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## MODERN METHODS OF STAFF MOTIVATION AND INCENTIVES

Uktamova Zakhro Nuriddin kizi

Master of Science in Corporate Management, TSTU

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### Abstract

The article examines theoretical and practical aspects of work motivation as a key field at the intersection of management psychology and human resource management. Motivation is analyzed as a dynamic physiological and psychological process that determines the direction, intensity, and persistence of professional behavior. Particular attention is paid to the Japanese model of labor motivation, which is based on the principles of collectivism, corporate loyalty, and lifetime employment. The paper describes the main components of the Japanese motivation system, including job rotation, reputation-based career development, on-the-job training, and specific compensation practices. It is concluded that the high performance of Japanese companies is largely determined by the development of a strong “corporate spirit,” the integration of individual and organizational goals, and the creation of a stable motivational environment.

**Keywords:** Work motivation, human resource management, corporate culture, Japanese management model, lifetime employment, incentive system, employee performance.

### Аннотация

В статье рассматриваются теоретические и практические аспекты мотивации трудовой деятельности как ключевого направления психологии управления и кадрового менеджмента. Раскрывается сущность мотивации как динамического процесса, определяющего направленность, активность и устойчивость профессионального поведения личности. Особое внимание уделяется анализу японской модели мотивации труда, основанной на принципах коллективизма, корпоративной преданности и пожизненной



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занятости. Описываются основные элементы японской системы стимулирования, включая ротацию кадров, систему репутации, подготовку на рабочем месте и особенности оплаты труда. Делается вывод о том, что высокая эффективность японских компаний во многом обусловлена формированием «духа фирмы», интеграцией личных и корпоративных целей и созданием устойчивой мотивационной среды.

**Ключевые слова:** мотивация труда, кадровый менеджмент, корпоративная культура, японская модель управления, пожизненная занятость, система стимулирования, эффективность персонала.

Work motivation is a branch of psychological knowledge that emerged at the intersection of fundamental fields of management psychology and the practical needs of professional work. It is believed that effective human performance in any field presupposes, first and foremost, a sufficiently high degree of motivation. Research into the patterns of motivational development makes it possible to predict individual behavior in a given situation, including when deciding on the successful implementation of a specific management task. High employee motivation is associated with their effectiveness. Managers who are able to harness the motivations of their subordinates typically achieve significant success in solving management problems. This is why motivation is one of the primary areas of study in modern psychology and management [1].

Motivation is a dynamic process of physiological and psychological control of human behavior, determining its direction, organization, activity, and stability. Motivation refers to an individual's internal drives, which are responsible for the level, direction, and persistence of effort expended at work. Motivation in HR management involves creating conditions that awaken a person's own motivations and needs. Personnel motivation in HR work is a group of qualitative characteristics of personnel and the requirements for a position or workplace. This group of characteristics includes: - professional and personal interests; - career aspirations; - desire for power; - willingness to accept additional responsibility and workload, etc.



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Japan is distinguished by high labor productivity. Moreover, productivity indicators outpace the growth of general living standards and wages in Japan. One of the national characteristics is heightened civic responsibility and a pronounced sense of self-awareness. This means that the individual needs of each person are prioritized over the achievement of collective well-being. The Japanese motivation system is based on the principle of unquestioning loyalty to the company where the employee works and the prevalence of corporate values over personal ones. In particular, this is manifested in the following aspects of work:

- The Japanese consider themselves active components of the corporation where they work;
- Employees are personally responsible for their work functions;
- Representatives of all professions in Japan equate the concepts of organization, profession, and work functions. Thus, the phrase "I work as a mechanical engineer" is much less common than "I work for Toyota";
- Workers in the Land of the Rising Sun rarely take full vacations, as this approach can be perceived as disloyal to the employer. Taking only half of the required official days off is normal practice;
- The Japanese motivational method does not allow for downtime or delays caused by employee absences due to absenteeism or illness. Most Japanese prefer to continue working even when showing signs of illness or general malaise;
- The concept of overtime does not exist as such, nor is there compensation for overtime;
- The principle of lifetime employment with one company is exchanged for generous bonuses and guarantees upon reaching a certain length of service. This approach influences salary levels, career prospects, and the level of respect in society.

The foundation of employee motivation in Japanese corporations is employee identification with the employer. The most popular types of incentives are:

1. Material and cash bonuses at the end of reporting periods.
2. Reimbursement of parking and commuting expenses.
3. Extended health insurance for employees and family members.



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4. Provision of corporate housing or partial payment of utility bills.
  5. Loans for the acquisition of movable or immovable property.
  6. Pension co-financing.
  7. Opportunities to obtain an education (higher or additional) at educational institutions in Japan and other countries.
  8. Continuing education through language learning, courses, and so on.
- Japan typically uses more flexible and differentiated incentive systems compared to other industrialized countries. The most common compensation systems in large and medium-sized enterprises are based on five labor relations systems, rooted in national traditions and philosophies.

First, a system of **lifetime employment**. College and university graduates who join the company work there until retirement.

Second, a system of **personnel rotation**. Lifetime employment doesn't mean that if someone starts their career at SONY as a driver, they'll stay there. In Japan, a worker isn't a programmer or a blue-collar worker, but an employee of a particular company. Moreover, even a graduate of the prestigious University of Tokyo, upon joining a company, isn't immediately promoted to a management position, but starts in the most unskilled position. This practice applies to both the private and public sectors. Workers change specializations throughout their working lives, moving from blue-collar to white-collar jobs. The same system applies to government agencies, where employees begin their careers at the lowest level and don't stay in one position for more than two or three years. Moreover, if an official from the Ministry of Labor works in Tokyo today, tomorrow they might be assigned to the Hokkaido Provincial Labor Department. There are no exceptions, and therefore no loopholes, for anyone.

Third. **The reputation system**. Its essence is that, wherever a specialist works, they must perform their duties in such a way that when they move to a new position in two or three years, they have a reputation as an excellent worker and a decent person. A written character reference is compiled for each employee at each new position, very concise (half a page) and clear, listing their strengths and weaknesses. This character reference, following the specialist, usually determines their future career. Moreover, one must care about one's reputation everywhere, not just in the workplace. It is important to emphasize that there is



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always a chance to improve it by achieving recognition from colleagues and superiors, and earning a "reputation."

Fourth. **The on-the-job training system.** This can also be called a self-training system, because no one is engaged in training as such. Each employee independently learns from their colleagues' experiences, listens attentively to advice, constantly monitors innovations, and strives to apply them in practice.

Fifth. **The compensation system.** It is characterized by the following five distinct features.

1. Dependence of salary on length of service: after a year, earnings increase.
2. Dependence of salary on life's peaks.
3. Dependence of managers' salary on the company's performance.
4. Strict correlation of salary with performance.
5. One of the lowest wage differentials in the world – 1:4 (only Sweden has a lower ratio, 1:3).

It should be especially emphasized that, in achieving high company performance, Japanese managers rely primarily on creating a creative, welcoming atmosphere, focusing their staff on achieving common human goals, and what the Japanese call the corporate spirit [2].

### **Conclusion**

Work motivation is one of the key factors in ensuring an organization's effective functioning. Modern research in the field of management psychology and management confirms that a high level of employee motivation is directly linked to labor productivity, the quality of management decisions, and the company's sustainability in a competitive environment.

Analysis of the Japanese motivation model shows that its effectiveness is based not only on material incentives, but primarily on the deep integration of employees into the corporate environment, the development of a sense of belonging, and the promotion of strong social responsibility. Systems of lifetime employment, personnel rotation, reputational advancement, and on-the-job training create long-term employee commitment to the organization's success.

Thus, an effective motivation system must be comprehensive, combine material and non-material incentives, and take into account national characteristics and



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corporate values. Creating a sustainable motivational environment is becoming a strategic objective of modern management, ensuring not only economic results but also the social stability of the organization.

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