# **EVALUATION OF IDENTITY OF EMPLOYEES OF RAILWAY ENTERPRISES**

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# ABSTRACT

In the article, the process of forming the identity of railway transport employees is considered on the methodological basis of the theory of social identity, the psychological concept of self-determination and the new institutional economics. It is substantiated that identity is a non-monetary form of labor motivation. The results of testing such an approach to evaluating identity in various organizations are described. It is shown that JSC Russian Railways has created a sustainable system for managing personnel and the social sphere using significant material and financial resources, which in turn facilitates corporate consolidation and actualizes the problem of assessing employee identity as one of the activities of human resources management services.

<u>Keywords:</u> railway, corporate psychology, identity, institutional order, motivation, personnel, education, competences, labor, economic incentive.

Background. The new economy, in any of its interpretations - digital, innovative, informational, service, Internet economy - assumes the increasing role of human resources, their predominance over the significance of material factors of production. The increase in the value of the created goods is increasingly taking place on the basis of the effective use of innate and acquired abilities of a person, his creative talent and experience in the economic activity. The second integral component of the new economy is the growing importance of resource allocation institutions and organization of interaction between economic entities. Such features of functioning of the modern economy make it natural to search for innovative methods of personnel management. The scientists have relatively recently recognized formation of the identity of employees as one of those methods [1, pp. 365–367].

For JSC Russian Railways and other railway enterprises, the problem of forming the corporate identity of personnel has always been, by definition, an integral task of management. On the one hand, the vast territorial distribution of production units, an extensive organizational structure, and a multithousand-strong workforce already have in mind the most diverse geographical, historical, social, professional, and qualifying identities of employees. On the other hand, dissemination of unified industry standards for cargo and passenger transportation, maintenance and development of infrastructure require a single universal employee identity in production and economic activities of railway transport enterprises.

In this article, guided by the basics of the theory of social identity, the psychological concept of selfdetermination and the new institutional economics, an attempt is made to determine the economic essence of the identity of employees and a methodology is proposed for assessing this identity in railway enterprises.

The results of the presented research were empirically tested in the process of preparing graduate bachelor's theses at Samara State Transport University.

**Objective.** The objective of the authors is to consider different aspects of evaluation of identity of employees of railway enterprises.

**Methods.** The authors use general management and social methods, comparative analysis, evaluation approach.

## **Results.**

## Features of identity in the economy

In understanding the identity of an individual, two approaches dominate [2, p. 3]. The first, based on the

position of J. Akerlof and R. Kranton, recognizes identity when the existing rules and regulations correspond to the ideal conception of an individual about them. According to these scientists, formation of identity contributes to improving the efficiency of the individual's work activity by 10-25 % [3, p. 39]. The second approach in the interpretation of A. Sen associates the the identity of the individual with his strict adherence and involvement in a particular social group. The basis of formation of universal identity is often mentality of an individual. Mental states, according to the position of the author, adapt individuals to social groups, but do not eliminate deprivations, and should not be taken into account when determining personal well-being. The purpose of formation of identity of an individual, according to Amartva Sen, is as follows: ...individual advantages should be assessed in terms of ability of individuals to live in the way that they have reason to appreciate. Such an approach focuses on the independent freedoms that people enjoy, rather than limit themselves to the final results they will get... [4, p. 271].

We prefer the first – institutional approach, when employees accept and share the existing norms and rules of the enterprise [5, p. 24]. This means that the institutional rules at job contribute to meet the specific existential needs of the individual in the course of his work activity. This is primarily the need for competence and autonomy [6, p. 68]. The need for competence presupposes that the employee's professional competencies correspond to the goals and objectives that the enterprise puts in front of him, and autonomy chooses a style of behavior that ensures his competence and gives him the freedom to act to realize his acquired and innate abilities.

The adoption of the institutional regulations of the enterprise involves the employee's internalization of existing rules and regulations. At the same time, a particular style of individual behavior is formed, defined in the psychological concept of self-determination by E. Deci and R. Ryan as introjected regulation [6, p. 71]. This style involves empathy of an employee from cooperation, is characterized by a greater degree of freedom and is supported by a certain motivational system. The introjected employee behavior style assumes that the existing norms and rules of the enterprise are a more internalized stimulus than the functioning system of material incentives and authorization.

Thus, the identity of an employee of an enterprise is a non-monetary form of motivation that is created in enterprises where the prevailing economic incentives are the applicable rules and regulations. From our point of view, the economic incentive is the





imperative impact of the external environment that regulates employee's behavior. Economic incentives differ by level of internalization, the degree of transformation of external influence into the internal activity of an employee, which is accompanied by various costs of coercion and supervision of his work activity.

Consequently, employee's identity can be assessed using coefficients describing deviation of his individual motivation from its average parameter by department or enterprise, the average sample parameter characterizing staff by gender, age, education, etc. Identity is the degree of the employee's psychosocial well-being, which is shaped by the institutional arrangements of the enterprise. From an economic point of view, it is the existing institutional arrangements that create the universal corporate (service, production) identity of an individual, which combines his various geographical, historical, age, professional and qualifying identities. Although Erik Erikson believed that universal human identity would shape the development of technology and science, as well as their large-scale diffusion [7, p. 274].

The employee's corporate identity is an effective procedure for universalization of his multiple social identity, while maintaining his individualization. High corporate identity contributes to coordination and efficiency of interaction between employees. This significantly reduces the cost of coercion and monitoring activities, reducing the level of transaction costs, leading to better use of production resources.

In addition, identity can be assessed by structural units of the enterprise (corporation). Modern researchers K. Eisenhardt and F. Santos distinguish four types of company operation boundaries: the limit of efficiency, the limit of power, the limit of competence, and the border of identity. The latter shows the degree of involvement and identification of the employee with the organization in which he works [8, p. 501]. Consequently, the corporate identity of the staff can be considered as an additional criterion for optimizing the organizational structure of the enterprise and clarifying the economic feasibility of transforming the structural units into subsidiaries or affiliates.

#### **Evaluation model**

Since motivation acts as an absolute characteristic of individual's involvement in work, and identity is an ordinal evaluation of employee's involvement in an enterprise or its division, identification of identity should be done by correlating individual motivation to the existing level of motivation in a division (enterprise) or in a given group. Similarly, it is possible to establish identity of a particular group of employees by a given criterion. As a sampling criterion, a group is formed by gender, by age, by the criterion of being employed in a given unit, by level of remuneration, by professional or social status (position), etc.

In the theory and practice of psychological and sociological research, a variety of techniques and tests are presented, on the basis of which personnel motivation is assessed. On the basis of the typological concept of V. I. Gerchikov, tests have been made that allow to establish the type of labor motivation of workers [9, 10]. In accordance with the psychological concept of avoiding failure and focus on success, based on the work of A. A. Rean [11, 12], tests are created and put into practice to assess the motivation of employees of organizations. Tests concerning the primary and secondary factors in the formation of the motivation for the work activity of G. Herzberg are widely known [13]. Using the accompanying techniques and having a quantitative characteristic of motivation (for example, in points) obtained by one or several tests, you can proceed to assessing the employee's identity using the formula:

$$K_{id} = 1 - \frac{|s_i - S_j|}{S_i}$$
,

where  $K_{id}$  – the i-th employee's identity coefficient (or identity coefficient of groups of employees according to the selection criterion);

 $s_i$  – motivation of the i-th employee (or of a group of employees according to the selection criterion) calculated on the basis of the test;

 $S_i$  – average motivation of employees in the *j*-th subdivision or enterprise as a whole.

The logic of determining identity: the closer is an individual (group) motivation to the average value of motivation for an enterprise or its division, the higher is the employee's identity factor. Conversely, the greater is the difference between individual motivation and the average value for an enterprise, the lower is the employee's identity factor.

Empirical testing of the proposed model was carried out at enterprises of various industry affiliations. The results indicate a high degree of adequacy of the model and can be used in production and economic practice of railway enterprises. Evaluation of employee's identity was carried out according to uniform sampling criteria. They were gender, age, education, level of pay, professional status (position). Many selection criteria allow for a multivariate analysis of staff from the perspective of its identity.

In production teams with predominance of women, the identity coefficient shows a higher identity specifically for representatives of these gender groups than for men, which is closely correlated with the specifics of their direct activities at the food industry combine. At the engineering and metallurgical enterprises, on the contrary, the identity coefficient is higher for men than for women, which is also explained by the peculiarities of production. In addition, there is a difference in identity for age groups. In a more technologically equipped metallurgical enterprise, a higher identity is observed in younger age groups.

Evaluation of identity of the heads of departments (organizations), which requires a detailed individual analysis, is especially noteworthy. The fact is that in most cases their identity was significantly different from the identity in the whole team. If, as a result of additional research, it was confirmed by a high identity among the main persons of similar divisions, then this indicates a properly built hierarchy and a manager's orientation to development. In the opposite case, this focus is in doubt.

## Corporate factor in JSC Russian Railways

The country's largest railway company has historically carried out and is systematically working on formation of the corporate identity of its employees. However, this function is implicit in nature and is not declared in the main activities of the personnel management and social development services. Thus, the areas of activity of the personnel management department related to formation of corporate identity of employees include: «Developing and introducing new personnel management technologies that increase employee performance», and also «creating integrated mechanisms for encouraging staff involvement in solving corporate tasks and improving the efficiency of labor activity due to the growth of

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interest in the results of labor and self-realization of workers» [14]. In addition, the department of social development, implementing corporate social projects, developing and organizing the main directions of social policy and implementation of social development and social protection programs for employees of JSC Russian Railways based on the corporate social standard, contributes also to formation of corporate identity of employees [15].

An external factor reflecting the significance of identity formation for the holding company is introduction of uniforms and their systematic updating in accordance with new trends in design and changes in corporate culture. Over the past thirty years, uniforms have been updated three times (most recently in 2010). In addition, the system of continuous vocational training, diverse social programs show constant attention to formation of corporate identity by a variety of means.

From the position of personnel policy, it is becoming increasingly relevant and expedient to evaluate multi-year investments in formation of corporate identity, as well as to determine the extent to which the current institutional arrangements of the largest transport corporation contribute to creation of a universal identity of personnel.

Do not forget that the identity of workers is an additional criterion, which, together with traditional technical and economic parameters and personnel management indicators, will allow more adequately rationalize the organizational structure and evaluate the feasibility of constitution of new subsidiaries and affiliates in the holding system in consistency with the mood and needs of employees.

### Conclusions.

1. Identity is a non-monetary form of motivation for the work activity of the personnel of enterprises, in which the prevailing economic incentives are the existing rules and regulations.

2. The motivation of the employee is an absolute value, allowing to assess the degree of employee's involvement in production and economic activity of the enterprise. Identity is a relative characteristic of the employee's motivation in relation to motivation of an enterprise as a whole, its structural unit or group of employees, formed according to a given attribute.

3. The methodology used was tested in organizations belonging to various industries. Empirical testing indicates a high degree of adequacy of the proposed model and a significant potential of its application for solving problems of human resource management.

4. The extensive geographical distribution of production units, a huge workforce with a diverse professional and qualification structure, the tasks of constantly improving the quality of freight and passenger traffic, maintenance and infrastructure development make it necessary for Russian Railways holding structure to have a single corporate identity of employees.

5. The employee's identity refers to effective ways of improving efficiency of human resources, optimizing the organizational structure of enterprises and corporations. At the same time, in the railway transport system, real assessment of the corporate identity of the personnel has not been carried out yet. The proposed toolkit will allow to determine the effectiveness of economic and social costs of enterprises regarding labor motivation of staff and strengthening of its loyalty to the corporation.

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