

OPTIMIZATION OF SALARY CALCULATIONS AND EMPLOYEES' LABOUR PRODUCTIVITY STIMULATION AT THE ENTERPRISE

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Abstract. The purposes of the paper are: the detailed analysis of salary calculations, the evaluation of the effectiveness of employees' work, the development of optimizing mechanisms of salary calculations by increasing productivity and implementation of the methods of employees' labour stimulation. *Methodology.* The study is based on an analysis of different groups of enterprises, including agricultural ones. It is analysed that for today the efficiency of labour at some enterprises drops due to low wages and the lack of employees' motivation mechanism. *Results.* The study found that the process of salary calculations has a lot of problematic aspects, such as a deficient work organization, insufficient stimulation of workers, poorly composed documents, etc. To improve such a situation, it is suggested an introduction of automation in order to reduce the wasting of working time for data processing of an accounting department and to improve significantly the quality and speed of information transfer to the head of an enterprise and external users. It is offered to use a labour ball to improve employees' motivation, which is a form of accounting for the work varying on quality and quantity that was contributed to production. According to the scoring results, a mechanism of bonuses for employees is suggested. *Practical implications.* We suggested entering new documents to control the number of issued orders – "Registration Book of Issued Orders". To provide a high level of quality control of executed works, it is suggested to display data in a special primary document "Record Sheet of Performance Quality". It is offered to use partial salary payment for unprofitable enterprises through payment in kind. *Value/originality.* At first, the results will allow increasing the firm's performance quality without losing employees, and subsequently – allow increasing the profitability of the enterprise.

Key words: optimizing mechanisms, labour productivity, development, development, stimulation.

JEL Classification: C41, C83, D20, D23

1. Introduction

The labour productivity is an important economic category characterizing the effectiveness of the labour force. The labour productivity shows the rationality of a company's financial activity and each employee's activity. The higher labour productivity is, the higher the income of enterprises and salaries. This shows up the general economic pattern of production development.

The transition to a market economy has made changes in the forms of the labour relations' regulation. Now the direct form of legal regulation of labour relations is the tariff agreements and collective bargaining agreement. Enterprises have the right to choose the system and form of remuneration independently, based on the specifics and problems that have arisen at the enterprise.

A major role in the development of the production and increasing its efficiency is played by labour resources. The labour resources are the main productive forces of agricultural production. Their correct and complete registration, a study of their structure and motion at the

enterprises, their rational use are essential for improving the efficiency of production.

Human manufacturing abilities are the main factor of production in the society, at each enterprise and its divisions. An employee brings all the factors of economic activity and leads to their interaction to achieve the ultimate goal. On the rationality of employee's actions depend the results of worker production, its intensity, and effectiveness.

The labour and wages accounting is one of the main areas in the whole system of accounting at the enterprise. Its major objectives are: the deadline to make the buyout to pay, collect and group rates of the wages for the preparation of necessary reports and make calculations with the social insurance, pension fund and fund of employment in the new economic conditions.

Considering the problems of the wages, you will notice that only one definition of wages' size can cause significant complications for all participants of the labour relations, as employee always wants to have the highest level of income while the employer seeks to reduce costs.

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The main factor influencing the effectiveness of using the labour is the wage system. It is salary, and often it is only one reason that leads the worker to his workplace. Therefore, the significance of this problem is hard to overestimate.

The labour and wages accounting should ensure operational control over the number and the quality of work, the use of tools that are included in salary and social payments fund.

The new systems of the labour and the wages' organization should provide financial incentives for the employees. This is due to the dependence of the salary level on living standards. For the most people, the salary is the main source of income. Therefore, issues related to the salary (its size, shape of charges and payments, etc.), are among the most pressing for the workers and for the employers.

2. Problematic aspects of the calculations of wages

The issue of the rational use of the labour forces plays an important role in further enhancing the production efficiency. The results of the company are largely dependent on the availability of its labour force, the efficiency of its use. Insufficient availability of the labour force can lead to a failure of the planned volume of the production and its surplus can lead to partial use and to the reduced productivity (Vachevska, 2005).

The tension in maintenance of the enterprise workforce can be reduced through a better use of the labour, a productivity growth, an intensification of the production, a comprehensive mechanization and an automation of the production processes, an introduction of the new productive machines, an improvement of the technology and an organization of the production. During the analysis should be identified reserves of reducing the need for the workforce as a result of the above measures (Kolot, 2003).

The improving of labour force's productivity is a pressing problem, the solution of which depends on the rate of the expanded reproduction in agriculture and completes the needs of the country in its products.

According to many leading scientists and economists in the present socio-economic conditions, we have a lot of economic problems related to motivation, namely:

- small amounts of the cash flow from business enterprises during the year and the impossibility of the obtaining loans lead to a lack of sufficient working capital to pay salaries every month, all the more so twice a month;
- inflation and the constant threat of "collapse" of the currency do not allow using the money to objectively evaluate and compare labour costs at various stages of a long production cycle. In such a situation, money is no longer a measure of the labour costs and their evaluation;

- lack of the communication between outcomes and the level of the salary as the result of almost all major agricultural enterprises pay for the amount of the performed work or received goods, without incurred costs;

- workers' salary charged at a certain declared level (tariff rates, etc.) and the actual financial capabilities of many companies do not allow to pay that amount of money because only the material and the cash production costs (cost minus salaries) often exceed the price of the products. As a result of the mentioned is carried a constant accumulation of arrears wages without any economic support of its maturity;

- violation of the settlement principle. Thus, if the company installed the required level of payroll and the amount of the advance paid within a year is less than its actual size, at the end of the financial year a surcharge is made. If the volume of performed work exceeds the required advance of fund of the payment, it will be a cost overrun;

- replacement of monetary payment by kind. There are cases when all wages are issued in the form of products, goods and services, which is not the wages in fact. It is a complete replacement of the monetary payment by the natural issues. This way of the payments for the employees is not legally regulated or provided in the collective agreements and regulations of the pay. In addition, it leads to budget losses (Vachevska, 2005).

The organization of the work is based on legislation and other regulations, the general agreement at the national level, an industry, regional agreements and the collective labour agreements. Every citizen the right to work realizes by entering into an employment contract. The employment contract is an agreement between the employee and the owner of the enterprise, the institution, the organization or the empowered body where the employee agrees to perform the work specified in the agreement, with the subordination of the domestic labour regulations, and the business owner or the authorized body is obliged to pay the employee the wages and provide working conditions to the employment provided by the labour legislation, the collective agreement and the agreement of the parts (Kolot, 2003).

The enterprise uses the material and human resources for its activities. The amount and composition of the staff depend on its size, level of mechanization, direction of the specialization, structure and organization of production and other factors. The demand for the labour is defined in terms of economic and social development.

The development of productive forces and the steady growth of the needs of the society determine the need for the increasing productivity. At all stages of the human history, an economic law of the productivity growth operates. The achieved level and the pace of the productivity growth is an important indicator of the efficiency, a source of real income growth and welfare.

To our opinion, the wage is advisable to call a fee, which is calculated in the monetary terms, which the authority has to pay to the employee for his work. It can be concluded that scientists have studied the meaning of the wage for a long time. There are as many definitions of the salary, as many opinions about the dependence of the wages from the company's type of activity.

3. Terms of payments of wages

The organization of the work is based on the legislation and other regulations, the general agreement at the national level, an industry, regional agreements and the collective labour agreements.

The owner or his representative comes with the employee in the labour relations when he receives the employee for the work. The main document, which establishes the relationship, is a contract of the employment.

The employment contract is an agreement between the employee and the owner (or authorized body, person). According to the labour contract, the employee agrees to perform the work specified in the contract, observe internal regulations of the company, and the owner of the company or its authorized body or person is obliged to pay the employee the wages and provide the necessary conditions for the job.

According to the law, the wages are paid regularly in working days in the terms laid down in the collective agreement, but at least twice a month through the period of time that does not exceed sixteen days. The payment for the employees is carried out on a priority basis after paying the required fees. The wages of employees consists of the main (permanent) and additional (variable) units, as well as incentive payments.

The purpose of the rationing of the work at the enterprises is based on the introduction of new technology, the improvement of the production and the labour organization, the improving of its conditions to reduce the cost of the output, the increasing productivity, which is essential to expand the production and to increase the real incomes of the employees.

The rationing as a quantitative measure of the labour influences the qualitative differences. Disadvantages of the rationing, which are expressed in different intensity standards, the level of their performance, determine the violation of the ratio of pay, depending on the complexity of the work. Labour standards contribute to equal pay for equal work only when they reflect its equal intensity (Mayorenko, Kalyghnuyi 2000).

The organization of the wages largely depends on the quality of the legal enactments, as the use of the rules of time and understated norms of the work in the evaluation of the value of the worker's labour leads to a violation of the principle of payment depending on a number of the labour.

The connectivity of earning of the workers with quantitative and qualitative results of their work is

carried out through the forms and wages. Their rational choice and building help to provide the material interest of the workers in growing the productivity, improving the quality of the products, increasing its competitiveness, saving raw materials, etc. (Mayorenko, Kalyghnuyi 2000).

The form of extra pay for the performance of the indicators is a bonus. There is a necessity of the bonuses due to the fact that the wages for the worked hours and the number of products does not let to take into account the results of the labour, to combine personal material interest with the collective one, to stimulate increased productivity, improved utilization of assets, improve the quality of the product at the same time.

4. Optimization of the calculation of salary and stimulation of the employees' work

The chief accountant must carry out operational meetings concerning the accounting of all links of production and analyse the quality of submitted original documents and give the workers a rating of the work quality in order to strength the labour discipline among employees of all accounting and to monitor the workflow.

The simplification of accounting and reporting reductions are equally important. The agrarian enterprises continue to report about the production and the production costs, volumes, sales channels and revenue as for departmental reporting.

One of the main ways to improve accounting is the transition to modern computer technology. It should be noted that majority of accounting programs that apply in the country, repeats the technology that expanded in the hand forms of accounting and does not include fundamentally new approaches. The computer helps the accountant to perform calculations more quickly and accurately, to produce accounting books, payment, accounting documents and so on. In general, the level of automation of accounting in Ukraine is high, but enterprises of the agricultural sector should significantly improve the material and technical equipment and train staff to carry out accounting services in order to prepare the framework for the implementation of the automated form of accounting.

We propose to use a labour ball to improve motivation, which is a form of accounting for the work varying on quality and quantity that was contributed to production. As labour is different in quality and in quantity, then the indicators of estimation of the labour costs per working day are different too. There are prices per unit of worked time, the amount of completed work and rendered services in the labour points. The ball equal to 1 estimates a simple job that does not require training. All other activities are equal according to the coefficients of the indicator of estimation. The more complex the job, the more skills it needs, and more labour points it

has. The proposed method of scoring skill level of the employee is presented in Table 1.

It is possible to address cumulative labour costs of each individual worker and all together during the production period by using the labour points. At the end of the period, when the enterprise's business results become known, it is recommended to determine the actual level of payment (in cash and in kind) for a labour point. The specific employee receives compensation in a proportion of invested amount and the quality of the work, i.e. the number of the labour obtained points.

Table 1

The proposed method of scoring skill level of the employee

Labour point	Characteristics of workers
1-3	An employee who has no skills in performing their work that does not require it. They are auxiliary and service (loaders, cleaners, etc.). They have no special training.
4-5	The employees, low-skilled, who are engaged in a simple work, such as repairs, metalwork, building and so on. They have an experience for a few weeks.
6-7	Skilled employees who are engaged in challenging work (metal and woodworking, repair, locksmith, construction, etc.). They have considerable experience for a period of 1-2 years.
8-10	Employees who are highly qualified. They are employed in particularly difficult and responsible work (repair and adjustment of complex equipment, electrical work, etc.). Employees who have extensive practical experience, more than 2-3 years, and periodically probation.

The sequence of awarding employees in accordance with the rating list in Fig. 1.

The use of the proposed approach to the construction of labour relations at the enterprise provides a solution of certain economic problems, namely:

- it lets to compare and adequately assess the labour costs during the period of agricultural production;
- it promotes cessation of further growth of arrears of the wages, which is very important in the current environment;

- it helps to eliminate levelling in the wages of employees of enterprises of different economic efficiency;

- among the participants of the process, only such amount of money and volume of the products, food and feeds is distributed, which may be allocated for the salaries based on the results of the business period. The amount of payment for each employment's point is not a fixed quantity. The better results and lower labour costs, the more the amount of money for labour point, and vice versa. So, this helps to make an absolute connection between the salary and the work's result.

It is proposed to use the "Registration Book of Issued Orders" to control the number of issued orders at the company. Its purpose is to register orders, to control the assignments, outputs and worker's salary fund in the whole area. This will prevent the cases of uncontrolled orders issued and unreasoned payments. We offer data on the critical areas of the work to reflect in a special primary document "Record Sheet of Performance Quality" to ensure a high level of control over the quality of work performed at the studied company. The results of the quality of products can adjust the level of the wages of employees, raise the level of the labour discipline in units, apply financial incentives. Therefore, the primary documents to accounting products consider appropriate to reflect its quality characteristics.

At present, it is practiced in the agricultural areas to make the partial payment in kind. With the development of market relations and due to the lack of cash, it is advisable to make the payments in kind, using free products or sold at bargain prices. There is no developed document on payments in kind yet, so free-form documents are used for this purpose.

The employees sometimes want to receive the partial payment in kind for using in the private household. Although the issue of wages in kind to employees is still relevant for many farms because of their loss and insecurity of the working capital, but at the studied enterprise the improvement is needed.

However, we believe that the introduction of stimulation actions will allow the companies, including agricultural ones, to optimize their work and to establish a fair process of workers' wages. The increasing of profits

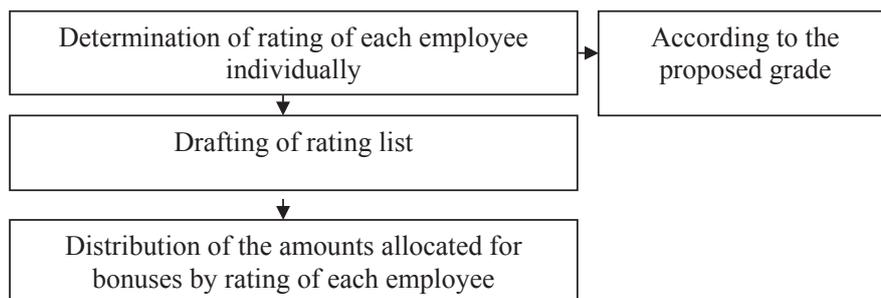


Fig. 1. The scheme of employees' awarding according to the rating list

by stimulation employees' work will increase their productivity.

5. Conclusions

The study found that the process of salary calculations has a lot of problematic aspects, such as the deficient work organization, insufficient stimulation of workers, poorly composed documents, etc.

To improve such a situation, there is suggested an introduction of automation in order to reduce the wasting of working time for data processing in an accounting department and to improve significantly the quality and speed of information transfer to the head of an enterprise and external users.

It is offered to use a labour ball to improve employees' motivation, which is a form of accounting for the work varying on quality and quantity that was contributed to production. According to the scoring results, a mechanism of bonuses for employees is suggested.

Also, we suggest entering new documents to control the number of issued orders – "Registration Book of Issued Orders". To provide a high level of quality control of executed works, it is suggested to display data in a special primary document "Record Sheet of Performance Quality".

It is offered to use partial salary payment for unprofitable enterprises through payment in kind. At first, this will allow increasing the firm's performance quality without losing employees.

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Ольга ОДНОШЕВНАЯ

ОПТИМИЗАЦИЯ РАСЧЕТОВ ПО ОПЛАТЕ ТРУДА И СТИМУЛИРОВАНИЕ ПРОДУКТИВНОСТИ РАБОТЫ СЛУЖАЩИХ НА ПРЕДПРИЯТИИ

Аннотация. *Целью работы* детальный является анализ состояния расчетов по заработной плате. Оценка эффективности работы сотрудников, а также разработка механизмов оптимизации расчетов за счет повышения продуктивности работы и внедрения мотивации работы служащих. *Методика.* Исследование основано на анализе работы разных групп предприятий, в том числе и сельскохозяйственных. Проанализировано, что на сегодняшний день эффективность работы в некоторых из них падает, за счет низкой оплаты труда и отсутствия мотивационного механизма сотрудников. *Результаты.* В результате проведенного исследования, выявлено, что процесс расчетов по оплате труда имеет много проблемных аспектов. Из-за несовершенной организации работы, недостаточное стимулирование работников, некачественно составленные документы. Для улучшения данной ситуации, было предложено внедрение автоматизации, что позволит сократить затраты рабочего времени бухгалтерии на обработку учетной информации и позволит значительно повысить качество ведения учета и оперативность передачи информации как руководителю предприятия, так и внешним пользователям. Для улучшения мотивации труда предложено использовать трудовой балл, является формой учета различной по качеству и количеству труда, которая вложена в производство. По результатам балльной оценки предлагаем механизм премирования работы сотрудников. *Практическое значение.* Предлагаем ввести новые документы, с целью контроля за количеством выданных нарядов – Журнал регистрации выданных нарядов и для обеспечения высокого уровня контроля качества выполненных работ отображать данные в специальном первичном документе «Учетный лист качества работ». Для предприятий, получающих убытки, предлагаем перейти на частичную выплату заработной платы частями, через оплату продукцией. *Значение/оригинальность.* Полученные результаты позволят на первых этапах повысить качество работы фирмы, при этом не потеряв работников, а в дальнейшем и повысить прибыльность предприятия.