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MODERN SYSTEMS OF INCENTIVES FOR WORKERS

In a rapidly changing world it is important to keep pace with global developments in work motivation. It brings passive tangible results, when an employee loses interest for labor. To prevent loss of potential profit a manager must maximize the return on their subordinates. A properly designed work should create internal stimulation, a sense of personal contribution in manufactured products. Men are social beings, and thus, a sense of ownership can cause their deep psychological satisfaction. It also allows them to understand themselves as personalities.

The system of motivation of a company takes a leading role in all internal factors affecting the development of enterprises and organizations. Incentive systems should generate a sense of justice of tangible rewards and enhance the interest of workers in improving not only individual work, but also work as a "business relations" with other employees. Employees have to see a clear correlation between the results.

Studying the impact of stimulus acts as a basis for an effective work for those who are really seeking for realization of their talents and capabilities and for those who are sincerely interested in their work as well as in the results of a company activities.

Statistics on survey of companies shows that about 50% of employees consider money to be the main incentive for work. Now the main labor motive for our fellow citizens is a financial factor. However, it does not mean that labor efficiency depends on this particular factor only, because such incentives are related to many of them.

It is not enough to have a desire to work effectively. That's why, availability of necessary conditions for this is the important factor that strengthens labor discipline and ensures development of labor activity and initiative.

To generate moral incentives among workers it's necessary to improve the ways of labor activity increasing. Initiatives of workers include:

- enhancement of their awareness and involvement in the problems of a company;
- identifying of target parameters of a subsection activity (complexity reduction, product quality improvement, reduction of production costs);
- forming of innovative target groups;
- training of employees;
- providing of conditions for innovative activities;
- moral support of employees' initiative and its financial coverage, including priority by promoting the most enterprising workers.

As for a financial aspect, we offer the following modern elements of stimulation of workers:

- pay for qualifications – the essence is that the level of payment depends not only on the complexity of work, but also on a set of specialities which an employee is able to use at his work. It means that acquiring every new speciality a performer gets an increase in salaries, and this knowledge must be used in his work;

- today the triad of monthly, quarterly and annual bonuses is considered to be a financial motivation in competitive job market conditions. Monthly and quarterly additional benefits are much more important for employees. This system is more understandable for an employee;

— a good tool for long-term employee motivation is the use of a grading pay system. The grading system is, in fact, the formation of a post rater. Grades are posts that have the same value for a company. Each grade corresponds to a certain amount of salaries. Besides, people of different professions can get the same grade, for example, an accountant, a sales manager and a specialist who provides a company with legal services. Grade system ensures a clear understanding to a worker within the hierarchy extent where his position is.

Assessing the effectiveness of workers one must take into account negative effects in employees' labor. Such effects include negligence, failure of technological and production discipline: reprimand about performance of official duties; rude communication; provide insufficient information, etc. So, it is useful to set up the antibonus system (tab. 1), which provides a list of violations indicating the reasons when employees are deprived of their premium.

Table 1

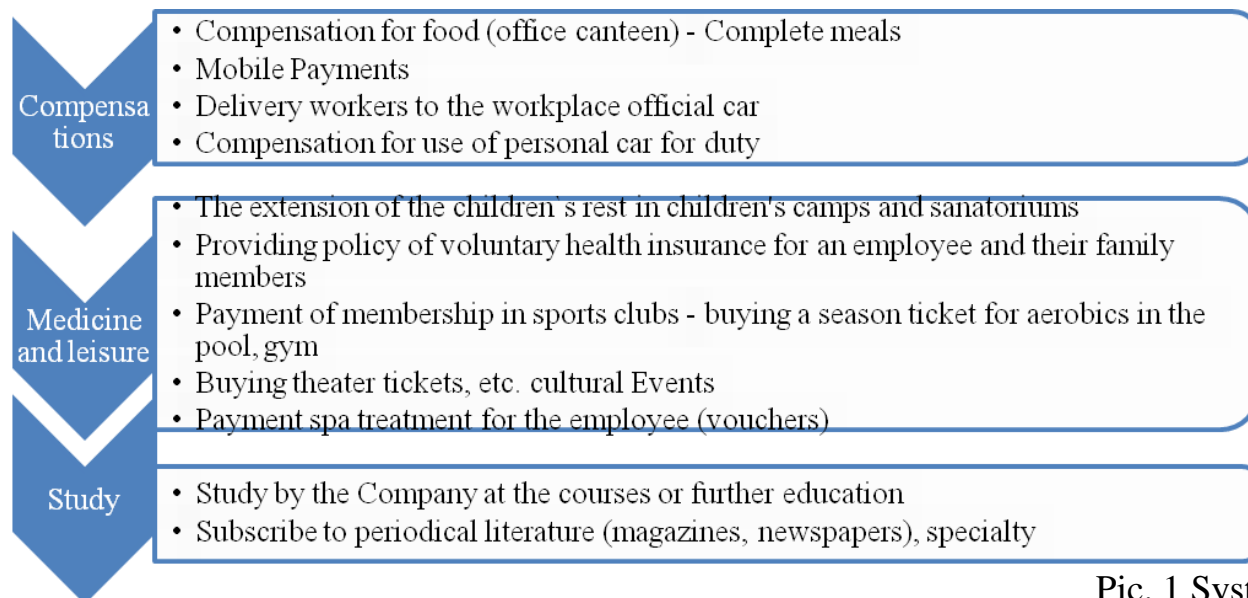
Antibonus system for an enterprise

The business unit	Possible violation	Antibonus
1. All workers	1. Delays, poor performance or failure to fulfil production tasks, orders	Award Reduced at 50%
	2. Violation of safety rules, rules of technical operation, fire safety, traffic rules, manufacturing instructions and rules of internal labor order	Award Reduced at 3-15% depending on a violation
2. Accountants and employees of Sales	1. The financial abuse	Full Fines
	2. Late payments for contracts	Award Reduced at 3-6% depending on a violation
3. The staff of material and technical supply department, warehousing department	1. Failure to purchase material and technical resources under contracts	Award Reduced at 5-7% depending on a violation
	2. Accidents caused by an employee's fault	Full Fines
4. The staff of manufacturing department, shops	1. Failure standards of product quality	Award Reduced at 2-30% depending on a violation
5. The staff of shops, service of chief mechanic	1. Failure to schedule maintenance, preventive maintenance, work above the established downtime	Award Reduced at 5-20% depending on a violation

Distributing a prize fund and establishing additional incentive allowances special attention should be paid also to a social package.

The social package is the remuneration received by an employee for having been employed by a company, and is not related to an amount and quality of work performed. Challengers are increasingly paying attention to it.

Experts consider the social package to affect positively on the quality of standard of employee's living. It also shows that an employer refers respectfully to his employee and his employee's work. The social package may include a medical insurance, free meals, the compensation of transportation costs and the costs for mobile communication, an Internet access, the pay for tuition and for advanced training, providing of interest-free loans for buying a house or a car, the pay for housing for nonresident employees. We offer the following system of social compensation (pic. 1).



Pic. 1 System of

social compensation

To summarize, it should be noted that these models of stimulating are beneficial for both management and personnel.

Implementation of the suggested measures requires to assign a responsible for their conduct. Their rational use at a company will contribute not only to the operation, but also to the development of a company. A personnel center may be created to do this.