. At the same time, the retention of low-productive employees, on the contrary, will have the negative economic impact on the company. Therefore, being aware of the cost of employee resignation and the level of turnover in the company will allow managers to provide the cost-effectiveness of the loyalty programs [3, p. 14].
4. The results of the study concluded that top managers have a big impact on the performance of employees and their loyalty. In this regard, top managers in construction enterprises should improve their communication with employees. It makes them feel valued and a part of the company.
5. In addition, the role of lower-level managers should be increased. They act as a kind of link or communication tool between top management and employees. For this reason, they are more likely to interact with and influence employees in the work process. Therefore, encouraging lower-level managers to involve in decision-making process can increase their self-confidence and, as a result, create more productive work process [5, p. 26].
6. Employee performance appraisals should be conducted periodically. No matter how loyal an employee is to the company, working in the same position for a long time and not being valued by managers can lead to a decline in productivity after a certain period. In this regard, an impartial and objective manager plays an important role.
7. When determining the motivation policy applied to employees, as well as the reward system, the attitude of managers at different levels should be considered and a joint decision should be made.
8. Resolving communication problems between previous and new generation managers can be an important factor in achieving positive results. Business owners try to take their companies to a new level, combining the theoretical base of young

people and the real experience of older leaders and applying modern management systems, this will help construction companies to achieve their goals. In many cases, the old workers do not welcome young people, consider them as a threat to their careers and well-being, and for this reason they openly or covertly resist changes and innovations, and sometimes even openly sabotage them.

9. Injustice in the work environment is unacceptable. If the employee sees equality in the work environment, he will consider the reward system adequate and will show a high level of motivation. If he observes inequality, his level of motivation will decrease. For this reason, managers must be impartial and completely objective in assessing the performance of employees. Managers must be able to distinguish personal relationships from business relationships. It is important to understand that an employee is hired for his/her knowledge and fired for indiscipline. The manager must be able to set tasks correctly and distinguish between responsibilities and obligations.

10. It is mandatory for managers to join self-development programs.

11. Increasing employees' loyalty using only financial tools is not the right approach. It has effect only for a limited time. However, non-financial motivational factors must be used to provide long-term and effective loyalty. Among these factors, there are achievement, recognition, the work itself, responsibility, advancement [7, 8, p. 55].

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