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## MOTIVATION OF LABOR OF PERSONNEL OF INDUSTRIAL ENTERPRISES ON THE BASIS OF IMPROVEMENT OF THE SYSTEM OF SOCIAL AND LABOR RELATIONS

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### *O. Tarasevich. Motivation of labor of personnel of industrial enterprises on the basis of improvement of the system of social and labor relations*

*The article substantiates the necessity of strengthening the motivation of labor of the personnel of industrial enterprises, as well as the necessity to improve the system of social and labor relations at enterprises of Ukraine. The problems of the current state of the system of payment and motivation of labor at the state level and at the enterprise level are considered in the light of the development of the system of social and labor relations. It is concluded that in modern conditions of economic development of Ukraine the main measures of solving this problem are modernization of social and labor relations, connected with payment of labor and ensuring full and productive employment, reproduction of human capital.*

### *Тарасевич О. В. Мотивація праці персоналу промислових підприємств на основі вдосконалення системи соціально-трудових відносин.*

*У статті обґрунтовано необхідність посилення мотивації праці персоналу промислових підприємств, а також необхідність вдосконалення системи соціально-трудових відносин на підприємствах України. Проаналізовано проблеми сучасного стану системи оплати і мотивації праці на державному рівні і на рівні підприємства з урахуванням розвитку системи соціально-трудових відносин. Зроблено висновок, що сучасних умовах економічного розвитку України основними заходами вирішення цієї проблеми є модернізація соціально-трудових відносин, пов'язаних з оплатою праці і забезпеченням повної та продуктивної зайнятості, відтворення людського капіталу.*

### *Тарасевич Е. В. Мотивация труда персонала промышленных предприятий на основе совершенствования системы социально-трудоовых отношений.*

*В статье обоснована необходимость усиления мотивации труда персонала промышленных предприятий, а также необходимость совершенствования системы социально-трудоовых отношений на предприятиях Украины. Проанализированы проблемы современного состояния системы оплаты и мотивации труда на государственном уровне и на уровне предприятия с учетом развития системы социально-трудоовых отношений. Сделан вывод, что современных условиях экономического развития Украины основными мерами решения этой проблемы является модернизация социально-трудоовых отношений, связанных с оплатой труда и обеспечением полной и продуктивной занятости, воспроизводства человеческого капитала.*

**Introduction.** The current state of economic activity of industrial enterprises is characterized by crisis phenomena at all levels - from microeconomic to macroeconomic. Negative manifestations are observed in social and labor relations regarding the reproduction of labor force of the personnel of enterprises, in particular, in matters of motivation and payment of wages and ensuring a high quality of life. Lack of motivation of labor in the personnel management system of industrial enterprises is based on the underestimation of the importance of the impact of social and labor relations on state budget policy, on the increase of the burden on the expenditure part of the budget by social transfers, on the reduction of aggregate domestic demand and, consequently, the deceleration of economic growth, on the activation of migration processes and the outflow of intellectual capital from Ukraine to create the economic and legal foundations for the implementation of the poverty reduction strategy.

The need to strengthen labor motivation and implement measures for reforming the field of labor relations at industrial enterprises is identified as one of the priorities of the Strategy for Sustainable Development, Ukraine 2020 [1].

**Analysis of recent research and publications.** The following scientists have devoted their research to the following areas of development of the system of payment and labor motivation and the improvement of the system of social and labor relations at the industrial enterprises of Ukraine: O.A. Atayeva, P.Y. Buryak, L.O. Gorodets, T.A. Hare, S.P. Kalinina, A.V. Kalina, B.A. Karpinsky, A.M. Kolot, E.M. Libanova, V.G. Sumtsov, O.M. Umansky and others. At the same time the question of motivation of labor in the system of personnel management of industrial enterprises on the basis of improvement in the system of social and labor relations is quite acute and requires the attraction of attention not only scientists, but also representatives of legislative and executive power, in order to reduce social tension in society.

**The purpose of the article** is an analysis of the current state of labor motivation in the personnel management system of industrial enterprises and the identification of priority areas for improving the system of social and labor relations at the present stage of development.

**Research results.** The formation of the system and the payment and motivation of labor at industrial enterprises takes place on the basis of the formal mechanism of interaction between employees and employers through the state bodies of legislative and executive power. Considering the existing system of defining minimum guarantees in the field of pay, we note that its size is too low, which is approved annually by the Cabinet of Ministers and is laid down in the Budget of Ukraine. The determination of the size of the minimum wage should be established during the formation of the General Agreement on Tariffs after the tripartite negotiations between the representatives of the unions and the representatives of the joint employers, which is controlled by the state authorities to prevent the non-fulfillment of the salary of the reproductive function. The National Tripartite Social and Economic Council does not implement the functions of social dialogue, resulting in a minimum wage "on habit" equal to the subsistence minimum for an able-bodied person. The latter is determined by the cost of the minimum consumer basket, and provides a simple reproduction of the workforce. It should be noted that the cost of goods for the consumer basket calculated by the Ministry of Social Policy is actually lowered due to the limited availability of Ukrainian goods directly from the producer at declared prices, and imported goods on the consumer market, whose low quality often prevents them from using them in the terms specified in the resolution. [2]. According to the State Statistics Committee in Ukraine 29% of households are registered. In which one of the members during the last 12 months has not been able to receive medical assistance if necessary, to buy medicines and medical supplies [3: p. 58]. The qualitative component of labor capital deteriorates - only 50% of the urban population and 49.3% of the rural population assess their health as good, while satisfactory - 41.0% and 39.7%, and poor - 9.0% and 11% respectively [3, p. 16].

Thus, the Ministry of Social Policy should ensure that the sets of goods in the structure of the minimum consumer basket are reviewed, their adequate monetary valuation (market price) is established and also the taxes on labor remuneration are taken into account.

It should be noted violation of the Law of Ukraine "On Labor Remuneration". Specialists and employees are assigned salaries, the size of which is equal to the minimum wage, during the formation of staff descriptions of institutions and organizations of state ownership (in state administrations, pension funds, social protection funds, general educational institutions and health protection organizations, etc.). In particular in the Article 3 of the Law of Ukraine "On Occupational Safety" states that "the minimum wage is the statutory wage bill for simple, unskilled labor, below which the payment for the employee's monthly work, as well as the hourly rate of work can't be paid" [4].

Consequently, if the minimum wage is 1450 UAH in May - November 2016 [5, p. 21], then the minimum hourly wage will be 7.55 UAH, which is almost 26 times less than in economically developed countries, in particular, in the USA.

Low wage rates result in the development of corruption, lowering the level of responsibility for the work performed, violations of labor discipline due to poor motivation and the combination of employment in the primary and secondary labor markets. Finding a new job for these employees is quite difficult. Thus, the burden for one vacant workforce of higher state bodies, employees, managers, managers is 22, specialists - 13, technical staff - 20 people [6, p. 61]. At the same time, the structure of registered unemployed workers of the simplest professions is only 14.6%. Thus, unoccupied citizens, having higher or vocational education, feel themselves not realized on the labor market and are forced to look for a job outside their professional group or outside Ukraine. Consequently, the establishment of a low wage rate for skilled workers is a major factor leading to the outflow of the most active human capital from Ukraine. In order to establish a minimum wage, the most important point should be the provision of such an amount of money that would be sufficient to maintain and raise the number of children necessary for society.

The main factor in the development of enterprises working to meet the demand in the domestic market is the growth of real wages of Ukrainians. This is confirmed by the fact that in the structure of expenditures of households, the share of the article "purchase of goods and services" is 90.1% [5, p. 20]. Consequently, if you set the budget to increase social standards, every quarter by 5-10% higher than the consumer price index, then you can bring the level of real average wages at least to 2013. The sharp increase in real wages is almost double, as envisaged by the government in 2016 p., may not lead to an increase in domestic production, but, on the contrary, to untwist the inflationary spiral, when the money supply, which is not backed up by commodities, will increase the pressure on the hryvnia exchange rate. It is about such growth rates of incomes, which correspond to the growth rates of working capital of resident enterprises operating in the domestic market. Correct in this context may be a government policy to reduce the taxation of the wage fund, which in 2016 led to an increase in average monthly real wages by 9.1% [5, c. 20].

It is the state bodies that should play a leading role in establishing a system of social and labor relations. At present, only 6343,300 employees are covered by collective agreements, and this is practically one third of the economically active population [6, c. 72]. It is necessary to implement regulations for the acquisition of real rights by trade unions to uphold the interests and rights of employees, to ensure the implementation of the norms of the current legislation on the protection of workers' rights [7, c. 117].

On the basis of the foregoing, the importance of solving the problem of motivation and remuneration of the personnel of industrial enterprises is of great importance on the basis of the improvement of the system of social and labor relations, in particular, on the basis of the development of the corporate governance structure.

In today's conditions, in order to increase the effectiveness of the corporate governance mechanism, an organizational structure of corporate governance is required, aimed at increasing the results of financial and economic activity of the enterprise. The basis of the formation of this structure is the principle of economic interest of workers-owners. As a result, a "labor organizational and corporate structure" should be formed. The statistical evidence of the need for the formation of this organizational structure is the results of the research of specialists of the Ukrainian-European Advisory Center on legislation, according to which the highest values of indicators of profitability of production and labor productivity are achieved at enterprises with the largest share of workers-owners in the general composition of owners.

"Labor Organizational and Corporate Structure" is a group of owners-owners, who have the greatest interest in the results of financial and economic activity of the airline.

"Labor Organizational and Corporate Structure" can be created already in the process of privatization of property of the enterprise, if it is allowed by the applicable method of privatization.

The reason for the formation of "labor organizational and corporate structure" is the different attitude of employee-owners to improving the results of financial and economic activity of the privatized enterprise. Additional income in the form of a dividend in practice is not always the so-called alternative to the growth stimulus of labor initiative and creative activity. At the enterprises there was a situation in which not all employees seek to improve the performance of their work. Dividend accrual is proportional to the shares in the statutory fund determined during the privatization process and is not directly related to the individual results of the work, including the values of the indicators of labor quality in the post-privatization period. Thus, a separate part of the employees entitled to receive dividends can afford to reduce the degree of their participation in improving the indicators of financial and economic activity of the enterprise to the level of "passive" stockholders or owners of shares, shares.

The sizes of individual payments of dividends depend on the general indicators of financial and economic activity of the enterprise - the sum of net profit and dividend fund, the formation of which is achieved by joint efforts of all employees-owners.

The existence of a permanent additional profit-dividend and the lack of methodical methods for establishing the digital dependence of changes in the final financial results on changes in the values of the quality of labor indicators of each employee resulted in the division of the owners-owners into "active" and "passive" shareholders. Moreover, the "active" category of employees is forced not only to achieve the achievement of the final financial results, but also to make dividend payments to "passive" shareholders.

The method of redistribution of corporate shares of the personnel of industrial enterprises is based on the formation of initiative labor groups among the employees-owners and employees for hiring, but wishing to become owners, as well as the voluntary desire of part-owners (participants) to sell their shares and share of property.

The formation of "labor organizational and corporate structure" in the post-privatization period is carried out in several stages: the consolidation in the organizational-legal documents of the corporation rules for the transfer of ownership rights to the property share to other participants or third parties; identification of the number of participants wishing to transfer property ownership rights to other participants or third parties; identification of a group of participants wishing to acquire ownership of the property; detection from this group of the number of participants having the right to purchase shares of property; identification from this group of the number of participants having means for the purchase of property shares; determination for each participant of the incremental sum of an individual partial fund; identification of a group of third-party employees in the mercenary who wish to acquire ownership of the remaining share of the property; identifying from this group of persons entitled to purchase shares of property; detection from this group of persons having means for the purchase of property shares; determination for each potential participant of the amount of the individual unit fund.

The second way of creating a "labor organizational-corporate structure" involves the use of the value of the calculated coefficient of quality and discipline of labor  $Q_i$ .

Individual unit fund is calculated according to the formula:

$$IDFi = \frac{UF}{\sum Q_i} \times Q_i$$

(1)

where:  $IDFi$  individual share fund of the participant (employee-owner) of the corporation;

$UF$  authorized fund of corporation;

$Q_i$  is a combined coefficient of quality and discipline of the work of an individual participant;

$\Sigma Qi$  sum of aggregated coefficients of quality and discipline of labor of all participants.

Initially,  $\Sigma Qi = \Sigma Ti$  ( $Ti$  is the aggregate coefficient of employee share participation in the redemption of the property of the privatized enterprise, the value of which is determined by the ball system at the beginning of work on the implementation of the privatization plan). For calculations it is expedient to further preserve this equality.

According to the given formula, the value of an individual unit fund is influenced by:  
change in the size of the authorized fund;  
change in the sum of the consolidated coefficients of quality and discipline of labor for all participants of the corporation;  
change of individual values  $Qi$ .

The usual change in the authorized capital towards the increase leads to a proportional increase in the individual funds of the corporation participants or to the allocation of shares of the property of hired workers who wish to be part of the participants. Establishing the sizes of individual unit funds of new participants can be done using the coefficients of share participation. Next,  $Qi$  is calculated for each new participant. Consequently, alongside with the increase of the authorized capital,  $\Sigma Qi$  will increase.

In case if the amount of the increase of the authorized fund should be distributed only between the participants, then it is expedient to increase the individual unit funds of the participants not proportional to the current, but based on the calculated  $Qi$  values. The amount of increase of the individual unit fund of a participant is calculated according to the formula

$$\sum IDF_i = \frac{\sum UF}{\sum Q_i} \times Q_i$$

(2)

where:  $\sum IDF_i$  is the sum of the increase of the individual unit fund of the participant corporation;

$\sum UF$  size of the authorized capital of the corporation.

When the statutory fund decreases, formula 2 has the form;

$$\left(-\sum IDF_i\right) = \frac{(-\sum UF)}{\sum Q_i} \times \frac{T_{im}}{Q_i}$$

(3)

where  $(-\sum IDF_i)$  amount of reduction of the individual unit fund participant corporation;

$(-\sum UF)$  the size of the reduction of the authorized capital of the corporation;

Those  $m$  are the least individual value of  $Ti$ .

If the airline has a situation in which the amount of consolidated coefficients of quality and discipline of work of all participants has changed (that is, decreased or slightly increased), then there are disproportionate changes in the individual  $Qi$  (more employees increase or decrease  $Qi$  values). The change in the sum of the combined coefficients of quality and discipline of work of all participants leads to the breakdown of the number of participants into three groups.

1. Employees who contribute to increasing the sum of aggregated coefficients of quality and discipline of work of all participants, that is, individual  $Qi$  which increase.

2. Employees who do not influence the sum of aggregated coefficients of quality and discipline of labor, that is, individual values. This remains unchanged.

3. Employees who reduce the sum of aggregated coefficients of quality and discipline of work of all participants, that is, individual  $Qi$  which is reduced.

Depending on the numerical composition of the groups and the size of changes in the individual values of  $Qi$ , the sum of the consolidated coefficients of quality and discipline of work of all participants varies towards increasing or decreasing.

There is a reciprocal relationship between the indices of the participant's individual unit fund and the sum of the consolidated coefficients of quality and discipline of the work of

all participants. Therefore, the possible change of the individual unit fund inverse is proportional to the change in the sum of the combined coefficients of quality and discipline of labor. In this regard, the total increase of 10G is calculated only for the participants, which increased by the formula 1. The sum of this increase is reduced by the IDF participants, which lowered the individual  $Q_i$  values. Total reductions in the South are determined in proportion to the size of the  $Q_i$  reduction by the formula:

$$(-\sum IDF_i) = \frac{\sum IDF_i}{\sum Q_i} \times Q_i$$

(4)

where  $(-\sum IDF_i)$  the total reduction of the IDF of the participant, which reduced the  $Q_i$  value;

$\sum IDF$  and the sum of the increase of IDF participants, which increased the value of  $Q_i$ ;

$(-\sum Q_i)$  the sum of the reduced values of  $Q_i$  of all the participants who lowered the individual values;

$(-Q_i)$  the size of the reduction of the individual  $Q_i$  participant. IDF participants,  $Q_i$  which has not changed, remains at the level of the previous.

Influence of changes in  $q_i$  of individual participants that did not provide general changes in terms of the unchangeable size of the authorized fund is calculated according to formula 1.

"Labor Organizational-Corporate Structure" is formed separately for each of the three categories (groups) of employees (managers, specialists and technical staff) and has the form, presented in Fig. 1. The basis of the formation of this management structure by the working owners is the redistribution of individual unit funds with a gradual retirement among the owners of workers with a regularly low quality score and discipline of labor.

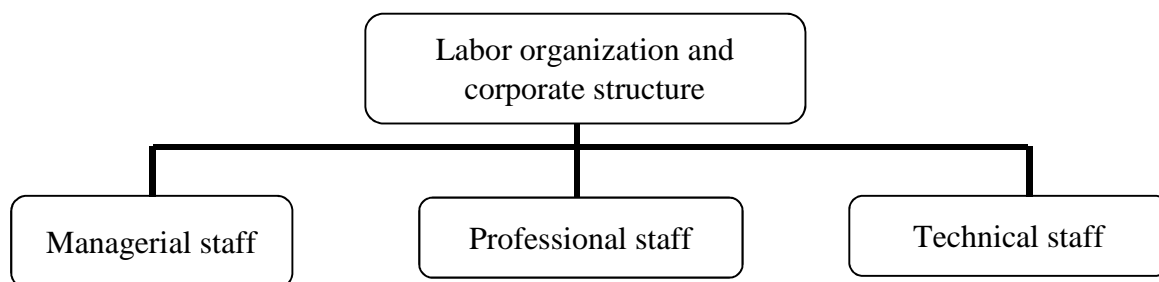


Fig. 1. Scheme of formation of labor organizational and corporate governance structure

The effectiveness of the organizational structure of corporate governance can be considered as the degree of achievement by the airline of its goals with the use of all available resources.

Thus, qualitative improvement of the corporate management system of the airline is associated with qualitative changes in the management structure, that is, the formation of a "labor organizational structure" by using one of the proposed methods: either the method of converting  $Q_i$  values, or by making appropriate changes to the constituent documents of the enterprise.

**Conclusions.** As a result of the scientific research, one can conclude that the motivation of labor for the personnel of industrial enterprises should be based on the improvement of the system of social and labor relations. In today's conditions of economic development of Ukraine, the main measures of solving this problem are the modernization of social and labor relations related to the payment of labor and the provision of full and productive employment, reproduction of human capital. Strengthening the motivation of labor

should ensure that the reproductive function of the minimum wage, the size of which would provide not only a simple but also an expanded reproduction of labor potential, taking into account the current tax rate and the composition of the family. Under the conditions of limiting the attraction of foreign investments, it is the gradual growth of real wages, as well as personal income from corporate shares, should be a source of revitalization of economic activity of business entities in Ukraine and economic growth. As a source of rising living standards, the domestic industrial production continues to remain a tool for reducing unemployment, therefore its support, including due to the growth of domestic demand, is an important part of the state policy and the improvement of social and labor relations in Ukraine.

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**Ключові слова:** мотивація; оплата праці; персонал; промислові підприємства; вдосконалення; соціально-трудова відносина; система.

**Ключевые слова:** мотивация; оплата труда; персонал; промышленные предприятия; совершенствование; социально-трудовые отношения; система.