### ДЕМОГРАФІЯ, ЕКОНОМІКА ПРАЦІ, СОЦІАЛЬНА ЕКОНОМІКА І ПОЛІТИКА

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#### THE UPDATING OF MECHANISM OF ECONOMIC PROMOTION AS A PERSONNEL MANAGEMENT KEY FACTOR IN THE CONCEPT OF INCENTIVE PAYMENT FOR LABOUR REFORMING

*Annotation.* The article focuses on the formation of new features of relations promoting the productivity of labor in the direction of stimulating of new systems of modern agricultural farms in Ukraine. *Key words:* grading, promotion, salary, wages, productivity, stimulating.

The problem. Development of an effective system of incentives is one of the most actual problems of our time. On one hand, such a system should encourage employees to work effectively on the other hand to be economically profitable because the choice of the pay system is one of the main steps of the effectiveness of any organization and its employees. The system should be clear so, that the staff can observe a direct relationship between productivity, quality of their work and received salaries. The remuneration system should be a conscious mechanism. These aspects determine the relevance of the research topic.

Analysis of the recent researches and publications. In Ukraine a number of aspects of this problem develop such scientists as Basaraba N. J., Vasylkiv T. G., Kolot, A. M., and others. Not enough research was made to this time to the problems of combinatorics of internal components of the remuneration of labour in the agricultural sector of Ukraine, and also accounting for both local and institutional factors in their operational planning funds of economic stimulation of farmers. [1-3] The aim of the article. The purpose of this article is to identify the problems of economic stimulation and ways to overcome them in terms of a market of socially-oriented economy.

Economic stimulation – is a system of organizational and economic measures aimed at the development of economic activities and increase of efficiency by providing financial incentives and work of the enterprises in the results of their activities. The character, forms and methods of economic stimulation are determined by the type of economic system. There are several requirements that should be guided in the creation of incentive systems:

- 1. objectivity;
- 2. predictability;
- 3. adequacy;
- 4. timeliness;
- 5. significance;
- 6. equity.

As practice shows, non-compliance leads to instability in stuff and has a strong demotivating effect. In order to the system of motivation of the personnel of the enterprise would bring a positive effect, when it was created , it is recommended to follow such coherent steps:

1. the formation of the structure of the company's personnel and definition of the size of the fixed part of the salary;

2. decomposition of the strategic purposes at the level of units and individual employees (a selection of key performance indicators for the calculation of the variable parts of the salary);

3. the development of stimulation's mechanisms (definition of the rules of calculation of the variable parts of the remuneration of employees).

Considering these aspects as a "panacea" on local and efficient update mechanism of economic stimulation, we offer to take the socalled system of operational planning of remuneration (further – SOPEP"). The wage in a given system is determined by the following components: 1) payment of labour expended (hourly contribution); 2) payment of the outcomes (results) of work (piece-rate contribution).

On this basis, the salary of each employee is scheduled on four main parameters:

1. rate-planned (negotiable) salary,

2. the ratio of the two parts rates: hourly and piece-rate contribution.

Variable salary's components which are constituting payment of the outcome of labor:

1) the salary for the implementation of personal plans;

2) the salary for the results of their unit (department);

3) the salary for the results of the adjacent department or the whole organization,

4. the minimum wages.

Rate is the fee charge for the professionalism of the employee, his personal qualities, abilities and skills in the sphere of the organization's specialization . The share of wages results in the composition of the rate depends on the degree of influence on the employee's position to the results of the implementation of the main indicators of production and economic activity of the company, its divisions or personal plans. Moreover, the greater is the significance of the functions, the higher is the share.

Besides, in the system "SOPOP" is minimum wages ,which is the limitation in reducing the level of wages, if one takes different results of work into account, it can be a decline in the quality of labor, improvident situations. It means the actual salary of the employee will not be below the specified minimum. Such a system allows to keep important for the company employees through the establishment of individual minimum wages. Then it is taken into account the status of the employee and his value to the organisation.

The system "SOPOP" is a comprehensive solution of problems of wages and work's stimulation:

1. universality;

2. the declining influence of the final salary of external factors, that is the independence of the efforts of the staff;

3. improved methods of corporate planning;

4. the economic interdependence of outcomes and wages;

5. planning of rates in the comparison with the market average of specialists rates in the region;

6. improving labour and technological discipline, reduction of non-productive losses, improvement of the ethical and inward climate in the stuff [26,41].

The reform of working payment in Ukraine is carried out under economic crisis conditions, which are characterized by a constant threat of transit smotherd inflation in the open demand. No doubt, then the higher the inflation is, the more are attenuated the economic stimulation to work and invest. The reform of working payment in Ukraine will be successful only in terms of financial stability, but certain measures for at least temporary stabilization should adhere to on a daily basis. Through this, defining the so-called minimum wage "SOPOP", we propose to choose minimum wage, adjusted for inflation (prices) or optimally weighted (for example on the basis of correlational studies and build a lot of factorial regression equation) market's rate of basic pay, when planning which should be taken into account the following factors and tools of influence: the state of supply and demand in the labour market , work productivity, the index of inflation (prices) and minimal wages. Their sophisticated combinatorics will provide an opportunity to plan effectively the so-called time-based part of earnings. A further variant of

filling and combining piece- part and a variable premium payments that can reasonably justify enterprise, their own based on the implementation of certain production goals and the achievement of specific economic results. Practically, on the example of the agricultural companies in the Melitopol district of Zaporozhye region approbation of this method can be as follows. Received by five-years studying of tendencies concerning the evaluation of the current system of economic incentives nominally indicate on satisfactory state of the organization of labor stimulation of conformity payment of its basic principles, but existed losses of working time because of the influence of the seasonal character of production underestimated the nominal dimensions basic earnings and month wages work of agrar that reporting 2013 year amounted 2044 UAH and although dominates the minimum payment of the work, but remains the smallest among the

dimensions of economic incentives for the industries of the region.

Besides, the state of loss inherent in the agricultural companies of the reporting year, proved that a significant disruption between the size of earnings and end results, it is indicated with the correlation coefficients on the definition of the correlation strength between the size of profit( loss) and basic and the additional wages with corresponding values (-0,392) and (-0,304).

Therefore, we can make a concludion that the local workforce's efforts in the organization of the productive aspects of reproduction and stimulation are insufficient, and deficiencies identified the saerchof the new strategic approaches for the organization of agricultoral labour and its payment, taking into account the trends of labour's market and specific features of reproduction of staff researched the industry.

Table 1

of reproduction of the working peasantry								
The name of the event	The parameters of the equation	The correlati on coefficie nt	The expected parameter s	The regression equation	Average monthly basic salary, UAH.			
The main prediction of remuneration according to the changes:								
Tools of the influence of both local and institutional impact	minimum wage, UAH.	ryx1 = 0,982	1255					
	price index, %	ryx2 = - 0,962	97,2					
	productivity, UAH./person- hour.	ryx3 = 0,959	126,5	y=- 17,1x4+26,1x5+1,21x 2+8,1x1+3336,8	1668			
	the offer in the labour market, people	ryx5 = 0,873	892					

The numerical prediction of the composition of the remuneration according to the parameters

That's why, we have developed new specific ways as to the renewal of encouraging employees mechanism of the public sector of agricultural production in Melitopol district of Zaporozhye region based on the construction of the optimization model the main wage rates (tab. 1).

Special attention among them were attracted by the transfer to the "SOPOP" - system operational planning of remuneration.

These data are presented in table 2.

Its implementation will make it possible to increase the basic pay of the peasants in the range from 10 to 43% (table. 3).

Table 2

## The range dependence of the basic wage from changes in the level of productivity of the components in accordance with the system «SOPOP»

		The main prospective rate, including the				
	Minimum wage	on an hourly investment	piecework investment			
Categories ( indicators)	( the statutory minimum- adjusted price index)	( planned rate is negotiable, as in previous periods, but not below the minimum)	the salary for the implementat ion of personal plans (identical to predict- 1668)	the salary for the results of their unit (team)	Together	
The amount of rate, UAH	1255	1255			1255-min	
		1549	152		1701- average	
			152	508	2209-max	
The productivity of labour, thousand UAH./person-hours: - min	110,4				110,4-min	
-average			114,1		114,1- average	
-max				126,5	126,5- max	

Table 3

# The effectiveness of measures for upgrading the system of the main echanism of economic stimulation

Index		Project	Project in % to the fact
The number of employed , people	1635	1635	100,0
The intensity of labour, thousand UAH./person		184,5	109,9
The value of gross output in comparable prices, UAH million.		404,8	166,7
Amount of the labour cost, million people /hour		3,2	145,5
The productivity of labour, thousand UAH. / people-hour.		126,5	114,6
The complexity, person / UAH		0,01	100,0
Production, thousand UAH./ person		247,6	166,6
The level of using working hours, %		100,0	Х
Average monthly salary, UAH		2761	135,1
including : - main		2209	142,6
-additional		552	111,5

The application of this approach as to provide effective stimulation will increase the volume of production in 1.7 times over the terms of productive potential reproduction and balanced employment standards that will be accompanied by the growth of labour productivity with 110,4 to 126,5

UAH./person-hour. with the ability to gradual increase in monthly earnings 35.1%, i.e. from 2044 to 2761 USD.

**Conclusions.** Afterwards, the implementation of this strategy is a good part of

a general reform of the stimulation system within this concept.

The national programme for socio-economic development of the agricultural sector and agricultoral areas of Ukraine, proof of which is the preservation of the conditions of expanded reproduction with maximum implementation of the labor potential, which indicates the possibility of final wage increase in 35% at the possibility of increasing the rate of production on 67%.

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**Анотация.** В статье рассмотрены особенности становления новых отношений побуждения к производительному труду в направлении внедрения новых систем стимулювания в современных агроформированиях Украины.

*Ключевые слова*: грейдинг, заработная плата, заробітна оплата труда, поощрения, производительность труда, стимулирование

**Анотація.** В статті розглянуті особливості становлення новітніх відносин заохочення до продуктивної праці в напряму запровадження новітніх систем стимулювання в сучасних агроформуваннях України.

*Ключові слова*: грейдинг, заохочення, заробітна плата, оплата праці, продуктивність праці, стимулювання